

AllWest Environmental

PROPERTY CONDITION ASSESSMENT

La Bahia Hotel & Spa, 215 Beach Street, Santa Cruz, CA 95060



PREPARED FOR:

La Bahia Propco, LLC
444 West Ocean Boulevard, Suite 650
Long Beach, CA 90802

ALLWEST PROJECT 26004.60
February 6, 2026

PREPARED BY:


Ryan Miller, Architect
California License No. C28183

REVIEWED BY:

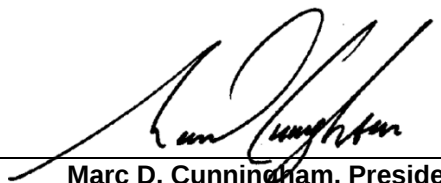

Marc D. Cunningham, President



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PROPERTY CONDITION ASSESSMENT

La Bahia Hotel & Spa, 215 Beach Street, Santa Cruz, CA 95060

I. EXECUTIVE SUMMARY

AllWest has completed a Property Condition Assessment (PCA) of the above referenced site in accordance with ASTM E2018-24. On January 26, 27, and 29, 2026, AllWest visited the property and observed the condition of the structure and the exterior site elements. Russ Cyr, the hotel's Director of Engineering, acted as our site escort. Additional information and documentation concerning the construction and maintenance history of the property was provided and reviewed during the preparation of this report.

This Property Condition Assessment was conducted on behalf of Ensemble Hotel Partners in support of their financing purposes.

We conducted research with the Santa Cruz Building, Planning, and Fire Departments for violations information, building permits, inspections, and reports.

This Executive Summary is provided solely for the purpose of overview. Any party who relies on this report must read the full report. The Executive Summary may have omitted important details, any one of which could be crucial to the proper understanding and subject matter risk assessment.

The purpose of this report is to inform the reader of the existing condition of the civil, architectural, and landscape components, as well as the mechanical, electrical, plumbing (MEP), and fire and life safety equipment (FLS), that comprise the property and identify what conditions, if any, should be corrected to improve building systems, appearance, and performance over the next five years.

A. PROPERTY DESCRIPTION

The subject property consists of a two-building luxury hotel with 192,732 square feet (sq ft) of total floor area. The buildings will be referred to in this report as follows (in boldface), with year of initial construction completion; the floor areas are shown in parentheses, followed by the number of guestrooms:

Main Bldg: 2025 (188,570 sq ft—without basement), 155 guestrooms

Tower Bldg: 1926 (4,162 sq ft) 10 guestrooms

The Main Bldg floor area with the basement is 213,018 sq ft. The basement level is a partial floor; its plan outline is smaller than the floor above. Construction of the six-story Main Bldg began in 2022 and was completed in 2025. The Main Bldg contains the lobby and front desk area, guestrooms, restaurants, bars, gift shop, commercial kitchens, spa, workout room, restrooms, service rooms, and offices. A parking garage is located in the basement and on portions of the first and second floors. The three-story Tower Bldg — the third level is a partial floor — was originally part of a larger complex called the Casa del Rey Apartments. Constructed in 1926 — and later known as the La Bahia Apartments — the majority of the complex was demolished in 2020. The Tower Bldg is the portion that was not demolished; it is being renovated as part of the overall hotel construction project. The Tower Bldg was undergoing construction at the time of our site visit. It will contain ten guestrooms upon completion. Ultimately, there will be 165 guestrooms at the hotel, of which 21 are suites.

The subject property is sited on two legal parcels. The parcels are both L-shaped and adjoin to form an approximate square shape in plan. Parcel information per the Santa Cruz County Assessor's Parcel Map follows:

007-21-401: North parcel, 0.648 acres;
007-21-402: South parcel, 0.762 acres.

The combined parcels contain 1.410 acres. The buildings occupy roughly 92% of the site. Adjacent to the subject property, Beach Street runs northeast-southwest, 30° off the east-west cardinal compass points. The site is bound by First Street to the north, Westbrook Street to the east, Beach Street to the south, and Main Street to the west.

Street frontages follow:

First Street:	250.00 feet
Westbrook Street:	230.32 feet
Beach Street:	251.39 feet
Main Street:	256.68 feet

The site has a significant slope with 34 feet of elevation change, descending from northwest to southeast, though the terrain along Beach Street is essentially flat.

The zoning is R-T(C). The site has a base City of Santa Cruz zoning designation of R-T (Tourist Residential) with a C (Beach Commercial) overlay zoning designation. Additionally, the site is in the SPO (Shoreline Protection) overlay district. The subject property is used as a transient lodging facility with associated events uses. Per the architectural drawings, the listed occupancy classifications are Group A-2 (Assembly—banquet halls); Group B (Business—offices); Group E (Educational); Group M Mercantile—retail store); Group R-1 (Residential—hotels, transient); and Group S-2 (Low-hazard Storage—parking garages). The Tower Bldg has only Group R-1 occupancies. The subject property is located in FEMA Flood Zone X (unshaded).

The two buildings have significantly different structural systems. The Main Bldg has a reinforced concrete structural frame with cast-in-place concrete columns, girders, beams, and floor slabs. The Main Bldg has a 36" reinforced concrete mat foundation.

The Tower Bldg has conventional Type V wood-framed perimeter wall and intermediate floor construction with dimensional lumber roof framing and panelized plywood roof decks. There is some supplemental structural steel framing. The wood-framed first floor is supported by wood beams and joists and a concrete pier foundation system; there is a crawl space. A continuous shallow footing beneath the perimeter walls is provided with larger pier footings in several locations; concrete foundation stem walls are also provided.

Site elements appeared in generally "Excellent" condition. The two buildings and concrete site work and paving cover an overwhelming majority of the site. Concrete public sidewalks are provided on the four streets that bound the property.

Delineated parking stalls for 161 cars are indicated on the three levels of the parking garage. Seven Disabled Accessible parking stalls are provided, of which two are Van Accessible. Each level of the garage has a cast-in-place concrete slab as the floor surface. Off-street parking for a total of 222 cars—per our count from the architectural drawings—is provided; all hotel guest parking is valet parking. Of the 222 spaces provided, 61 are valet spaces which block delineated parking stalls; valet spaces are not delineated with pavement markings. In the garage the paving and stall striping appeared in overall "Excellent" condition. The provided parking is presumably compliant with the requirements set forth in the Development Permit that governed redevelopment of the property as a hotel and in the regulations of the Santa Cruz Municipal Code.

Concrete sitework appeared in "Excellent" condition. New concrete sidewalks and walkways were installed as part of the redevelopment of the property. Some walkways have ceramic tile or brick pavers.

The landscaping appeared in "Excellent" to "Good" condition. Street trees were recently planted along the north, east, and south elevations. Along the south elevation, palm trees are planted in sidewalk voids covered with cast-iron grates. Narrow flower beds are located along the east and west elevations. The flower beds along the south elevation are wider. Small shrubs, flowering plants, and grasses are installed in the flower beds. Shrubs in rectangular concrete planters are located along the open-air seating area for the first floor restaurant adjacent to Beach Street. A sub-surface irrigation system is installed.

The roofing systems are evaluated as in "Excellent" to "Good" condition. On the Main Bldg, a single-ply thermoplastic polyolefin (TPO) roofing system is installed; it is date stamped February 2024. The Main Bldg roof is flat with minimal slopes. Red terra cotta barrel tiles are provided as accents, typically at the tops of parapets. Green roofs, with plantings of low-growing grasses, cover approximately 25% of the roof area of the Main Bldg. On the pitched roofs of the Tower Building, a new, red terra cotta barrel tile roofing system was installed in August 2025 as part of the current renovation project.

Building exterior finishes appeared in generally "Excellent" condition. The exterior elevations have a smooth concrete stucco finish. Both buildings are painted white. The doors and windows also appeared in "Excellent" condition. Black polycron coated aluminum-framed windows are provided. New windows and exterior doors have been installed in the Tower Bldg. All glazing is double-pane with a light gray integral tint.

Interior finishes appeared in generally "Excellent" condition. Common areas include the Main Bldg reception and lobby areas, bars, restaurants, the gift shop, corridors, stairwells, restrooms, the spa, the fitness room, and the pool area; access to the last three areas listed are generally restricted to hotel guests and employees.

MEP and FLS systems appeared in generally "Excellent" condition. Space heating and cooling in the Main Bldg are provided by air source heat recovery variable refrigerant volume (VRV) systems which serve all guestrooms, each of which is provided with an attic-mounted fan coil unit. Additionally, split-system heat pumps serve other areas of the buildings. The HVAC system is supplemented by outdoor air units and the two pollution control units that serve the three garage levels. Ventilation is typically provided by ceiling-mounted exhaust fans in guestrooms and restrooms.

Kitchen makeup air is provided by a large roof-mounted air handler unit, which also provides heated air. One split-system heat pump provides heated and cooled air for the Tower Bldg.

Pacific Gas & Electric (PG&E) provides 480/277 volt 3,000 amp 3-phase, four-wire service to the hotel. The main service entrance switchgear is located in a dedicated electrical service room along the north side of the Main Bldg on the upper level of the parking garage. Numerous sub-panels are located throughout the buildings. The electrical distribution equipment was recently installed and was manufactured by *Siemens*. Copper wire-in-conduit runs serves the electrical needs in both buildings.

PG&E supplies natural gas to the property. Gas is consumed by the rooftop makeup air unit, kitchen equipment, laundry equipment, the fire pit, the fireplace, the pool water heater, the spa pool water heater, and domestic water heaters.

The buildings are fully fire sprinklered and protected by wet-pipe systems. Each building has its own riser. An 8" fire water service feeds the sprinkler system in the Main Bldg; a 4" service serves the Tower Bldg. Backflow prevention devices are provided for each sprinkler service.

The buildings are protected by a fully addressable fire alarm control panel (FACP) located in the Main Bldg; the panel reportedly serves both buildings. Numerous fire alarm communicator and power panels are also installed. Fire alarm devices and emergency lighting have backup power provided by a 300 KW red diesel-fired generator.

The vertical conveyance systems appeared in "Excellent" condition. Five overhead traction elevators are installed. Three are passenger elevators; two are freight elevators. All were manufactured by *Otis*. A wheelchair lift is also installed in the restaurant back-office area of the Main Bldg.

The subject property demonstrates a generally "Excellent" level of compliance with Disabled Accessibility requirements.

B. SUMMARY OF FINDINGS

AllWest found the subject property in generally "Excellent" overall condition. We recommend the following remedial measures to correct deficiencies, summarized as follows:

Capital Expenditures

- Both buildings: Initiate and maintain a contract for annual roof inspections and maintenance;

- Main Bldg: Provide periodic touch-up painting of steel supports and curb caps for HVAC equipment to mitigate rust;
- Both buildings: Conduct infrared scanning of the electrical distribution equipment on a three-year schedule;
- Main Bldg: Conduct ground fault performance testing of the 3,000 amp main circuit breaker on a three-year schedule.

C. IMMEDIATE REPAIRS & REPLACEMENT RESERVES

Immediate Needs

Immediate Needs are defined as physical deficiencies that require immediate action to correct: (1) existing or potentially unsafe conditions; (2) significant negative conditions impacting marketability or habitability; (3) material building code violations; (4) poor or deteriorated condition of critical element or system; or (5) a condition that if left "as is" would cause or contribute to critical element or system failure within one year or a significant escalation in repair costs.

Immediate repair needs were not identified.

Replacement Reserves

Replacement Reserves are funds allocated for: (1) priority-based repairs of physical deficiencies resulting from poor design, faulty installation, or the substandard quality of original systems or materials; (2) deferred maintenance; and (3) replacements of components or systems that have realized or exceeded their Expected Useful Life (EUL).

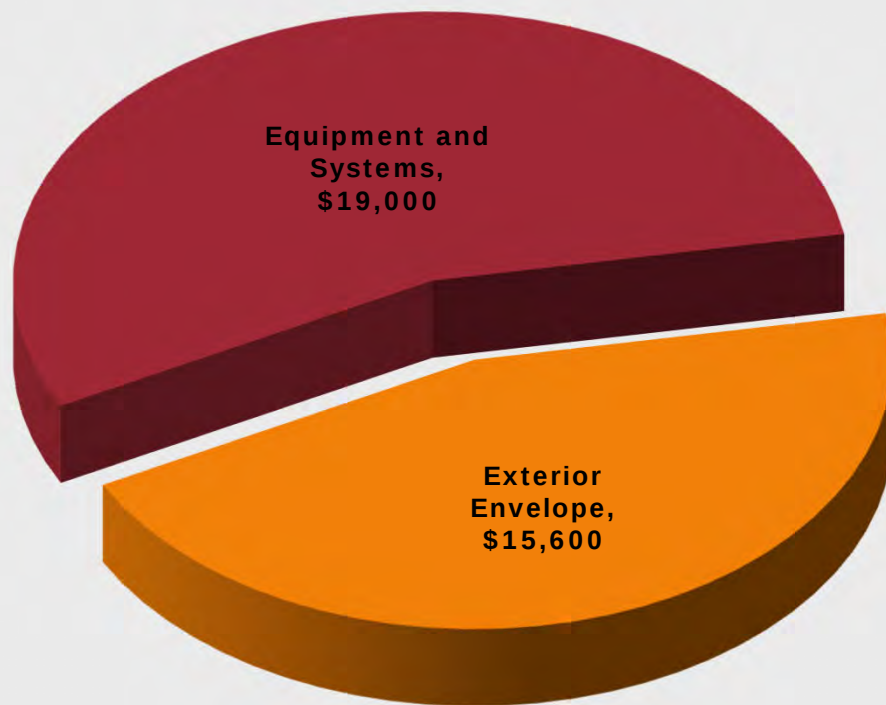
EUL is defined as the average amount of time in years that an item, component, or system is estimated to function when installed new, assuming routine maintenance is practiced. AllWest applies EUL standards established by such organizations as the American Society of Heating, Refrigeration and Air-conditioning Engineering, Inc. (ASHRAE) and the U.S. Department of Housing and Urban Development (HUD), but may modify them following a subjective evaluation of an item, component, or system by experienced, licensed professionals.

The five-year replacement reserves are estimated at **\$37,645** which includes a 2.5% per year inflation factor. Expenditures include initiating and maintaining contracts for annual roof maintenance and inspections for both buildings; providing periodic touch-up painting on HVAC supports to protect against rust, and conducting periodic scanning and

IMMEDIATE REPAIRS & REPLACEMENT RESERVE ANALYSIS											AllWest										
Project No: 26004.60																					
Bldg Age in Years: 1 and 100																					
No. of Floors: 6 and 3																					
Floor Area (SF): 192,732																					
No	Sec	Photos	ITEM	Avg EUL (yr)	EFF AGE (yr)	RUL (yr)	Quantity	Unit	Cost Estimate Source	Unit Cost	Immediate Needs	Replacement Reserves					Years 1-5 Cumulative	Modernization Costs (Optional)			
												2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5					
SITE WORK																					
EXTERIOR ENVELOPE																					
1	C.01	14-18	Main Bldg: Initiate and maintain a contract for annual roof inspections and maintenance.	1	N/A	N/A	1	EA	Estimate	\$2,100.00				\$2,100	\$2,100	\$2,100	\$2,100		\$8,400		
2	C.01	19, 20	Tower Bldg: Initiate and maintain a contract for annual roof inspections and maintenance.	1	N/A	N/A	1	EA	Estimate	\$1,800.00				\$1,800	\$1,800	\$1,800	\$1,800		\$7,200		
STRUCTURAL																					
INTERIOR FINISHES																					
EQUIPMENT & SYSTEMS																					
3	F.02	101, 102	Main Bldg: Provide periodic touch-up painting of steel supports for HVAC equipment to mitigate rust.	N/A	N/A	N/A	1	LS	Allowance	\$2,500.00			\$2,500		\$2,500		\$2,500		\$7,500		
4	F.03	61-63	Both buildings: Conduct infrared scanning of the electrical distribution equipment on a three-year schedule.	3	N/A	N/A	1	LS	Allowance	\$3,500.00			\$3,500			\$3,500	\$7,000				
5	F.03	62	Main Bldg: Conduct ground fault performance testing of the 3,000 amp main circuit breaker on a three-year schedule.	3	1	2	1	LS	Allowance	\$2,250.00			\$2,250			\$2,250	\$4,500				
ACCESSIBILITY																					
ABBREVIATIONS:											TOTAL IMMEDIATE NEEDS COSTS							\$0			
LS = Lump Sum Allowance											COST ESTIMATE SOURCES:							Sub-Total			
EA = Each											Estimate: Based on presumed or calculated quantities and unit costs based on based on research or previously documented amounts. Allowances are an amount established to cover the cost of a recommended remedial measure, the parameters of which are not specified in detail.							2.5% Inflation Factor			
SF = Square Foot																		Inflation Amount			
RUL = Remaining Useful Life																		Total with Inflation			
EFF AGE = Effective Age											TOTAL ANNUAL RESERVES							\$37,645			
UNK = Unknown																		Total Annual Reserves (\$ Per SF)			
V = Various																		Total Annual Reserves (\$ Per SF Per Year)			
EUL = Expected Useful Life																					
SIM = Similar																					
N/A = Not Applicable or Not Assessable																					
VDA = See VDA Elevator Evaluation											TOTAL MODERNIZATION COSTS (Optional)							\$0			
MCA = For Photos: See MCA Exterior Elements Evaluation																					

TOTAL EXPENSES BY CATEGORY

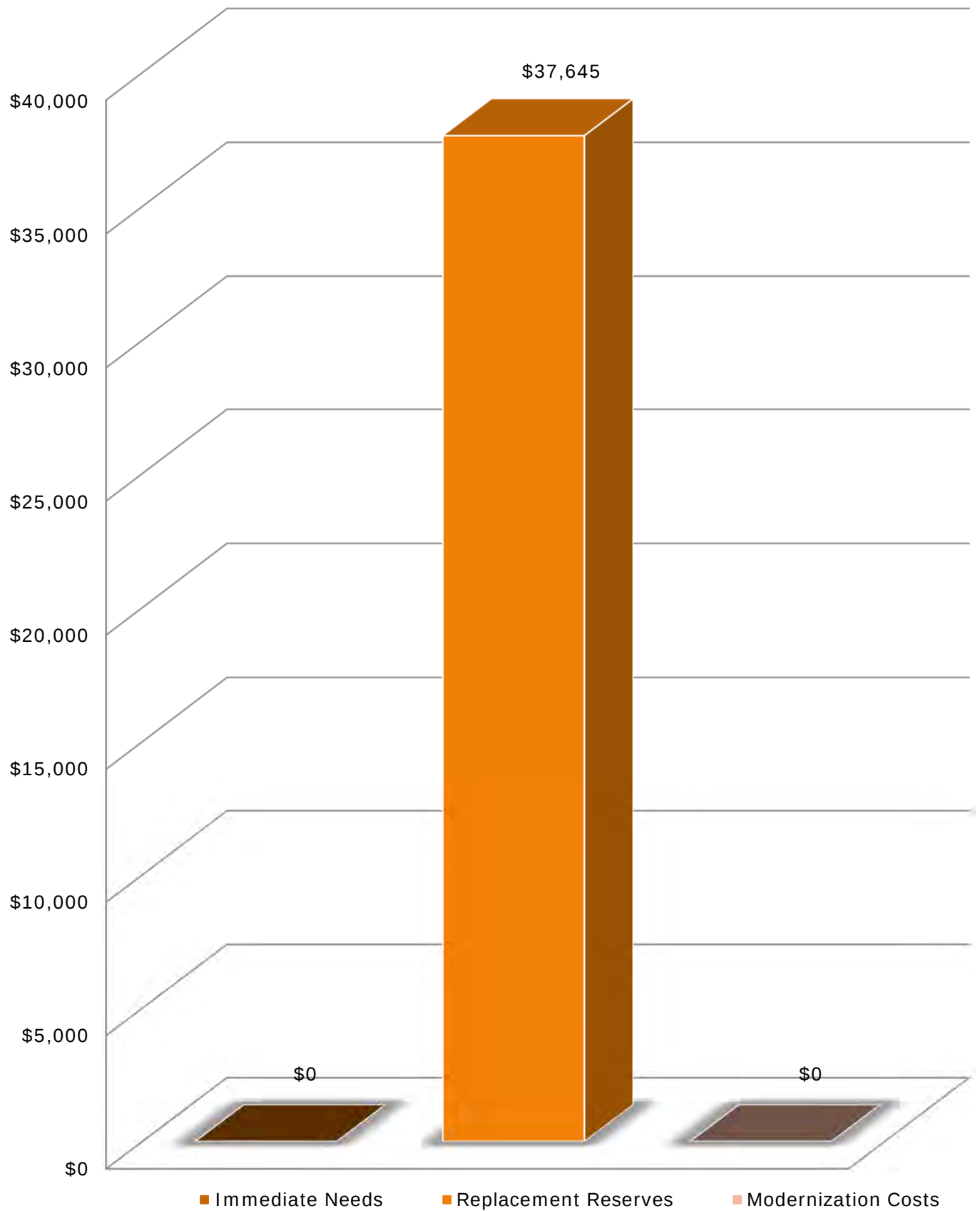
(Immediate Needs and
Replacement Reserves)



■ Exterior Envelope

■ Equipment and Systems

EXPENSE BY TYPE



ground fault testing of the electrical distribution equipment.

Modernization

Optional Modernization expenses were not identified.

II. REGULATORY REVIEW

The Main Bldg was designed and constructed to meet the requirements of the 2016 California Building Code (CBC). The original 1926 construction of the Tower Bldg occurred before the issuance of the 1927 Uniform Building Code (UBC), the first edition of that code. In 1926, there was no single, statewide building code in California. Instead, building regulations were determined and enforced by individual cities and municipalities, which varied widely in their specific requirements. The renovation of the Tower Bldg, which occurred in conjunction with the construction of the Main Bldg, was governed by the requirements of the 2016 CBC.

The 1926 La Bahia Apartments complex was a City-designated "Landmark" and was designated a landmark by the City Council on January 25, 2000. The City Planning case, No. CP13-0059, which governed construction of the new Main Bldg, allowed for the demolition of a majority of the old apartment complex, even though it had a City historical designation.

AllWest requested information from the Santa Cruz Building, Planning, and Fire Departments for building, zoning, planning, and violations information. No derogatory information was reported by City Agencies.

Some building permits remain open as construction at the hotel is ongoing. A Temporary Certificate of Occupancy (TCO) was issued for the Main Bldg. A copy can be found in Appendix A. Since the Tower Bldg is still under construction, no Certificate of Occupancy has yet been issued.

The zoning is R-T(C). The site has a base City of Santa Cruz zoning designation of R-T (Tourist Residential) with a C (Beach Commercial) overlay zoning designation. Additionally, the site is in the SPO (Shoreline Protection) overlay district. The subject property is used as a transient lodging facility with associated events uses. The purpose of the R-T(C) subdistrict is to establish standards for development of residential uses mixed with neighborhood commercial, motel, and regional tourist commercial use. These standards are designed both to improve existing uses and encourage new developments in a

manner that maintains a harmonious balance between residential and regional commercial uses. New development, including residential units or uses within the zone, is encouraged to incorporate uses for active frontage along the site frontage. It is the intent of this zone that preservation of La Bahia be conducted in accordance with the measures described in the certified Final Environmental Impact Report for the Beach and South of Laurel Comprehensive Area Plan. This zoning district is discussed in §24.10.618 of the Santa Cruz Municipal Code, which can be accessed here:

<https://www.codepublishing.com/CA/SantaCruz/html/SantaCruz24/SantaCruz2410.html#24.10.618>

Documents provided for review include the following:

1. Original architectural drawings for the Main Bldg prepared by ACRM Architects, with a final date of February 23, 2024;
2. Original structural drawings for the Main Bldg prepared by DCI Engineers, with a final date of February 23, 2024;
3. Various original civil, MEP, and landscape drawings for the Main Bldg prepared under the supervision of ACRM Architects, with a final date of February 23, 2024;
4. Various architectural, structural and mechanical drawings for the Tower Bldg renovation prepared under the supervision of ACRM Architects, with a Plan Check submittal date of September 10, 2020;
5. Santa Cruz County GIS Map;
6. Historical aerial photos on Google Earth;
7. Santa Cruz County Assessor's Parcel Map;
8. Santa Cruz County Assessor's Parcel Information;
9. Santa Cruz building permit and planning records;
10. Santa Cruz Municipal Code
11. City of Santa Cruz GIS Map.

The site does not appear to be located in a liquefaction zone. The interactive California Geological Survey Liquefaction Map can be found here:

<https://maps.conservation.ca.gov/cgs/EQZApp/app/>

The City of Santa Cruz requires that property owners comply with County and State codes that require them to keep their sidewalks free of defects.

The City also requires an inspection of the private sewer lateral before selling all properties mandating repairs to meet City standards. This applies to residential, commercial, and industrial properties, with exemptions for newer lines or those recently inspected/replaced.

Copies of pertinent documents are included in the Appendix.

III. PROPERTY CONDITION ASSESSMENT

Please refer to the attached Figures and Photos to supplement the site descriptions and building conditions.

A. GENERAL

A.01 INTRODUCTION

Original construction of the Tower Bldg occurred in 1926 as the Casa del Rey Apartments. The overwhelming majority of the old apartment complex was demolished to make way for the new hotel building, the construction of which was completed in 2025; the hotel reportedly began operations in August of that year. The bell tower and a small three story portion of the original apartments at the southeast corner of the site were retained and are being rehabilitated as part of the hotel development project. Construction work on the Tower Bldg was underway at the time of our site visit.

Guestrooms are located on the third through sixth floors of the Main Bldg and on all three floors of the Tower Bldg. A fully equipped bar is located in the Main Bldg entrance lobby; there is also a poolside bar on the third floor level.

The facility's design quality—as evidenced by materials, finishes, and equipment—appears “Excellent.” The buildings give evidence of minimal interior and exterior wear and tear. The overall level of maintenance appears well above average for a property of this type.

A.02 PROPERTY SUMMARY DATA

Assessor Parcel Numbers:

007-21-401
007-21-402

Principal Address:

215 Beach Street
Santa Cruz, CA 95060

Zoning:

R-T(C): Tourist Residential (with Beach
Commercial [C] overlay zone)
SPO (Shoreline Protection) overlay zone

Year of Completion of Original Construction:

2025: Main Bldg
1926: Tower Bldg

Listed Occupancy Types (per the architectural drawings):

Group A-2 (Assembly—banquet halls)
Group B (Business—offices)
Group E (Educational)
Group M (Mercantile—retail store)
Group R-1 (Residential—hotels, transient)
Group S-2 (Low-hazard Storage—parking
garages)

Current Construction Type:

Main Bldg: Type I-B;
Tower Bldg: Type V-B
Both buildings are fully fire sprinklered.

Construction Systems:

The Main Bldg has a reinforced concrete structural frame with cast-in-place concrete columns, girders, beams, and floor slabs. The Main Bldg has a 36” reinforced concrete mat foundation.

The Tower Bldg has wood-framed perimeter wall and intermediate floor construction with wood roof framing and panelized plywood roof decks. There is some supplemental structural steel framing. The wood-framed first floor is supported by wood beams and joists and a concrete pier foundation system; there is a crawl space. A continuous shallow footing beneath the perimeter walls is provided with larger pier footings in several locations; concrete foundation stem walls are also provided.

Seismic Upgrades:

Tower Bldg: Structural upgrades have been performed as part of the current renovation project.

Main Bldg: Not applicable; the building was designed and constructed in accordance with a post-Northridge earthquake edition of the CBC.

FEMA Flood Zone:

Flood Zone X (unshaded)

Site Area:

007-21-401: 0.648 acres; 28,226.88 sq ft
007-21-402: 0.762 acres; 33,192.72 sq ft
Total: 1.410 acres; 61,419.60 sq ft

Number of Buildings:

Two

Floor Areas (per the architectural drawings):

Main Bldg: 188,570 sq ft (without basement)

Tower Bldg: 4,162 sq ft

Main Bldg: 213,018 sq ft (with basement)

No. of Stories:

Main Bldg: Six floors and a partial basement.

Tower Bldg: Two floors and a partial third floor.

Approximate Maximum Height:

80'-7" above lowest grade at Main Bldg

Parking (per the architectural drawings):

161 Delineated stalls

61 Valet spaces (non-delineated)

222 Total parking spaces

Accessible Parking:

Seven total: Five standard Accessible stalls and two Van Accessible stalls.

Path of Travel:

Compliant with current Accessibility codes

Restrooms:

Compliant with current Accessibility codes

A.03 PROPERTY DIRECTORY

Architect (new construction):

ACRM Architects & Interiors

1045 14th Street

San Diego, CA 92101

Original Architect (Tower Bldg):

William C. Hays

San Francisco, CA

Structural Engineer (New construction):

DCI Engineers

135 Main Street, Suite 1800

San Francisco, CA 94106

Roof Maintenance:

Statewide Roofing

1742 Stone Avenue

San José, CA 95125

HVAC Maintenance:

Bay Mountain Air

88 Dillon Avenue

Campbell, CA 95008

Elevator Maintenance:

Otis Elevator

362 Pacific Street, Suite 4

Monterey, CA 93940

Fire Sprinkler Testing:

Rex Moore Integrated Systems

6001 Outfall Circle

Sacramento, CA 95828

Fire Alarm Monitoring:

Rex Moore Integrated Systems

6001 Outfall Circle

Sacramento, CA 95828

A.04 UTILITY SERVICES

Water: Santa Cruz Municipal Utilities

Sewer: Santa Cruz Municipal Utilities

Electricity: PG&E

Natural Gas: PG&E

B. SITE DEVELOPMENT & LANDSCAPING

The site is developed with two buildings, the smaller of which is a portion of an older previous apartment complex on the site. Landscaping and an irrigation system are provided. The parcel is located in FEMA Flood Zone X (unshaded); good drainage characteristics should prevail.

B.01 LANDSCAPING & IRRIGATION

The physical condition of the landscaping appeared "Excellent" to "Good." Street trees were recently planted along the north, east, and south elevations. Along the south elevation, palm trees are planted in sidewalk voids covered with cast-iron grates. Narrow flower beds are located along the east and west elevations. The flower beds along the south elevation are wider. Small shrubs, flowering plants, and grasses are installed in the flower beds. Shrubs in rectangular concrete planters are located along the open-air seating area for the first floor restaurant adjacent to Beach Street. Bark mulch is applied in many areas of the flower beds. A sub-surface irrigation system is installed. The irrigation system also serves the freestanding planters and the green roof areas.

Some plants were just emerging from hibernation and had small buds. A few plants appeared either still in hibernation or dead. Should the plants prove to be dead, replacement is recommended. This is a minor expense and a cost estimate is not included in the spreadsheet.

B.02 PARKING, DRIVEWAYS AND CONCRETE SITEWORK

The physical condition of the parking, driveways, and concrete sitework appeared "Excellent."

New concrete sidewalks and walkways were recently installed as part of the redevelopment of the property. Some walkways have ceramic tile or brick pavers. Concrete curb cuts are provided at the site perimeter along Beach and Westbrook Streets. The concrete-paved parking garage appeared in overall "Excellent" condition.

Per our count on the architectural drawings, 161 delineated parking stalls are provided. An additional 61 valet parking spaces are indicated. The valet spaces are not delineated with pavement markings. This results in a total of 222 parking spaces. These numbers are at variance with those found on the cover sheet (T1.0) of the architectural drawings that we reviewed; that sheet indicates that 158 delineated stalls and 63 valet spaces are provided for a total of 221.

Parking is provided on the basement (B), first floor (P), and second floor (P1) levels. Access to the B and P levels is via the vehicular entrance near the southwest corner of the Main Bldg; a concrete ramp connects these two levels. Access to the P1 level is via a curb cut along Westbrook Street. The P1 level does not communicate with the two lower levels.

Parking stall striping was performed as part of the construction of the Main Bldg. AllWest normally recommends stall restriping on a five-year schedule. However, that schedule can be extended to seven since the parking stall striping is not exposed to the elements and sunlight. Restriping is not anticipated during the reserve term.

There is no asphalt paving on the property.

B.03 SITE DRAINAGE

The physical condition and adequacy of site drainage appeared "Excellent."

Concrete sitework is sloped to convey water away from the buildings. Surface drainage is by sheet flow to area drains, narrow trench drains, and street curbs which conduct the water to the municipal storm drain system. Area drains with sump pumps are provided on the basement level of the parking garage.

The subject property is located in FEMA Flood Zone X (unshaded) per FIRM Panel No. 06087C0334F, dated September 29, 2017. FEMA describes Flood Zone X (unshaded) as an area of minimal flood hazard, usually depicted on flood maps as above the 500-year flood level.

B.04 MISCELLANEOUS ITEMS AND SUPPORT STRUCTURES

The physical condition of the miscellaneous items and support structures appeared "Excellent."

Near the northeast corner of the Main Bldg on a roof level above the fifth floor, wood-framed, open-sided cabañas with curtains are provided adjacent to the spa. A large temporary tent structure is located during cold-weather months on a roof level above the fourth floor on the east side of the Main Bldg; this tent structure was in place at the time of our site visit.

On the third floor level, one exterior spa pool is located to the south of the swimming pool. The spa pool has a white gunite tub and water jets. The swimming pool is also provided with a white gunite basin.

Pool equipment and pool chemicals are located in dedicated rooms on the second floor in the garage area. Two *Pentair* ETi 400 natural gas-fired pool heaters are provided as are filtering equipment and two *Pentair* pumps. One pool water heater serves the swimming pool; the other serves the spa pool. Pool equipment was installed in late 2024 to early 2025.

Owing to the highly corrosive nature of chlorinated water, replacement of pool-related equipment can be anticipated on a far more frequent basis than similar equipment that handles non-chlorinated water. Replacement of pool equipment on an as-needed basis is a matter of routine wear and tear; cost estimates for such replacements are not included in the spreadsheet.

B.05 FENCING AND SCREENING

The physical condition of the fencing appeared "Excellent."

Screening is not provided, other than mechanical screens on the roof which are discussed in Section C.01.

A chain-link construction fence is installed near the southeast corner of the site. AllWest presumes this is simply temporary fencing that will be removed at the conclusion of construction.

Chain-link fencing enclosures are located in various locations in the parking garage. The enclosures are typically used for equipment and materials storage.

B.06 SIGNS AND IDENTIFICATION

The physical condition of signage appeared "Excellent."

Wall-mounted signage is affixed to the south elevation above the vehicular entrance along Beach Street. The sign reads “La Bahia Hotel & Spa”. Additional informational and directional signage is installed around the site and in interior locations, as are room number signs for all guestrooms and principal interior spaces.

B.07 STAIRS, LANDINGS, AND RAILINGS

The physical condition of exterior stairs, landings, and railings appeared “Excellent.”

There are several exterior stairs located around the perimeter of the building and, most often, between roof terrace levels. The stairs and landings are cast-in-place concrete; all stairs have closed risers. Black-painted steel tube handrails are provided. Exterior stairs are provided with visually contrasting stripes on each tread, as required. All stairs and their railings appeared compliant with current Accessibility codes.

B.08 SUPPORT AND DOCK AREAS

Support and loading dock areas are not provided.

C. EXTERIOR ENVELOPE

The exterior elevations have a white-painted smooth concrete stucco finish. Black polycron coated aluminum-framed windows are provided. New windows and exterior doors have been installed in the older Tower Bldg. All glazing is insulated double-pane with an integral light gray tint.

C.01 ROOF AND ACCESSORIES

The physical condition of the roofing systems appeared “Excellent” to “Good.”

AllWest did not directly access the pitched roof areas on the Tower Bldg. They were observed from the roof of the Main Bldg and from grade.

On the Main Bldg, a single-ply TPO roofing system is installed; it is date stamped February 2024. The Main Bldg roof is flat with minimal slopes. Red terra cotta barrel tiles are provided as accents, typically at the tops of parapets. On the pitched roofs of the Tower Building, a new, red terra cotta barrel tile roofing system was installed in August 2025 as part of the current renovation project. Green roofs, with plantings of low-growing grasses, cover approximately 25% of the roof area of the Main Bldg.

Current known leaks at the roofing systems were reported as unknown.

Roof warranty documents were requested, but not provided at time of publication. Roof warranties are likely current. It was reported that the warranty for the Main Bldg’s TPO system is 25 years.

Since the TPO system on the Main Bldg is approaching two years of age, evidence of its exposure to the elements over that period of time is to be expected. Accumulations of present ponded water were observed in several locations. Evidence of past ponded water accumulations—and the grime left behind after the water has evaporated—is apparent at many roof drains and in some other locations, such as adjacent to mechanical equipment curbs.

Atmospheric condensation is more of an issue on TPO systems than on built-up roofing (BUR) systems; this characteristic of TPO systems produces a situation where standing water—as a result of atmospheric condensation—on the roof is commonplace, even during periods without rainfall. The evidence we observed of past and present ponded water does not warrant a recommendation for remedial measures, other than calling for periodic roof cleanings and inspections which should be conducted as part of routine maintenance. It was reported that monthly roof inspection will be conducting by hotel engineering staff employees.

AllWest recommends that a contract for annual roof inspection and maintenance by a licensed roofing contractor be initiated and maintained for both buildings beginning in 2027. To call attention to this recommendation—which would normally be treated as a matter of routine maintenance and would not warrant line items—we are including line items for these contracts in the spreadsheet.

A majority of the rooftop HVAC equipment is housed within a screen enclosure. The enclosure has a white-painted structural steel frame and is faced with perforated corrugated metal panels. Some segments of the equipment enclosure have white-painted walls with a smooth concrete stucco finish.

Roof Drainage

At the Main Bldg, the TPO roofing system has minimal slopes; atrium-grated roof and overflow drain combinations are provided. Storm water is conveyed to the municipal storm drain system via internal downspouts and underground piping.

At the Tower Bldg, the sloped, barrel tile roofing system is fitted with copper gutters and exterior wall-mounted downspouts. Storm water is conveyed to the municipal storm drain system via exposed piping just above grade leading to area drains in the landscaping and then by underground piping.

Cost estimates for annual roof inspections and maintenance contracts at both building are included in the Immediate Needs and Replacement Reserves Analysis spreadsheet.

C.02 EXTERIOR FINISHES

The physical condition of the building exterior appeared in generally “Excellent” condition.

The exterior elevations have a smooth concrete stucco finish. Both buildings are painted white. On the north elevation of the Main Bldg, there is a very small area 3± inch circle where a hole in the perimeter wall has been filled in and paint is missing; this is near the FACP room door. A small area of flaking paint was observed on the west wall of the Tower Bldg at third floor level. AllWest recommends that remedial measures be undertaken to resolve these small deficiencies. These are minor repairs and a cost estimate is not included in the spreadsheet.

AllWest typically recommends renewing exterior paint finishes on a ten-year schedule. Repainting during the reserve term is not anticipated.

Current known leaks at the wall and window systems were reported as unknown.

C.03 DOORS, WINDOWS, AND SKYLIGHTS

The physical condition of doors and windows appeared “Excellent.”

Skylights were not observed.

Black oven-cured, polycron coated aluminum-framed windows are typically provided. Polycron is a high-performance, polyester-based, factory-applied, one-coat paint finish. New windows have been installed in the Tower Bldg. All glazing in both buildings is insulated double-pane with a light gray integral tint.

Wood framed doors with ten glass lites and sidelights are installed at the primary entrance into the Main Bldg. Matching wood-framed windows with ten lite panels are installed at the first floor on the west elevation of the Main Bldg along the loggia at the primary entrance. Exterior doors in service areas are painted steel in steel frames.

At the Tower Bldg, black polycron coated aluminum-framed doors and windows are installed at the primary entrance to this building on its north elevation.

C.04 PATIOS, TERRACES, DECKS, AND BALCONIES

The physical condition of patios, terraces, decks, and balconies appeared “Excellent.”

Balconies or patios—so-called when at or near grade level—are provided at several guestrooms. Roof terraces are also provided at some guestrooms and larger terraces are also found on the roof areas above the third, fourth, and fifth floors. The swimming pool deck is exposed to the elements and is situated at third floor level. The decks, balconies, patios, and roof terraces all have a non-combustible pedestal flooring system installed. The pedestal systems have precast concrete or stone pavers. Single-ply TPO roofing systems are provided underneath the pedestal systems. Drainage systems are provided beneath the pavers. Painted steel tube guardrails are installed at balconies and patios.

D. STRUCTURAL ELEMENTS

The Main Bldg was designed and constructed to meet the requirements of the 2016 CBC. The 1926 construction of the Tower Bldg occurred before the issuance of the 1927 UBC, the first edition of that code. The renovation of the Tower Bldg, which occurred in conjunction with the construction of the Main Bldg, was governed by the requirements of the 2016 CBC.

The 2020 architectural drawings for the Tower Bldg indicate that structural upgrades were part of the scope of work for the renovation project. A few sheets of the 2020 structural drawings for the Tower Bldg were provided for AllWest’s review during the preparation of this report. A largely complete set of original construction drawings were provided for the Main Bldg. Limited observations only of structural elements were possible in both buildings.

D.01 FOUNDATIONS

The physical condition of foundations, where observable, appeared generally “Excellent.”

The Main Bldg has a 36” reinforced concrete mat foundation. Almost the entirety of the basement level foundation slab was observable.

The Tower Bldg’s wood-framed first floor is supported by wood beams and joists and a concrete pier foundation system; there is a crawl space. A continuous shallow footing beneath the perimeter walls is provided with larger pier footings in several locations; concrete foundation stem walls are also provided. Foundation elements of the Tower Bldg were not observable.

No significant signs of settlement or damage to the structural systems attributable to overall or differential foundation movement were noted at observed locations. The foundation systems appear to support the existing loads with no significant problems at both buildings.

D.02 WALL CONSTRUCTION

The physical condition of the wall construction appeared generally “Excellent.”

The Tower Bldg has wood-framed perimeter walls. Interior walls are wood stud with gypsum board finishes; these walls are not load-bearing. The Main Building has cast-in-place concrete perimeter walls. Concrete masonry unit (CMU) walls are also provided on the garage levels.

All observed walls appeared plumb.

D.03 ROOF/FLOOR FRAMING

The physical condition of roof and floor framing appeared “Excellent.”

Roof and floor framing is typically not visible except in a few service rooms in the Main Bldg. except in the parking garage where the tops and undersides of the floor slabs are visible.

The Main Bldg has a reinforced concrete structural frame with cast-in-place concrete columns, girders, beams, and floor slabs. The Tower Bldg has a conventional Type V wood-framed perimeter wall and intermediate floor construction with dimensional lumber roof framing and panelized plywood roof decks. There is some supplemental structural steel framing. Interior walls are also wood-framed. The wood-framed first floor is supported by wood structural elements and a concrete pier foundation system.

E. INTERIOR FINISHES

The installation and maintenance of all hotel interior finishes are the responsibility of the building owner. The costs to replace and maintain hotel floor, wall, and ceiling finishes are an ongoing maintenance expense. Costs for rehabilitation of these finishes are not normally included in the spreadsheet—since these should be considered items of normal, routine wear and tear—except in the case where degradation beyond normal wear-and-tear was observed. At this property, evidence of such beyond normal degradation was not observed.

Furniture, fixtures, and equipment (FF&E) appeared in “Excellent” condition.

E.01 FLOOR AND BASE FINISHES

The physical condition of the floor and base finishes appeared generally “Excellent.”

Main Lobby, Restaurant, & Corridors

The main entry lobby has polished and honed travertine floor tiles. The first floor restaurant has hexagonal terra cotta and decorative ceramic tile flooring. The second floor restaurant has luxury vinyl tile (LVT) flooring. Corridors have patterned custom carpet in the guestroom areas; the carpet is low-pile and has an 80% wool/20% nylon composition. Travertine floor tiles are also installed in some corridors. A painted wood base molding is provided in these areas; the base molding is stained wood in select areas.

Guestrooms

Guestrooms have LVT flooring with a painted wood base.

Office Areas

Offices have a variety of floor finishes depending on function. Terra cotta tiles and matching base moldings (at kitchen offices); painted concrete slabs without base moldings (in service area offices); and low-pile broadloom carpet and carper squares with a top set rubber base (in general office areas) are installed.

Conference & Banquet Rooms

Custom patterned carpet is installed along with a painted wood base molding.

Commercial Kitchens

The floor finish in the kitchens is square terra cotta or ceramic tiles with matching base moldings.

Bathrooms & Restrooms

Guestroom bathrooms typically have square ceramic floor tiles installed, along with a painted wood base. Restrooms are provided with a variety of ceramic floor tiles. The ceramic wall tiles serve as a base molding in the restrooms.

There is a sauna room on a roof terrace at sixth floor level. During a recent winter rain storm, the door to the sauna blew open and the room became flooded. Repairs are underway to replace the wood flooring. The door has had a magnetic holder installed. Since repairs are ongoing, AllWest makes no further recommendation for remedial measures.

Service and Mechanical Rooms

In service and mechanical rooms, the floor finish is the exposed concrete slab, typically unpainted and sealed. The painted concrete floor slab is also provided in some service rooms. The concrete floor slabs in the parking garage are unpainted and sealed. Base moldings are typically not provided in these areas.

E.02 WALL FINISHES AND DOORS

The physical condition of the wall finishes and doors appeared generally "Excellent."

Solid core wood doors with a factory stained finish predominate. Painted, hollow steel doors are installed at service rooms. Lever hardware is installed and most doors have closers; all guestroom doors have closers.

Main Lobby, Restaurant, & Corridors

The main entrance lobby has painted plaster walls. The restaurants have painted plaster or gypsum board walls. Corridors in the guestroom areas have painted gypsum board walls. Vinyl wall coverings are provided on some corridor walls.

Guestrooms

Painted gypsum board walls are provided. White is the dominant color.

Office Areas

Painted gypsum board walls are provided.

Conference & Banquet Rooms

Painted gypsum board walls are provided in the banquet rooms; sliding partitions are also provided to subdivide these rooms.

Commercial Kitchens

Both kitchens have white rigid vinyl wall protection sheets on gypsum board walls.

Bathrooms & Restrooms

In the guestroom bathrooms and restrooms, ceramic wall tiles are installed at the wet areas. Elsewhere, painted gypsum board walls are provided.

Service and Mechanical Rooms

Wall finishes are painted or, more often, unpainted gypsum board. Unpainted concrete masonry unit

(CMU) walls are also provided in the service rooms in the parking garage.

E.03 CEILING FINISHES

The physical condition of the ceiling finishes appeared generally "Excellent."

Main Lobby, Restaurant, & Corridors

The main entrance lobby has painted plaster ceilings. The restaurants have painted plaster or gypsum board ceilings. Corridors in the guestroom areas have painted gypsum board ceilings.

Guestrooms

White-painted gypsum board ceilings are provided.

Office Areas

White-painted gypsum board ceilings are provided.

Conference & Banquet Rooms

White-painted gypsum board ceilings are provided; stained wood faux structural elements are applied as decoration.

Commercial Kitchens

In the kitchens, white, high-gloss rigid vinyl tile suspended ceiling systems are installed.

Bathrooms & Restrooms

White-painted gypsum board ceilings are provided.

Service and Mechanical Rooms

The exposed structure above is the most common ceiling finish. Painted or unpainted gypsum board is also found in some service rooms.

E.04 INTERIOR STAIRS

The physical condition of the interior stairs appeared generally "Excellent."

Numerous sets on interior stairs are provided throughout the Main Bldg. The stairs are steel-framed with cast-in-place concrete treads and they have closed risers. Painted steel tube railings are provided. All Stairs appeared fully compliant with current Accessibility requirements.

Two sets of wood-framed stairs are installed in the Tower Bldg; the stairs have closed risers. These

stairs were still under construction during our site visit; all railings had not yet been installed.

F. EQUIPMENT AND SYSTEMS

Space heating and cooling is provided by air source heat recovery VRV systems which serve all guestrooms in the Main Bldg. Split-system heat pumps serve other areas of the buildings. The Main Bldg HVAC system is supplemented by outdoor air units and the two pollution control units that serve the three garage levels. Ventilation is typically provided by ceiling-mounted exhaust fans in guestrooms and restrooms.

Main electrical power is provided by a utility-owned transformer located in the transformer service room at the northeast corner of the building. Access inside this room was not possible as only PG&E has the key.

The Santa Cruz Municipal Utilities department provides domestic, irrigation, and fire sprinkler water to the property.

The buildings are protected by wet-pipe fire sprinkler systems. The FACP is installed in the Main Bldg and reportedly serves both buildings. The panel monitors manual pull stations, smoke detectors, and flow and tamper switches. Portable fire extinguishers are provided throughout the buildings. Illuminated exit signs and emergency light fixtures are powered by a red diesel-fired generator which also provides path of egress lighting.

F.01 METERS

The physical condition of the observed utility meters appeared "Excellent."

The electric meter is located on the main electrical service entrance enclosure on the P1 garage level (second floor). The electrical service room is near the northeast corner of the building and is accessed from the garage area.

The gas meter and service entrance equipment are located in a landscaped area near the southeast corner of the building.

The water meters are installed in subterranean sidewalk vaults in various locations around the buildings. Vault covers were not removed during our site visit.

F.02 Mechanical — HVAC

The physical condition of the HVAC systems appeared "Excellent."

All observed cooling equipment uses R-410A, which has been phased out for use in newly manufactured equipment as of January 1, 2025. R-410A can still be used in older equipment that requires it. However, the cost of this refrigerant can be expected to rise—perhaps significantly—during the reserve term.

Space Cooling and Heating

Space heating and cooling is provided by air source heat recovery VRV systems which serve all guestrooms in the Main Bldg; an attic-mounted fan coil unit is installed in each guestroom. Additionally, split-system heat pumps serve other areas of the Main Bldg. The HVAC system is supplemented by outdoor air units and the two pollution control units that serve the three garage levels. The Tower Bldg has one grade-mounted split-system heat pump installed. All HVAC equipment was manufactured by *Daikin*; all observed information labels on HVAC equipment were dated in late 2023 and 2024.

HVAC maintenance is provided by Bay Mountain Air of Campbell, CA.

Control System

Wall-mounted digital thermostats provide guestroom temperature control. Elsewhere throughout the Main Bldg, a building management system (BMS) allows precise control of the HVAC system to meet heating and cooling requirements.

Ventilation

Two pollution control exhaust fan units with an air handler serve the three garage levels. Ventilation is typically provided by ceiling-mounted exhaust fans in guestrooms, bathrooms, and restrooms. Kitchen makeup air is provided by a large roof-mounted air handler unit which also provides heated air. The outdoor air units, manufactured by *Daikin*, also contribute to building ventilation. Ventilation equipment, except for the outdoor air units, was manufactured by *Greenheck* and *CaptiveAire*.

Equipment

The one-year installer and manufacturer's warranties for the HVAC equipment have all expired. *Daikin* commercial HVAC equipment typically carries a five-year limited parts warranty; these should still be in effect. *Greenheck* ventilation equipment typically carries a one-year warranty; these have expired. *CaptiveAire* equipment carries a two-year warranty; these are likely not yet time-expired, but will most probably expire in 2026.

The Main Bldg HVAC equipment was likely installed in the late 2023 to early 2024 period. The one *Daikin* 12

ton heat pump system that serves the Tower Bldg—this is reportedly the only source of heated and cooled air for that building—was installed in the second half of 2024. No significant issues with the mechanical systems were reported or observed. Replacement of HVAC equipment during the five-year reserve term appears unlikely, barring random premature unit failure.

However, due to the salt air conditions which prevail in Santa Cruz, rust has already started to form on the steel mounting brackets for the rooftop HVAC equipment and on the steel HVAC curb caps. The curb caps appear to have a layer of plastic adhesive film on them, but the film is damaged and missing in many places; rust is present where the film is absent or torn.

AllWest recommends the rust be removed, the affected area treated with a rust inhibitive primer, and spot touch-up repainting performed. Owing to the rust already observed, this should be performed on a biannual basis.

A cost estimate for touch-up repainting of the HVAC support frames and curb caps is included in the Immediate Needs and Replacement Reserves Analysis spreadsheet.

F.03 Electrical

The physical condition of the electrical systems appeared “Excellent.”

Power Supply

PG&E provides 480/277 volt 3,000 amp 3-phase, four-wire service to the hotel. The main service entrance switchgear is located in a dedicated electrical service room along the north side of the building on the P1 (second floor) level of the parking garage. Numerous sub-panels are located throughout the buildings. The electrical distribution equipment was recently installed and was manufactured by *Siemens*. Copper wire-in-conduit runs serves the electrical needs in both buildings. Because of construction activity and many areas being temporarily screened by frosted plastic sheeting, we were not able to observe any sub-panels in the Tower Bldg.

Since the hotel has been open less than one year, infrared scanning of the electrical distribution equipment has not been performed. AllWest recommends the electrical systems be infrared scanned on a three-year schedule for hot spots and loose connections that develop over time. This should become a matter of routine maintenance. After the hotel has been fully operational for 18 to 24 months, infrared scanning should be performed to determine if any hot spots or loose connections are present.

Ground fault performance testing of the 3,000 amp

main circuit breaker was performed on August 24, 2024. Testing is required on a three-year schedule. AllWest recommends that this service be performed; this too should become a matter of routine maintenance.

GFCI outlets were observed in required locations.

Lighting

A wide variety of LED lighting fixtures have been installed. They include ceiling-mounted downlight fixtures and desk lamps, as well as ornamental chandeliers and sconce fixtures. Ceiling-mounted downlights and strip fixtures are installed on the garage levels. Lay-in strip fixtures are installed in the ceiling grids in the kitchens. Service areas typically have ceiling-mounted 2-lamp strip fixtures. It was reported that 100% of the fixtures at the property use LED lamps.

Exterior Lighting

Ornamental chandeliers and sconce fixtures are provided, as well as recessed can downlights. Programmable timeclocks are used to control exterior lighting operation.

Energy Management System

A *Daikin Intelligent Touch* energy management system is reportedly installed to control the HVAC equipment serving areas other than the guestrooms. An overlay of a *Honeywell Inncom* control system is provided for the guestrooms.

Emergency Power

A 300 KW red diesel-powered emergency generator serves the hotel for the following: the elevators, some kitchen refrigeration equipment, the front desk area, exit signs, the fire alarm system, and the fire sprinkler systems. The generator was manufactured by *Generac*.

Cost estimates for infrared scanning and ground fault performance testing of the 3,000 amp main breaker are included in the Immediate Needs and Replacement Reserves Analysis spreadsheet.

F.04 GAS

The physical condition of the gas-fired equipment and systems appeared “Excellent.”

PG&E supplies natural gas to the property. The gas service line and meter are located near the southwest corner of the building. An automatic seismic shutoff valve is provided. Gas is consumed by the rooftop

makeup air unit, kitchen equipment, laundry equipment, the fire pit, the fireplace, the pool water heater, the spa pool water heater, and domestic water heaters.

The fire pit is located on a roof terrace at sixth floor level near the spa area. The fireplace is located in the main lobby.

AllWest did not observe flexible gas line connections on the rooftop HVAC equipment that consumes natural gas. It is not a code requirement that flexible connections be provided on such equipment. Nonetheless, we recommend the installation of flexible gas line connection on any rooftop HVAC equipment—if not already installed—as an additional safety measure. This is a minor expense and a cost estimate is not included in the spreadsheet.

F.05 PLUMBING

The physical condition of the plumbing appeared “Excellent.”

Supply Piping

Observed domestic water piping inside the building is copper tubing.

Waste Piping

Observed wastewater piping is hubless cast iron.

Fixtures

In the restrooms and bathrooms, wall-mounted toilets with push button flush actuation are provided. Sinks are under-counter-mounted vitreous china with single lever faucets controls or proximity sensors. Urinals in restroom are waterless units.

Domestic Hot Water

Domestic water heating is provided by a circulating hot water system. The loop is served by four natural gas-fired water heaters located in a dedicated service room on the second floor in the garage area. Each water heater was manufactured by *Conquest/PVI*, and has a 130 gallon capacity. The domestic hot water system is supplemented by two 132 gallon hot water storage tanks, manufactured by *Elbi*. A filtration system for the domestic hot water supply is also installed, as is an expansion tank. A 100 gallon *Conquest/PVI* natural gas-fired water heater with a filtration system and expansion tank is installed in a separate room on the second floor; this equipment reportedly provides hot water to the laundry room. All of this equipment was manufactured in 2024.

The hot water storage tanks, expansion tanks, and filter tanks are provided with seismic strapping. The water heaters appear to be installed in such a way to prevent horizontal movement during a seismic event, though they lack the conventional strapping. Flexible gas line connections are provided on the water heaters.

F.06 FIRE PROTECTION

The physical condition of the fire protection system appeared “Excellent.”

Firewater Distribution and Suppression Devices

Both buildings are fully sprinklered by wet-pipe sprinkler systems. Each building has its own riser with flow and tamper switches. An 8” fire water service feeds the sprinkler system in the Main Bldg; a 4” service is provided for the Tower Bldg. Backflow prevention devices are provided for each sprinkler water service. Water line pressure was observed at 110 psi.

A wall-mounted box of spare sprinkler heads is located in the FACP room on the north side of the Main Bldg. A box of spares is also installed in a riser closet in the Tower Bldg. No recalled sprinkler heads were observed.

Two twin fire department connections (FDC) are located in a landscaped area near the backflow prevention devices at the southeast corner of the site. Kitchen hoods are protected with *ANSUL* fire suppression systems in each kitchen. *ANSUL* inspections are current with inspection labels dated October 26, 2025.

Five lb. ABC-type dry chemical fire extinguishers are located throughout the buildings. The extinguishers are typically wall-mounted. All observed extinguisher inspection tags are current with an inspection date of June 15, 2025. Ten lb. Class K extinguishers are provided in the kitchens.

Fire Alarm Systems

The buildings are protected by a fully addressable FACP located in the Main Bldg; the panel presumably serves both buildings. Numerous fire alarm power and communicator panels are also installed. All fire alarm panels were manufactured by *DMP*. Fire alarm devices and emergency lighting have backup power provided by a 300 KW red diesel-fired generator. A Monterey Bay Air Resources District Permit to Operate is on display in the generator room; it is dated June 12, 2025. It was reported that the generator is tested weekly; an up-to-date test log indicating weekly tests is also on display in the same room.

Horn and strobe alarm device placements appeared compliant with current Accessibility requirements. We were unable to fully evaluate these placements in the Tower Bldg since construction was underway at the time of our site visit.

An Emergency Responder Radio Coverage System (ERRCS) is installed.

Smoke Detectors

Wall- and ceiling-mounted smoke detectors are tied to the FACP.

F.07 OTHER SYSTEMS

The other observed systems are evaluated in "Excellent" condition.

Two large commercial kitchens are located in the Main Bldg. Convection ovens, fryers, ranges, dishwashers, glasswashers, ice machines, among other kitchen equipment, are provided. The gas-fired cooktops are protected by *ANSUL* fire suppression systems. Ice machines for guest use in the guestroom wings are provided.

A fully equipped laundry facility for the hotel's use is located on the second floor. Two commercial washing machines and one natural gas-fired dryer—all manufactured by *Milnor*—are installed. A gas-heated ironer is also installed; it was manufactured by the *Chicago Dryer Company*.

No laundry equipment is provided for guest use.

Replacement of kitchen and laundry equipment on an as-needed basis is a matter of routine wear and tear; cost estimates for such replacements are not included in the spreadsheet.

F.08 SECURITY SYSTEM

The physical condition of the security system appeared "Excellent."

Video cameras that can be reviewed by laptop are installed in numerous interior and exterior locations throughout the property. The hotel uses *ASSA ABLOY* guestroom entry systems; all locks can be interrogated.

F.09 VERTICAL TRANSPORTATION AND CONVEYING SYSTEMS

The vertical conveyance systems are evaluated in generally "Excellent" condition.

Five overhead traction elevators, each rated at 4,000 lbs, are installed; all were manufactured by *Otis*. Three are passenger elevators; two are freight elevators. The passenger elevators have stainless steel control panel wall facings; vinyl wallcovering on the walls, with stainless steel accent panels; a stainless steel panel ceiling, with recessed LED lighting; and ceramic tile flooring. The freight elevators differ in that they have faux wood veneer wall panels. A stainless steel tubular handrail is mounted on the rear wall of the passenger cabs; a flat stainless steel bar rail is installed on both sidewalls in the freight elevators which have doors on opposing walls of the cabs.

All elevators had temporary permits on display in their cabs; all expired on September 25, 2025. A request by the hotel for current inspections has been submitted to the State of California. The State is running months, if not years, behind in conducting the required annual inspection. Since a request for inspections has been submitted, AllWest makes no further recommendation for conducting the annual inspections.

A wheelchair lift is installed in the southwest quadrant of the Main Bldg in the restaurant area.

G. ACCESSIBILITY COMPLIANCE

The Accessibility Standards of the California Building Code, as adopted by the Santa Cruz Building Department, establish guidelines to afford access and mobility to a site or building to persons with disabilities. The standards are modeled on the Americans with Disabilities Act (ADA) which prohibits discrimination to access and use of areas of public accommodation and commercial facilities on the basis of disability. In California, Accessibility Standards extend to include quasi-public and portions of multi-residential occupancies.

Public-accessible facilities completed and occupied after January 26, 1992, are required to comply fully with the Americans with Disabilities Act Guidelines (ADAAG). In California, all new construction, as well as substantial renovations and upgrades to existing facilities, are required to meet the current Accessibility requirements of the SFBC for public, quasi-public, and multi-residential environments.

Where CBC or local Accessibility requirements differ from those found in the ADA and are equal to or more stringent than those found in the ADA or the CBC, the local requirements shall govern.

Older facilities are often held to a lesser standard of compliance to the extent allowed by structural feasibility, design logistics, historical status, or economics. Yet, regardless of age, areas Accessible by the public must be maintained and operated to comply with the federal mandates of the ADA.

During the Property Condition Survey, a limited visual observation for Accessibility compliance was conducted. The visual observation scope was limited to areas of common use, such as the exterior site, entry areas, restrooms, doors, and hardware directly related to common areas. Off-site areas are typically not evaluated. The limited observation described herein is not a full Accessibility Compliance Survey.

Due to the variable nature of Accessibility compliance required of existing buildings and the variable nature of enforcement and interpretation of Accessibility requirements from community to community, analysis of what may be required in any future building permit application is outside the scope of this report, as is an analysis of the possible ramifications of legal and financial liability for any deficiencies in site and building Accessibility which are not remedied. It also bears mentioning that a set of plans that have been approved for a building permit by the Santa Cruz Building Department will not necessarily meet all the requirements of the ADA.

Both the tenants and the building owner may be held responsible and financially liable for fines, penalties, settlements, and for correcting any deficiencies with exterior, interior, and toilet room Accessibility in the event that a complaint or lawsuit is filed in connection with deficiencies in Accessibility at the subject property.

It is outside the scope of work for this report to speculate on what degree of Accessibility would be required of any future TI project at the subject property by Santa Cruz Building Department. Existing buildings—especially somewhat older ones built well before the existence of the ADA—can often be allowed to provide a significantly lower level than full Accessibility compliance owing to financial hardship and structural or site constraint infeasibility.

Discussions and negotiations with an Accessibility Plan Check engineer both before and during the Plan Check process can often result in a lower level of Accessibility compliance required with an existing building. It is not possible to predict in this report what that possible, speculative lower level of compliance would entail.

G.01 PARKING

The physical condition of the Accessible parking appeared “Excellent.”

Seven Disabled Accessible parking stalls are provided, of which two are Van Accessible. For a parking facility with 161 delineated stalls, six Accessible stalls are required, one of which shall be Van Accessible. The provided Accessible parking is compliant with current codes for the number of Accessible stalls required. Accessible stall placements are in close proximity to elevators and the

stalls and access aisles appear compliant with current code requirements.

Accessibility signage which is compliant with current codes is provided in required stall locations. However, the sign required at parking lot entrances is not provided. Installation of compliant signage, where needed, is recommended; this is a minor expense and a cost estimate is not included in the spreadsheet.

G.02 PATH OF TRAVEL

The physical condition of the Path of Travel appeared generally “Excellent.”

The path of travel from the public sidewalk to a main lobby entrance to the inn appeared generally Accessibility compliant. The walking surface at the main entrances, though not measured for slope, appears generally level (in the sense of surface irregularities) and free of obstructions. All mobility Accessible guestrooms appeared compliant with current codes. A compliant wheelchair ramp is provided at the primary entrance to the Tower Bldg.

Throughout the Main Bldg, door widths, thresholds, stairs, railings, tread striping, and hardware appear generally comply with current Accessibility codes in the observed spaces AllWest accessed. Since the Tower Bldg was undergoing construction, we are not able to fully evaluate its interior path of travel compliance. AllWest presumes that—since the Tower Bldg is undergoing a thorough renovation that has been permitted and cleared though Plan Check—it will likely be generally, if not largely, compliant with current Accessibility requirements upon the completion of construction.

The reception counter in the main lobby has a lowered Accessible writing surface as required.

The International Symbol of Accessibility (ISA) signage was not observed at the primary pedestrian entrance to the Main Bldg; installation is recommended. This is a minor expense and a cost estimate is not included in the spreadsheet.

G.03 TOILETS/PLUMBING FIXTURES AND GUESTROOMS

The physical condition of the toilet rooms and plumbing fixtures for Accessibility appeared generally “Excellent.”

All restrooms and mobility Accessibility guestrooms and those with Accessibility communication features appeared fully compliant with current code requirements. The hotel has eight mobility Accessible guestrooms with roll-in showers and 14 guestrooms

with communication features. The number of each type of room provided is compliant with current Accessibility code requirements.

G.04 ELEVATORS

The Accessibility of elevators appeared “Excellent.”

The elevators appeared fully compliant with current Accessibility requirements for equipment and dimensions. Braille signage and control panels are provided. Hands-free communication devices are installed in each elevator. The required handrail is mounted in each cab. Elevator door openers are infrared sensor-type that do not require physical contact.

A wheelchair lift is installed in the southwest quadrant of the Main Bldg in the restaurant area. It appeared compliant with current Accessibility requirements.

G.05 POOLS

The Accessibility of pools appeared “Excellent.”

A permanently mounted chair for pool entry assistance is installed near the swimming pool. It was reported that a portable lift is also available at the hotel, but it was not observed. The portable lift can be used as needed at the swimming pool or at the spa pool.

It was reported that the swimming pool and spa pool have drains that are compliant with the Virginia Graeme Baker Act, which requires that all public swimming pools and spas have anti-entrapment drains and/or devices installed.

IV. CONSULTANT'S QUALIFIERS

A. Scope of Work

AllWest was retained to assess the existing site's physical condition, improvements and buildings at the subject property, research available records, and interview individuals familiar with facility operations. AllWest was tasked to identify construction and/or code deficiencies and to prepare a five-year spreadsheet for immediate and replacement reserve expenditures.

B. Methodology

AllWest used industry standard cost estimating guides such as R. S. Means and Current Costs by Saylor Publications as well as our experience and judgment.

AllWest conducts spot-check pricing and uses prices provided by local general contractors.

In preparing the report, AllWest utilized industry standard guidelines as a basis for our inquiry including the “Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process,” outlined in ASTM E2018-24.

C. Assessment Criteria

In evaluating the property, “Excellent” is the best maintained property condition or new construction, with all the building equipment operational and no repairs necessary. A “Good” rating is for a condition that demonstrates consistent building and grounds maintenance, and all building equipment in sound operating condition, with only a few minor repairs needed. A “Fair” rating is for a condition that demonstrates some wear or damage present in the building and/or grounds elements, requiring repair or replacement work. A “Poor” rating is for a condition that is clearly the worst, with a uniform run-down appearance, damaged building elements or inoperable building systems present.

D. Limiting Conditions

In the Main Bldg, AllWest accessed the basement and all above-ground floors. We accessed the roof and various roof terrace levels of that building. We accessed the following guestrooms: 327, 332, 400, 537, 606, 607, and 613. We observed the bathrooms in each of the guestrooms we entered. We accessed the main lobby area, the fitness room, the restaurants, the sauna, the kitchens, and other back-of house-areas, offices, and service and storage rooms. We accessed mechanical and electrical equipment rooms and the FACP room. Our access within the spa rooms was limited owing to occupancy by hotel guests. We accessed the pool area. Access to the transformer room was not possible; only PG&E has the key.

It was not possible to physically count the number of parking spaces owing to large amounts of stored materials in the parking spaces and in adjacent areas. Additionally, it is not possible to count the undelineated valet spaces since they have no pavement markings. There are discrepancies in the architectural drawings concerning the number of parking spaces provided.

In the Tower Bldg, we accessed all floors though we did not directly access the pitched roofs. This building was still under construction at the time of our site visit and our observations were limited owing to construction activity and to the fact that many building elements were masked off with frosted plastic sheeting.

During the preparation of this report:

- An ALTA survey was not provided;
- An ADA survey was not provided;
- A rent roll was not provided; the property is a transient lodging facility;
- Historical repair or improvement information is not pertinent since the buildings are less than one year old;
- Roof warranty documents were requested but not provided at time of publication;
- The one-year HVAC manufacturer's warranties have expired;
- Vendor service agreements were not provided;
- Elevator maintenance documents were not provided;
- Information concerning planned future repairs or improvements was not provided;
- The completed AllWest PCA client questionnaire was not returned.

An appraisal was not made available for the subject property. Quantities were arrived at with input from the property manager and by our own count. AllWest relied upon field observations and measurements. AllWest recommends that, if feasible and permissible, all building materials or finishes be replaced in kind. AllWest did not operate any building systems or equipment and did not perform any tests. This report does not confirm the presence or absence of hazardous materials.

This evaluation represents AllWest's opinion based on our site observations. It should be recognized that items other than those specifically identified in this report, might require repair or replacement. Furthermore, this review is not intended to preempt in any way the technical or professional responsibility of the original design consultants.

The inspection procedures do not address termite or environmental inspection. The investigation scope was limited to accessible building areas, structure, and its components. Physical removal of wall panels or similar items was not performed to determine structural soundness or equipment reliability.

AllWest has visually assessed the subject property, both the land and the improvements thereon, where applicable. It is impossible to personally observe conditions that may exist below the surface of those that may be hidden within the structure of the

improvements. Therefore, it cannot be guaranteed that hidden or unexpected problems with the facility's structural integrity or soil conditions do not exist. The inspection findings contained in this report are based upon quantitative and qualitative factors that existed on the inspection date. There can be no assurance that intervening factors will not affect the report's conclusions.

Sketches, floor plans, and maps used in this report are included to aid the reader's visual understanding and should not be considered surveys or engineering studies. All dimensions and estimates of building size, net or gross are approximations.

The report is intended only for the internal use of the addressee or their authorized representative and possession does not imply the right of publication or the use for any other purpose without the written consent of AllWest Environmental, Incorporated.

Neither all nor part of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the prior written consent of AllWest Environmental, Incorporated.

This report is not intended, in any manner, to include any critique or evaluation of the design concept, or the structural, mechanical, or electrical systems, which may be incorporated into the subject property. It is not intended as an opinion with respect to any legal relationship or responsibilities between the architect, the engineers, the contractor, or the subject property owner. While AllWest Environmental, Inc. has reviewed some documents, our statements are not intentional legal opinions. In making this review and preceding on-site inspection, AllWest Environmental, Inc. does not assume any legal responsibilities for the design architects or engineers, or contractors for the subject property, nor is any other warranty or representation expressed or implied, included or intended.

E. Previous Reports & Information Sources

A previous property condition report was not provided.

- The original construction drawings for the Main Bldg—largely complete but lacking the fire safety drawings—were provided;
- Some architectural, mechanical, and structural sheets for the ongoing Tower Bldg renovation project were provided;
- All roofing systems are presumed to have in-effect warranties;

- The *Daikin* HVAC equipment likely has time left on their limited parts warranties;
- Information concerning testing and inspections of the fire and life safety systems was observed during the site visit;
- A list of vendors who provide some services to the property was provided;
- Responses to several project-specific questions were provided.

F. Consultant Qualification

Ryan Miller is a California Licensed Architect with more than 40 years of related experience.

G. Reliance Language

This report was prepared for the sole and exclusive use of La Bahia Propco, LLC, the only intended beneficiary of this work. No excerpts may be taken as representative of the findings of this assessment. The scope of services performed in the execution of this investigation may not be appropriate to satisfy other users, and any use or reuse of this document or its findings, conclusions, and recommendations is at the user's sole risk.

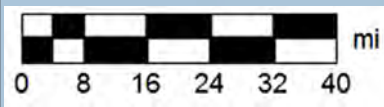
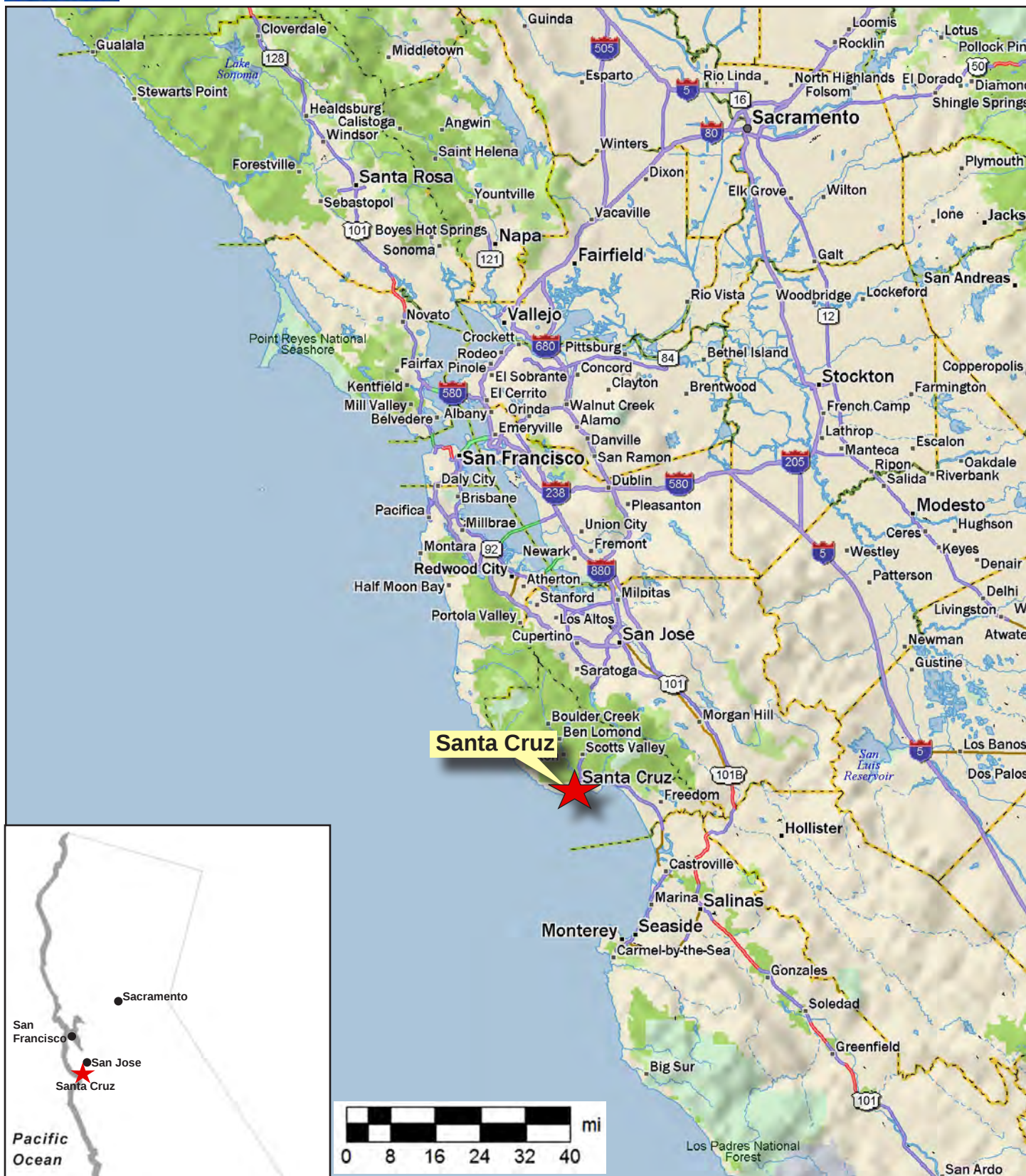
The information contained in this report has received appropriate technical review and approval. The

conclusions represent professional judgments and are founded upon the investigation findings identified in the report and the interpretation of such data based on our experience and expertise according to the existing standard of care. No other warranty or limitation exists, either expressed or implied.

AllWest's opinion of probable costs has been prepared solely as a general reference document for the use of La Bahia Propco, LLC. Our estimate has not been prepared by a cost estimator or contractor and as such should not be considered a guaranteed maximum of costs. Our estimate has been prepared to meet the unique needs of La Bahia Propco, LLC. No other parties may rely on the estimate without AllWest's consent. This report is not a specification for further work and is not intended as a substitute RFP. All area costs, unit costs, and line-item estimates are order-of-magnitude only.

Neither AllWest nor any staff member assigned to this investigation has any interest or contemplated interest, financial or otherwise, in the subject or surrounding properties, or in any entity which owns, leases, or occupies the subject or surrounding properties, or which may be responsible for issues identified during the course of this investigation, and has no personal bias with respect to the parties involved.

FIGURES



PROJECT NO.
26004.20.60

REGIONAL MAP

FIGURE 1

215 BEACH STREET

SANTA CRUZ, CA 95060

SOURCE: DELORME TOPO

PREPARED BY: D. CAMACHO

DATE: 2/6/26



AllWest

PROJECT NO.
26004.20.60

VICINITY MAP

FIGURE 2

215 BEACH STREET

SANTA CRUZ, CA 95060

SOURCE: GOOGLE EARTH

PREPARED BY: D. CAMACHO

DATE: 2/6/26



AllWest

PROJECT NO.
26004.20.60

AERIAL PHOTO

FIGURE 3

215 BEACH STREET

SAN FRANCISCO, CA 95060

SOURCE: GOOGLE

PREPARED BY: R. MILLER / D. CAMACHO

DATE: 2/6/26

PHOTOGRAPHS



1. The Casa del Rey Apartments once occupied the site. The southwest portion of the building (near the bell tower) was retained and rehabilitated as part of the current hotel.



2. Construction completion of the new portion of the hotel was completed in 2025.



3. South elevations along Beach Street. Tower Bldg in background right.



4. Main Bldg: East elevation.



5. Main Bldg: North elevation.



6. Main Bldg: West elevation.



7. Tower Bldg: South elevation at center of shot.



8. Tower Bldg: East elevation at center of shot.



9. Primary pedestrian entrance along Beach Street.



10. Primary vehicular entrance along Beach Street.



11. Main Bldg: Primary pedestrian building entrance.



12. Tower Bldg: Primary pedestrian entrance.



13. Tower Bldg: Wheelchair ramp along north elevation.



14. Main Bldg: The TPO roofing system is date stamped February 2024.



15. Main Bldg: The TPO roofing system is date stamped February 2024.



16. Main Bldg: Green roofing systems are installed over approximately 25% of the roof area.



17. Main Bldg: TPO roof staining from past ponded water shown. Allwest recommends a contract for annual roof inspections and cleanings be initiated and maintained for both buildings.



18. Main Bldg: Roof and overflow drain combinations are installed. Evidence of past ponded water also shown.



19. Tower Bldg: The red barrel tile roofing system was reportedly installed in August 2025.



20. Tower Bldg: Gutters and downspouts provide roof drainage.



21. Tower Bldg: Downspouts discharge at slightly above grade to nearby drain inlets.



22. Main Bldg: Interior finishes and fixtures at reception desk in main lobby.



23. Main Bldg: Interior finishes and fixtures in main lobby with bar in background.



24. Main Bldg: Interior finishes and fixtures in main lobby corridor.



25. Main Bldg: Interior finishes and fixtures in ballroom.



26. Main Bldg: Interior finishes and fixtures in conference room.



27. Main Bldg: Interior finishes and fixtures in first floor restaurant.



28. Main Bldg: Interior finishes and fixtures in second floor restaurant.



29. Main Bldg: Interior finishes and fixtures in kitchens.



30. Main Bldg: Interior finishes and fixtures in kitchens.



31. Main Bldg: Interior finishes and fixtures in kitchens. ANSUL fire suppression systems are installed above cooktops.



32. Main Bldg: Interior finishes and fixtures in kitchens.



33. Main Bldg: Interior finishes and fixtures in kitchens.



34. Main Bldg: Equipment and interior finishes and fixtures in fitness room.



35. Main Bldg: Interior finishes and fixtures in guestrooms.



36. Main Bldg: Interior finishes and fixtures in guestrooms.



37. Main Bldg: Interior finishes and fixtures in guestrooms.



38. Main Bldg: Interior finishes and fixtures in guestrooms.



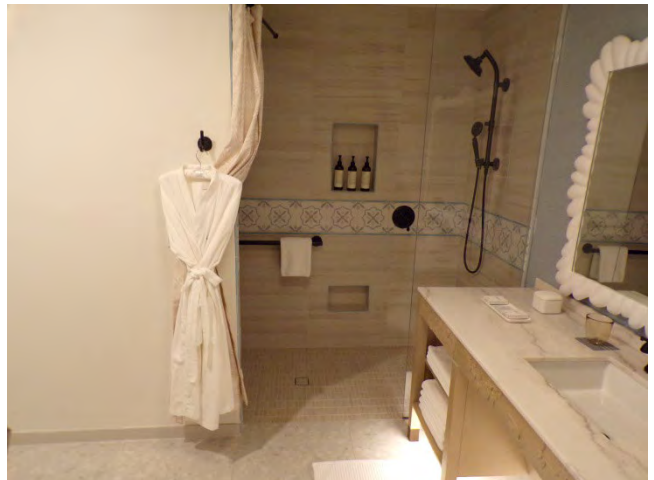
39. Main Bldg: Interior finishes and fixtures in guestroom bathrooms.



40. Main Bldg: Interior finishes and fixtures in guestroom bathrooms.



41. Main Bldg: Interior finishes and fixtures in guestroom bathrooms.



42. Main Bldg: Interior finishes and fixtures in guestroom bathrooms with roll-in shower.



43. Main Bldg: Numerous sets of interior stairs are installed.



44. Main Bldg: Numerous sets of exterior stairs are installed.



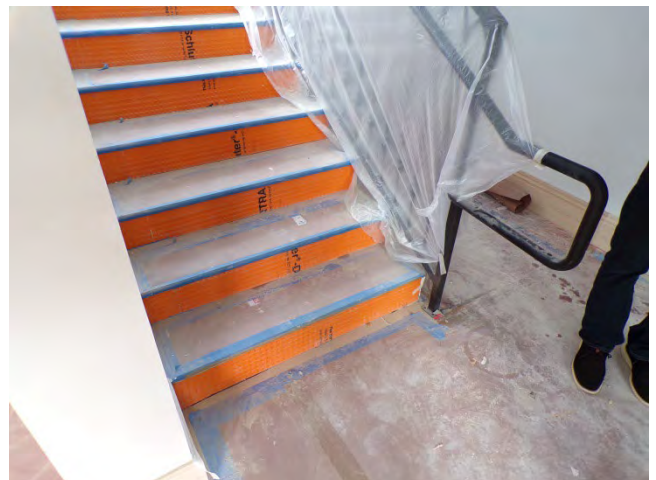
45. Tower Bldg: Interior finishes and fixtures. Construction was underway at the time of our site visit.



46. Tower Bldg: Interior finishes and fixtures.



47. Tower Bldg: Interior finishes and fixtures.



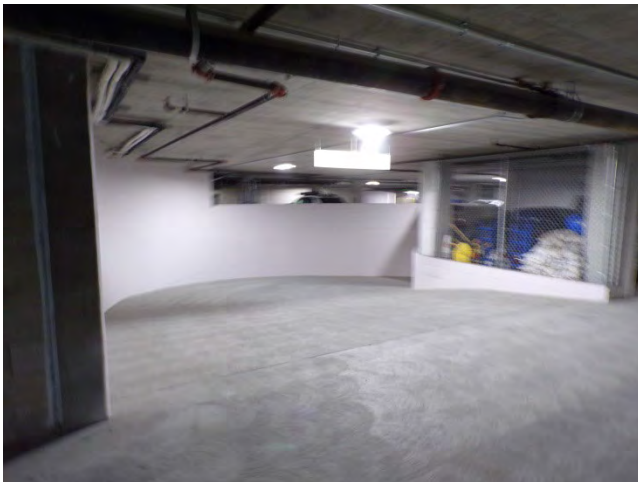
48. Tower Bldg: Two sets of interior stairs are provided.



49. Main Bldg: The parking garage is located on the basement level (shown) and on the first and second floors.



50. Main Bldg: Seven Disabled Accessible parking stalls are provided, two of which are Van Accessible (shown).



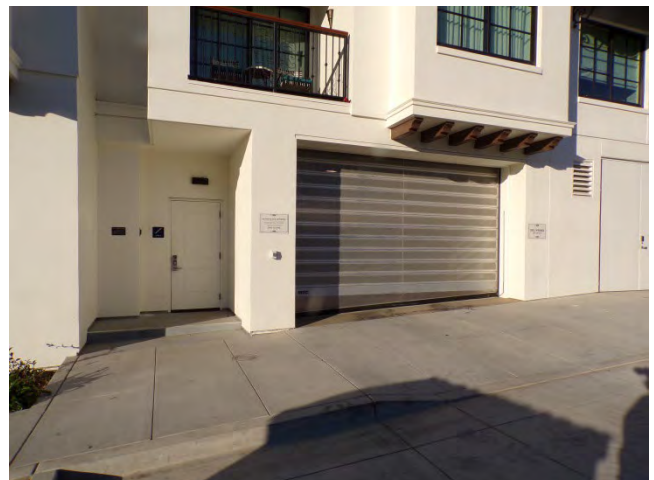
51. Main Bldg: A cast-in-place concrete ramp connects the basement and first floor level of the parking garage.



52. Main Bldg: Area drains are provided on the basement level of the parking garage.



53. Main Bldg: Vehicular entrance to the parking garage for basement and first floor levels. This entrance is located near the southwest corner of the building.



54. Main Bldg: Vehicular entrance to the parking garage for the second floor level. This entrance is located along the east elevation.



55. Main Bldg: *Daikin* split-system heat pumps.



56. Main Bldg: *Daikin* air source heat recovery VRV units.



57. Main Bldg: Roof-mounted *Greenheck* pollution control units for garage ventilation.



58. Main Bldg: Interior *CaptiveAire* air handler for pollution control units for garage ventilation.



59. Main Bldg: Roof-mounted exhaust fans and ductwork.



60. Tower Bldg: The *Daikin* 12 ton heat pump system is reportedly the only source of heated and cooled air for this building.



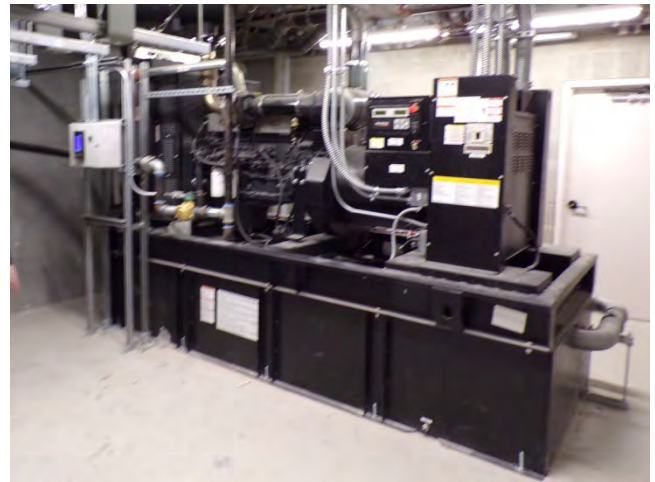
61. Main Bldg: The 3,000 amp main service entrance panel was manufactured by *Siemens*.



62. Main Bldg: The 3,000 amp main circuit breaker was ground fault performance tested on August 24, 2024. Re-testing is required on a three-year interval.



63. Main Bldg: Numerous sub-panels, also manufactured by *Siemens*, are installed.



64. Main Bldg: A 300 KW red diesel-powered emergency generator, manufactured by *Generac*, serves the hotel.



65. Main Bldg: Four natural gas-fired water heaters, manufactured by *Conquest/PVI*, are provided for general hotel use.



66. Main Bldg: The domestic hot water system is supplemented by two 132 gallon hot water storage tanks, both manufactured by *Elbi*.



67. Main Bldg: A dedicated water heater and filtration tank serve the laundry room.



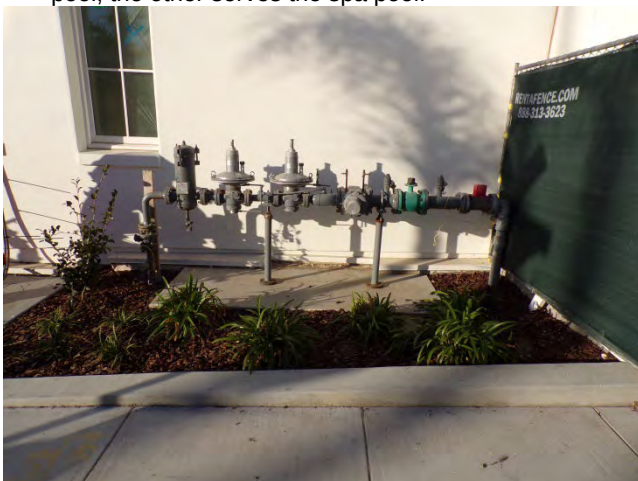
68. Main Bldg: The pool equipment is located in a dedicated service room.



69. Main Bldg: Two *Pentair* ETi 400 natural gas-fired pool heaters are provided as are filtering equipment and two pumps. One pool water heater serves the swimming pool; the other serves the spa pool.



70. Main Bldg: Two *Pentair* water pumps are provided for the pool equipment. Pool pump shown.



71. The gas service is fitted with an automatic seismic shutoff valve. Tower Bldg in background.



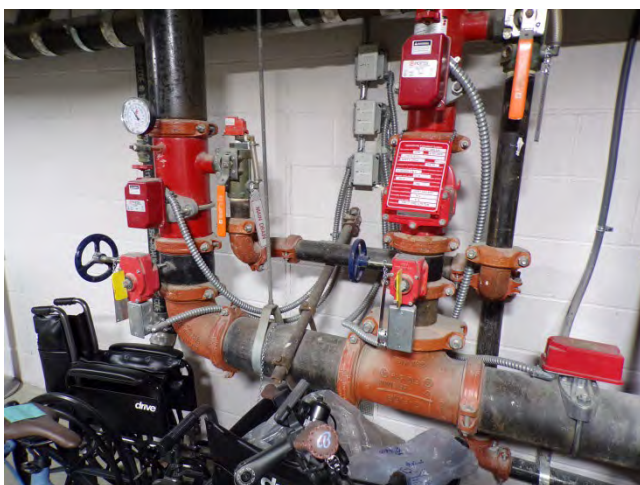
72. Four inch (left) and an eight inch (center) backflow prevention devices are provided. Tower Bldg in background.



73. Main Bldg: The main FACP is located in a dedicated service room on the north side of the building. The FACP serves both buildings.



74. Main Bldg: A box of spare sprinkler heads is located in the FACP service room, as required.



75. Main Bldg: Sprinkler riser.



76. Tower Bldg: Sprinkler riser. Box of spare sprinkler heads at lower left.



77. Horn/strobe alarm device placements appeared compliant with current Accessibility codes.



78. Manual pull stations were observed in a few locations. The silver fire extinguisher is a 10 lb. Class K-type, which are provided in the kitchens.



79. An ERRCS system is installed.



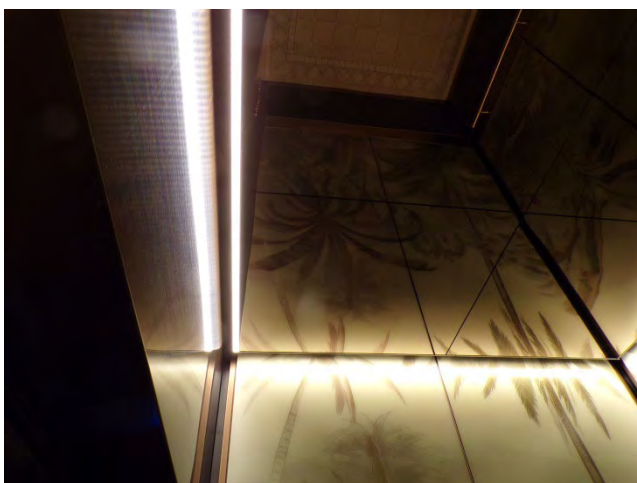
80. Five lb. ABC-type dry chemical fire extinguishers are installed throughout. All observed fire extinguishers had current inspection tags.



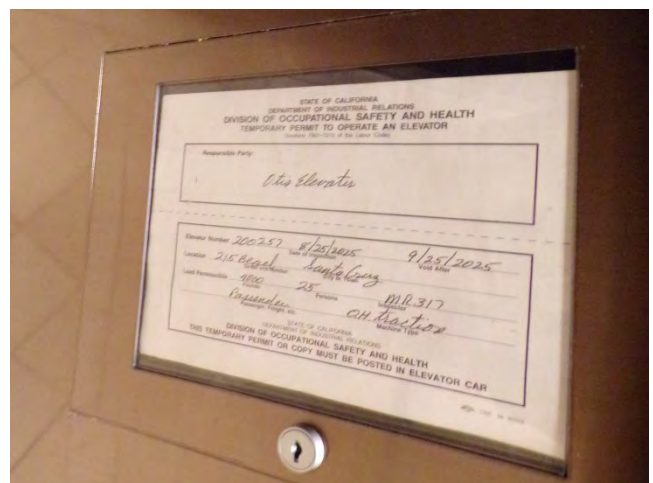
81. Main Bldg: Three Otis passenger elevators are installed.



82. Main Bldg: Interior finishes and handrail in passenger elevators.



83. Main Bldg: Interior finishes and fixtures in passenger elevators.



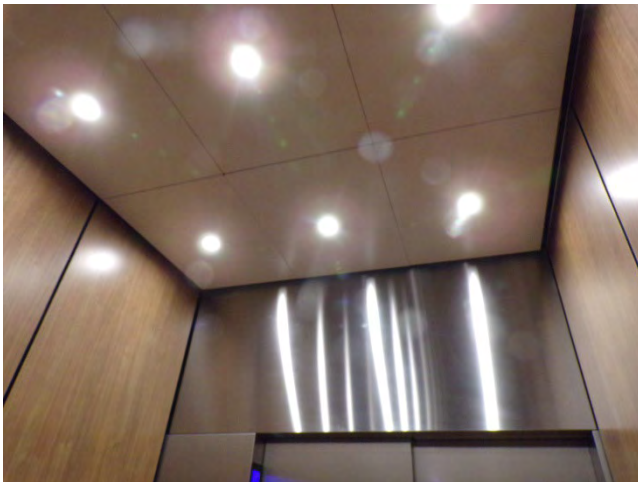
84. Main Bldg: The temporary permits on display in the elevator cabs had expired. Inspections have been requested with the State of California.



85. Main Bldg: Two Otis freight elevators are installed.



86. Main Bldg: Interior finishes and handrails in freight elevators.



87. Main Bldg: Interior finishes and fixtures in freight elevators.



88. Main Bldg: Interior finishes and fixtures in restrooms.



89. Main Bldg: Interior finishes and fixtures in restrooms. Waterless urinal are installed.



90. Main Bldg: Interior finishes and fixtures in restrooms.



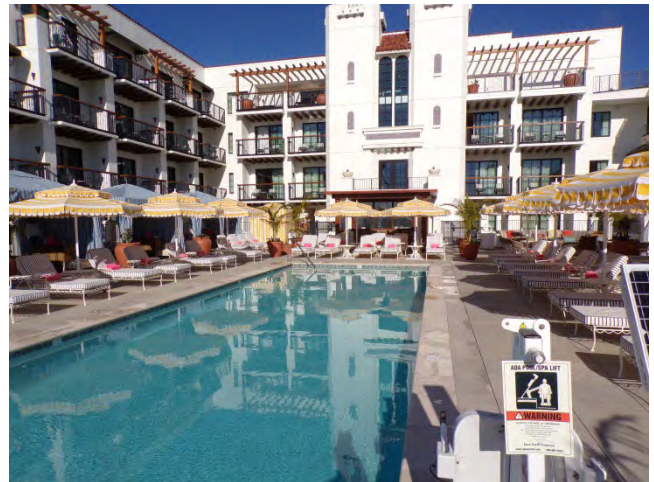
91. Main Bldg: Interior finishes and fixtures in restrooms.



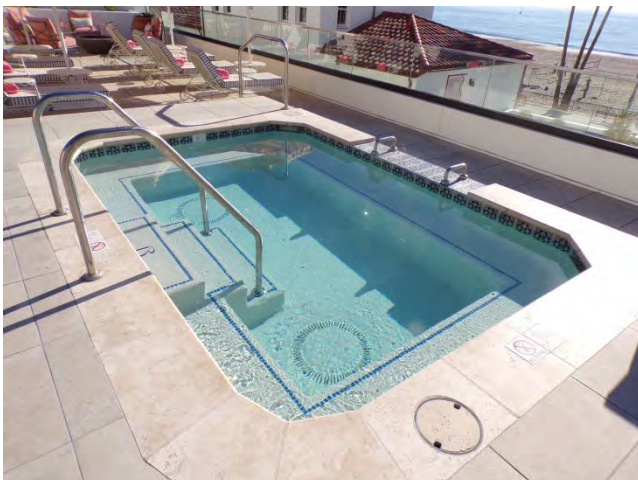
92. Main Bldg: Interior finishes and fixtures in restrooms.



93. Main Bldg: The swimming pool is at third floor level.



94. Main Bldg: The pool area is an attractive feature of the hotel.



95. Main Bldg: One spa pool is provided.



96. Main Bldg: An anchored pool chair lift is installed near the swimming pool. The portable lift was not observed.



97. Main Bldg: The tent structure is a temporary installation, only used in cold weather months.



98. Main Bldg: The sauna room suffered water flooding during a storm and the floor was damaged; repairs are underway.



99. Main Bldg: Cabanás and outdoor seating for the spa area are provided on a roof terrace at sixth floor level.



100. Main Bldg: A fire pit is installed near the cabanás.



101. Main Bldg: Rust on steel supports for HVAC equipment.



102. Main Bldg: Rust on steel caps on HVAC equipment curbs where plastic film coating is damaged.

APPENDIX A

ZONING/PERMIT PROCESSING
831/420-5100 • FAX 831/420-5101
INSPECTION SERVICES
831/420-5120 • FAX 831/420-5101

COMPREHENSIVE PLANNING,
HOUSING AND
COMMUNITY DEVELOPMENT
831/420-6250 • FAX 831/420-6458

809 Center Street • Room 101 • Santa Cruz, CA 95060 • cityplan@ci.santa-cruz.ca.us
Lee Butler, Director

August 28, 2025

La Bahia Propco, LLC
Attn: Conrad Garner
LONG BEACH, CA 90802

**PERMISSION TO OCCUPY
TEMPORARY CERTIFICATE OF OCCUPANCY**

This document will serve as a conditional permit to occupy specific portions of the building located at **215 BEACH ST** in the City of Santa Cruz designated Assessors Parcel No. **007-214-02**, as described by Building Permit **B19-0017**.

Occupancy will be permitted starting on **8/29/2025** and will expire on **9/30/2025**, unless a written request for an extension is submitted prior to the expiration date. The request must include a valid justification demonstrating that full compliance with the applicable codes and terms outlined in this document is currently unattainable due to circumstances beyond the applicant's control.

Occupancy is authorized for all areas of the hotel, excluding the spa and pool bar, which shall remain non-operational until all applicable code requirements have been met, inspected and written approval has been granted by the authority having jurisdiction. All remaining items listed in the request for TCO must be resolved and brought into compliance prior to the issuance of the Final Certificate of Occupancy.

This permit is issued by the authority of the Chief Building Official and can be revoked or extended at his discretion for non-compliance with any of the terms set forth and herein.

Sincerely,

Larry Riordan



Chief Building Official

FOR TAX PURPOSES ONLY

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CITY OF SANTA CRUZ

Tax Area Code
1-027

7-21

TERRACE CT TR. # 725
064M57 5/5/1977

055M10
7/21/1971

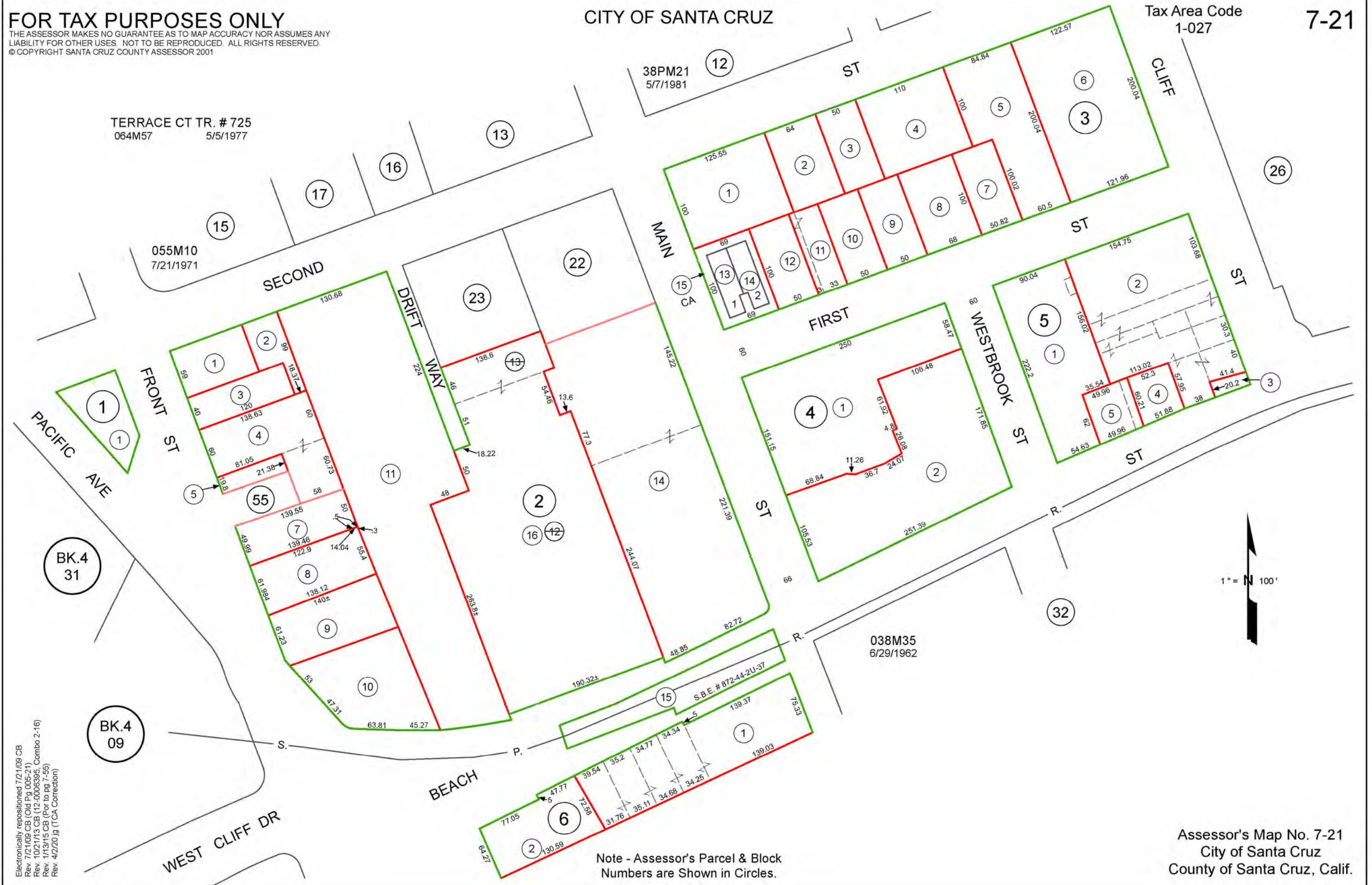
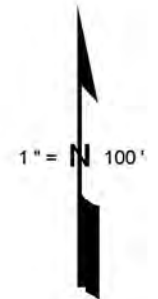
38PM21
5/7/1981

038M35
6/29/1962

Note - Assessor's Parcel & Block
Numbers are Shown in Circles.

Assessor's Map No. 7-21
City of Santa Cruz
County of Santa Cruz, Calif.

Electronically repositioned 7/21/09 CB
Rev. 7/21/09 CB (Old Pg 005-21)
Rev. 10/21/13 CB (12-0006395, Combo 2-16)
Rev. 1/13/15 CB (Por to pg 7-55)
Rev. 4/2/20 Jg (1 CA Correction)





COUNTY OF SANTA CRUZ

PARCEL RESEARCH REPORT - WITHOUT INSPECTION

Page: Page 1 of 2

Date: 12/9/2025

Time: 15:02.01

APN: 00721401

SITUS ADDRESS: 215 BEACH ST, SANTA CRUZ CA 95060-5449

MAILING ADDRESS: 444 W OCEAN BLVD #650, LONG BEACH CA 90802

PARCEL INFORMATION:

SQ FT: 28,226.90 (ESTIMATE)	ACREAGE: 0.65 (ESTIMATE)	BUILDING SQ FT: 0
ZONING: n/a	PLANNING AREA: n/a	
SUPERVISORIAL DISTRICT: SUPER-3	GENERAL PLAN: n/a	

CURRENT ASSESSOR'S CHARACTERISTICS (Does not confirm legality)

YEAR BUILT: 0	ROOM COUNT: 0	BEDROOMS: 0	BATHROOMS: 0/0
MISC OTHER BUILDINGS:	NUMBER OF UNITS: 0	USL: Yes	RSL: No

PARCEL SPLIT/COMBOS

PARCEL IN	PARCEL IN STATUS	PARCEL OUT	PARCEL OUT STATUS	DATE OF APN CHANGE
00721401	Active	00721401	Active	
	Active	00721401	Active	11/01/2009

CODE COMPLIANCE COMPLAINT:

SR#	Request Date	Inspector	Additional Information



C O U N T Y O F S A N T A C R U Z

PARCEL RESEARCH REPORT - WITHOUT INSPECTION

Page: Page 2 of 2

Date: 12/9/2025

Time: 15:02.01

CODE COMPLIANCE CASE(S)

Case No.	Processed Date	Milestone	Case Info
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BUILDING APPLICATIONS:

APPLICATION #:

APPLICATION DATE:

STATUS:

DISCRETIONARY APPLICATIONS:

App No	App Date	Project Planner	Project Description
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CANNABIS APPLICATIONS:

App No	App Date	Project Planner	Applicant Name	Project Description
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C O U N T Y O F S A N T A C R U Z

PARCEL RESEARCH REPORT - WITHOUT INSPECTION

Page: Page 1 of 2

Date: 12/9/2025

Time: 15:03.28

APN: 00721402

SITUS ADDRESS: 215 BEACH ST, SANTA CRUZ CA 95060-5449

MAILING ADDRESS: 444 W OCEAN BLVD #650, LONG BEACH CA 90802

PARCEL INFORMATION:

SQ FT: 33,192.70 (ESTIMATE)	ACREAGE: 0.76 (ESTIMATE)	BUILDING SQ FT: 0
ZONING: n/a	PLANNING AREA: n/a	
SUPERVISORIAL DISTRICT: SUPER-3	GENERAL PLAN: n/a	

CURRENT ASSESSOR'S CHARACTERISTICS (Does not confirm legality)

YEAR BUILT: 2023	ROOM COUNT: 0	BEDROOMS: 165	BATHROOMS: 0/0
MISC OTHER BUILDINGS:	NUMBER OF UNITS: 1	USL: Yes	RSL: No

PARCEL SPLIT/COMBOS

PARCEL IN	PARCEL IN STATUS	PARCEL OUT	PARCEL OUT STATUS	DATE OF APN CHANGE
00721402	Active	00721402	Active	
	Active	00721402	Active	11/01/2009

CODE COMPLIANCE COMPLAINT:

SR#	Request Date	Inspector	Additional Information



C O U N T Y O F S A N T A C R U Z

PARCEL RESEARCH REPORT - WITHOUT INSPECTION

Page: Page 2 of 2

Date: 12/9/2025

Time: 15:03.28

CODE COMPLIANCE CASE(S)

Case No.	Processed Date	Milestone	Case Info
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BUILDING APPLICATIONS:

APPLICATION #:

APPLICATION DATE:

STATUS:

DISCRETIONARY APPLICATIONS:

App No	App Date	Project Planner	Project Description
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CANNABIS APPLICATIONS:

App No	App Date	Project Planner	Applicant Name	Project Description
--------	----------	-----------------	----------------	---------------------

SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	B19-0017	PERMITTYPE	BLDG COMMERCIAL
STATUS	ISSUED	APPLIED	2/14/2019
ISSUED	12/19/2019	FINALED	
EXPIRED	3/8/2026	RECORDID	NM:1901111252205382
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	B19-0150	PERMITTYPE	BLDG COMMERCIAL
STATUS	ISSUED	APPLIED	4/25/2019
ISSUED	8/30/2022	FINALED	
EXPIRED	6/7/2026	RECORDID	NM:1903121002524245
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	B19-0335	PERMITTYPE	BLDG COMMERCIAL
STATUS	FINALED	APPLIED	6/6/2019
ISSUED	9/1/2022	FINALED	7/5/2023
EXPIRED		RECORDID	NM:1905310224245218
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	B19-0407	PERMITTYPE	BLDG COMMERCIAL
STATUS	FINALED	APPLIED	7/3/2019
ISSUED	8/8/2022	FINALED	7/10/2023
EXPIRED		RECORDID	DJ:1907031145589230
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	B22-0412	PERMITTYPE	BLDG COMMERCIAL
STATUS	PAID	APPLIED	8/24/2022
ISSUED		FINALED	
EXPIRED	5/21/2023	RECORDID	NM:2208240445544201
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	B22-0510	PERMITTYPE	BLDG COMMERCIAL
STATUS	PAID	APPLIED	11/3/2022
ISSUED	2/13/2023	FINALED	
EXPIRED	8/12/2023	RECORDID	NM:2210260132082683
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	B23-0544	PERMITTYPE	BLDG COMMERCIAL
STATUS	FINALED	APPLIED	10/18/2023
ISSUED	11/21/2023	FINALED	8/20/2025
EXPIRED		RECORDID	NM:2310181202332867

SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	B24-0263	PERMITTYPE	BLDG COMMERCIAL
STATUS	FINALED	APPLIED	5/10/2024
ISSUED	8/12/2024	FINALED	8/12/2025
EXPIRED		RECORDID	CSGP:240510121039476
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	D18-0049	PERMITTYPE	BLDG COMMERCIAL
STATUS	FINALED	APPLIED	11/30/2018
ISSUED	12/19/2019	FINALED	8/20/2025
EXPIRED		RECORDID	MN:1811301002241553
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	E23-0039	PERMITTYPE	BLDG COMMERCIAL
STATUS	ISSUED	APPLIED	2/6/2023
ISSUED	2/6/2023	FINALED	
EXPIRED	9/30/2025	RECORDID	JOE2:230206105156798
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	E23-0122	PERMITTYPE	BLDG COMMERCIAL
STATUS	APPROVED	APPLIED	3/9/2023
ISSUED		FINALED	
EXPIRED		RECORDID	4DS:2303090733420222
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	E23-0579	PERMITTYPE	BLDG COMMERCIAL
STATUS	FINALED	APPLIED	10/23/2023
ISSUED	1/24/2024	FINALED	8/20/2025
EXPIRED		RECORDID	NM:2310230414536223
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	EST22-0004	PERMITTYPE	BLDG COMMERCIAL
STATUS	UNDER REVIEW	APPLIED	7/29/2022
ISSUED		FINALED	
EXPIRED		RECORDID	NM:2207291206560859
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F23-0061	PERMITTYPE	FIRE ALARM
STATUS	FINALED	APPLIED	7/19/2023
ISSUED	7/19/2023	FINALED	7/31/2025
EXPIRED		RECORDID	KK:2307190425084282

SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F23-0074	PERMITTYPE	FIRE ALARM
STATUS	FINALED	APPLIED	8/15/2023
ISSUED	8/15/2023	FINALED	8/28/2025
EXPIRED		RECORDID	KK:2308150112443330
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F23-0092	PERMITTYPE	FIRE SERV UNDRGRND COMMERCIAL
STATUS	FINALED	APPLIED	9/28/2023
ISSUED	9/28/2023	FINALED	7/31/2025
EXPIRED		RECORDID	KK:2309280247253933
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F23-0093	PERMITTYPE	FIRE SERV UNDRGRND COMMERCIAL
STATUS	ISSUED	APPLIED	9/28/2023
ISSUED	9/28/2023	FINALED	
EXPIRED	3/26/2024	RECORDID	KK:2309280257444075
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F23-0097	PERMITTYPE	FIRE SPRINKLER
STATUS	FINALED	APPLIED	10/3/2023
ISSUED	10/3/2023	FINALED	7/31/2025
EXPIRED		RECORDID	KK:2310031140477300
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F25-0006	PERMITTYPE	RANGE HOOD
STATUS	FINALED	APPLIED	1/14/2025
ISSUED	1/15/2025	FINALED	8/7/2025
EXPIRED		RECORDID	KK:2501140308414311
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F25-0007	PERMITTYPE	RANGE HOOD
STATUS	FINALED	APPLIED	1/14/2025
ISSUED	1/15/2025	FINALED	8/7/2025
EXPIRED		RECORDID	KK:2501140312124362
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F25-0023	PERMITTYPE	RANGE HOOD
STATUS	FINALED	APPLIED	3/3/2025
ISSUED	3/3/2025	FINALED	8/7/2025
EXPIRED		RECORDID	KK:2503030158114437

SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F25-0024	PERMITTYPE	FIRE SPRINKLER
STATUS	ISSUED	APPLIED	3/3/2025
ISSUED	3/3/2025	FINALED	
EXPIRED	12/20/2025	RECORDID	KK:2503030205564486
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F25-0025	PERMITTYPE	RANGE HOOD
STATUS	FINALED	APPLIED	3/3/2025
ISSUED	3/3/2025	FINALED	8/7/2025
EXPIRED		RECORDID	KK:2503030220144620
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F25-0076	PERMITTYPE	FIRE ALARM
STATUS	ISSUED	APPLIED	6/12/2025
ISSUED	6/12/2025	FINALED	
EXPIRED	12/9/2025	RECORDID	KK:2506121024296635
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F25-0089	PERMITTYPE	ERCES
STATUS	FINALED	APPLIED	7/21/2025
ISSUED	7/21/2025	FINALED	9/9/2025
EXPIRED		RECORDID	KK:2507211033194439
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	F25-0131	PERMITTYPE	SPECIAL EVENT COMBO
STATUS	ISSUED	APPLIED	10/14/2025
ISSUED	10/14/2025	FINALED	
EXPIRED	10/14/2026	RECORDID	KK:2510141000434091
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	G19-0004	PERMITTYPE	BLDG COMMERCIAL
STATUS	FINALED	APPLIED	12/12/2019
ISSUED	12/19/2019	FINALED	8/20/2025
EXPIRED		RECORDID	LR:1912120322275100
SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	M24-0083	PERMITTYPE	BLDG COMMERCIAL
STATUS	ISSUED	APPLIED	5/13/2024
ISSUED	5/15/2024	FINALED	
EXPIRED	9/21/2025	RECORDID	LR:2405131108165585

SITE_APN	007-214-02	SITE_ADDR	215 BEACH ST
PERMIT_NO	P23-0020	PERMITTYPE	BLDG COMMERCIAL
STATUS	ISSUED	APPLIED	1/26/2023
ISSUED	1/30/2023	FINALED	
EXPIRED	9/20/2025	RECORDID	LR:2301260421015492
SITE_APN	002-092-30	SITE_ADDR	215 BEACHVIEW AVE
PERMIT_NO	B15-0394	PERMITTYPE	BLDG RESIDENTIAL
STATUS	FINALED	APPLIED	8/20/2015
ISSUED	8/20/2015	FINALED	9/23/2015
EXPIRED		RECORDID	JTO:1508200110511734
SITE_APN	002-092-30	SITE_ADDR	215 BEACHVIEW AVE
PERMIT_NO	B16-0347	PERMITTYPE	BLDG RESIDENTIAL
STATUS	FINALED	APPLIED	7/11/2016
ISSUED	7/11/2016	FINALED	9/2/2016
EXPIRED		RECORDID	MN:1607110919560559
SITE_APN	002-092-30	SITE_ADDR	215 BEACHVIEW AVE
PERMIT_NO	R16-0169	PERMITTYPE	BLDG RESIDENTIAL
STATUS	FINALED	APPLIED	7/12/2016
ISSUED	7/12/2016	FINALED	1/31/2017
EXPIRED		RECORDID	SCM:1607120810503871

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Permit #B19-0017

 [Inspections](#)

Permit Info Site Info Inspections(603)

Type: BLDG COMMERCIAL

Subtype: HOTEL/MOTEL

Job Description: New Hotel for La Bahia

Status: ISSUED

Applied Date: 2/14/2019

Approved Date: 12/18/2019

Issued Date: 12/19/2019

Finaled Date:

Expiration Date: 3/8/2026

Notes: Six story hotel, plus a basement. Will include 2 restaurants and a hotel with a ballroom.

There is an existing historical building that will remain and be remodeled and restored as part of this development but is not part of this permit.

REVISION [SIDEWALK] 3/6/25

Linked Activities:

 [Parent Project](#)

[CP13-0059](#) CURRENT PLANNING APPROVED

 [Parent Permit](#)

[E23-0039](#) BLDG COMMERCIAL ISSUED

 [Permit\(s\)](#)

[F25-0089](#) ERCES FINALED

[F25-0025](#) RANGE HOOD FINALED

[F25-0023](#) RANGE HOOD FINALED

[F25-0007](#) RANGE HOOD FINALED

[F25-0006](#) RANGE HOOD FINALED

[M24-0083](#) BLDG COMMERCIAL ISSUED

[F23-0097](#) FIRE SPRINKLER FINALED

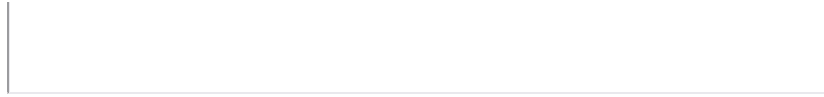
[F23-0093](#) FIRE SERV UNDRGRND COMMERCIAL ISSUED

[F23-0092](#) FIRE SERV UNDRGRND COMMERCIAL FINALED

[F23-0074](#) FIRE ALARM FINALED

[F23-0061](#) FIRE ALARM FINALED

[B19-0407](#) BLDG COMMERCIAL FINALED



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Permit #B19-0150

[Permit Info](#) [Site Info](#) [Inspections\(40\)](#)

Type: BLDG COMMERCIAL

Subtype: HOTEL/MOTEL

Job Description: Historic Restoration & Renovation 'La Bahia Hotel'

Status: ISSUED

Applied Date: 4/25/2019

Approved Date: 10/14/2020

Issued Date: 8/30/2022

Final Date:

Expiration Date: 6/7/2026

Notes: Bell Tower Building
10 guest rooms

Linked Activities:

Parent Project

[CP13-0059](#) [CURRENT PLANNING](#) [APPROVED](#)



Permit(s)

[F25-0076](#) [FIRE ALARM](#) [ISSUED](#)

[F25-0024](#) [FIRE SPRINKLER](#) [ISSUED](#)

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Permit #D18-0049

[Permit Info](#) [Site Info](#) [Inspections\(8\)](#)

Type: BLDG COMMERCIAL

Subtype: DEMO

Job Description: Phased Demolition of "La Bahia"

Status: FINALED

Applied Date: 11/30/2018

Approved Date: 12/6/2019

Issued Date: 12/19/2019

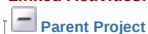
Finaled Date: 8/20/2025

Expiration Date:

Notes: Phase I - Demolition of 44 apartment units with a total of 14,197 SF, courtyard and parking surfaces, lot area 60,278 SF. Historical building to remain in place.

Phase II - Selective demolition of a three story 2,081 SF Historic Building (bell tower) in order to rehabilitate it. Construction is plaster over wood framed structure.

Note: Phase II of demolition shall not occur until excavation for the new construction has been performed. Contractor to provide all protections and safeguards to prevent any damage to historic building.

Linked Activities:

CP13-0059 CURRENT PLANNING APPROVED

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R16-0169

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Permit #G19-0004

[Permit Info](#) [Site Info](#) [Inspections](#)

Type: BLDG COMMERCIAL

Subtype: GRADING

Job Description: Grading for new La Bahia Hotel

Status: FINALED

Applied Date: 12/12/2019

Approved Date: 12/16/2019

Issued Date: 12/19/2019

Finaled Date: 8/20/2025

Expiration Date:

Notes:

Note: Records prior to **2010** will require staff research for full details.

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M24-0083

P23-0020

B15-0394

B16-0347

R16-0169

page 2 of 2

Permit #R16-0169

Permit Info Site Info Inspections(1)

Type: BLDG RESIDENTIAL

Subtype: ROOFING

Job Description: reroof comp to comp

Status: FINALED

Applied Date: 7/12/2016

Approved Date: 7/12/2016

Issued Date: 7/12/2016

Finaled Date: 1/31/2017

Expiration Date:

Notes:

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Project Search

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SEARCH

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Project #CP13-0059

Project Info Site Info

Description: La Bahia - 165 Room Hotel

Type: CURRENT PLANNING

Subtype: HPC-CC-PC

Planner: Ryan Bane

Status: APPROVED

Applied: 5/20/2013

Incomplete:

Complete:

Env Det:

Approved: 8/13/2014

Effective:

Notes: (5/2/2013 3:20 PM JL)

Historic Demolition, Residential Demolition Authorization, Design, Coastal, Planned Development, and Administrative Use Permits, Boundary Adjustment, and Historic Building Survey Deletion to demolish an existing 44-unit residential complex except for a portion of the existing building and tower and construct a 165-room hotel with restaurant, meeting rooms, and a partially underground garage in the RTC/CZO/SPO zone district. (Environmental Determination: EIR)

(5/2/2013 3:25 PM JL)

eir/gp/lcp/azoa/hdp/hbsd/pdp/cp/dp/sup/rdap/da/tsm la bahia hotel project demo of ex 44-unit cmplx bldg listed on the CHBS cnstrct 125-rm hotel w/rstrnt meeting space and a partially underground garage in the RTC/HO/CZP/SPO zone district. ed/ce

Linked Activities:

Project(s)		
CP19-0064	CURRENT PLANNING	APPROVED
CP18-0135	CURRENT PLANNING	APPROVED

Permit(s)		
F25-0089	ERCES	FINALED
F25-0076	FIRE ALARM	ISSUED
F25-0025	RANGE HOOD	FINALED
F25-0024	FIRE SPRINKLER	ISSUED
F25-0023	RANGE HOOD	FINALED
F25-0007	RANGE HOOD	FINALED
F25-0006	RANGE HOOD	FINALED

F23-0093	FIRE SERV UNDRGRND COMMERCIAL	ISSUED
F23-0092	FIRE SERV UNDRGRND COMMERCIAL	FINALED
F23-0074	FIRE ALARM	FINALED
F23-0061	FIRE ALARM	FINALED
B19-0407	BLDG COMMERCIAL	FINALED
B19-0150	BLDG COMMERCIAL	ISSUED
B19-0017	BLDG COMMERCIAL	ISSUED
D18-0049	BLDG COMMERCIAL	FINALED

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The subject property at 215 Beach Street, Santa Cruz, CA, is located in FEMA Flood Zone X (unshaded), per FIRM Panel No. 06087C0334F, dated September 29, 2017.

Flood Zone X (unshaded)

FEMA describes Flood Zone X (unshaded) as an area of minimal flood hazard, usually depicted on flood maps as above the 500-year flood level. Zone X is the area determined to be outside the 500-year flood and protected by levee from a 100-year flood.

APPENDIX B

Questions.01 for 215 Beach Street, Santa Cruz, CA

All questions apply to both building, unless noted otherwise.

1. On the smaller Tower Bldg, when was the red tile roof installed? (I am assuming this happened after May 2024, based on satellite photos. That is the most recent satellite photo available for your site.) **Very recently as soon as August of 25**
2. If you have a copy of the roof warranties for both buildings, can those be sent to me? We do have roof warranties. **I believe 25 years. I will need to reach out to ownership for actual warranties.**
3. Are there any known, current leaks though the roofing systems? **Unknown**
4. Is roof maintenance provided on an as-needed basis vs. having a maintenance contract providing regularly scheduled service visits? **Warranty Plus Engineering staff will conduct monthly visual inspection including roof and gutter.**
5. If there is a contract for regular roof maintenance, how often are roof maintenance visits conducted? **unknown**
6. Who provides roof maintenance? **Unknown**
7. Who provides HVAC maintenance? **Bay Mountain Air**
8. Does Otis still provide elevator maintenance? **Yes**
9. Who provides fire sprinkler testing? **Rex Moore.**
10. Who provides fire alarm monitoring? **Rex Moore Electric**
11. Are there any known, current leaks though the window/wall systems? **Unknown.**
12. What is the name of the building management systems (BMS) that is used? **Daiken intelligent touch controller with an overlay of Honeywell Inncom for the guestrooms.**
13. Please briefly describe the hotel's security system (such as, are there interior and exterior cameras, motion detectors, and how is the system monitored and/or recorded?). **Cameras throughout the**

property that can be reviewed by laptop. We use Assa Abloy for our security system and all locks can be interrogated.

14. I don't yet have the Mechanical drawings for the Tower Bldg. I have seen one 12-ton Daikin heat pump outdoor unit mounted at-grade along the north side of that building. Is that HVAC unit the only source of heated and cooled air for the Tower Bldg? **Yes this is the only unit.**
15. I did not see a fire alarm control panel (FACP) in the Tower Bldg. Does the main FACP in the Main Bldg also serve the Tower Bldg? **Yes**
16. Is exterior lighting controlled by time clocks? **Yes**
17. Is natural gas consumed by anything other than the rooftop makeup air unit, kitchen equipment, laundry equipment, the fire pit, the pool and spa pool water heaters, and domestic water heaters? **No**
18. I have the laundry room plans, so I can see what was installed for the hotel. Are washers and dryers installed for guest use? **No**
19. If there are guest-use clothes dryers installed, do they use natural gas? **N/A**
20. The temporary permits in the elevators have expired. Has Otis/the State of California been contacted to have inspections conducted to get regular cab permits? **Yes Otis is just backlogged. We are current with our permits. They will be out to hand the new ones over.**

APPENDIX C

4.2 HISTORICAL RESOURCES

4.2.1 ENVIRONMENTAL SETTING

IN THIS SECTION:

- Regulatory Setting
- Beach Area Historical Context
- La Bahia Background & Existing Structures
- Evaluation of Historical Significance of La Bahia

This section was prepared based on a technical report prepared by Architectural Resources Group (ARG), part of the City's EIR consultant team that prepared this EIR. The ARG report is included in Appendix C of this EIR. The section also draws from analyses and reviews conducted as part of the preparation of the Beach and South of Laurel Comprehensive Area Plan (B/SOL Area Plan), as cited in the text.

REGULATORY SETTING

Federal Regulations

NATIONAL HISTORIC PRESERVATION ACT

The National Historic Preservation Act, first adopted in 1966, established the National Register of Historic Places (NRHP), the official record of historical resources. Districts, sites, buildings, structures, and objects are eligible for listing in the Register. Nominations are listed if they are significant in American history, architecture, archeology, engineering, and culture. The NRHP is administered by the National Park Service (NPS). A property must have both historical significance and integrity to be eligible for listing in the NRHP.

To be significant, a property must be "associated with an important historic context." The National Register identifies four possible context types, of which at least one must be applicable to the property at the national, state, or local level. These are:

- A. Property is associated with events that have made a significant contribution to the broad patterns of our history.
- B. Property is associated with the lives of persons significant in our past.
- C. Property embodies the distinctive characteristics of a type, period, or method of construction or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components lack individual distinction.
- D. Property has yielded, or is likely to yield, information important to prehistory or history.

Second, for a property to qualify under the National Register's Criteria for Evaluation, it must also retain "historic integrity of those features necessary to convey its significance." While a property's significance relates to its role within a specific historic context, its integrity refers to "a property's physical features and how they relate to its significance." To determine whether a property retains the physical characteristics corresponding to its historic context, the National Register has identified seven aspects of integrity:

- *Location* is the place where the historic property was constructed or the place where the historic event occurred.
- *Setting* is the physical environment of an historic property.
- *Design* is the combination of elements that create the form, plan, space, structure, and style of a property.
- *Materials* are the physical elements that were combined or deposited during a particular period of time and in a particular pattern or configuration to form an historic property.
- *Workmanship* is the physical evidence of the crafts of a particular culture or people during any given period in history or prehistory.
- *Feeling* is a property's expression of the aesthetic or historic sense of a particular period of time.
- *Association* is the direct link between an important historic event or person and an historic property.

Since integrity is based on a property's significance within a specific historic context, an evaluation of a property's integrity can occur only after historic significance has been established.

State Regulations

California Public Resources Code sections 5020-5029.5 set forth provisions for protection of historical resources in the state, including definitions of historical resources, establishment of the California Register of Historical Resources, and criteria and process for listing in the Register. As defined in these regulations, "historical resource" includes, but is not limited to, any object, building, structure, site, area, place, record, or manuscript which is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California (Public Resources Code section 5020.1(j)).

CALIFORNIA REGISTER OF HISTORICAL RESOURCES

The California Register of Historical Resources (California Register) is the authoritative guide to the State's significant historical and archaeological resources. It serves to identify, evaluate, register and protect California's historical resources. According to section 5024.1(a) of the Public Resources Code, the California Register is "an authoritative guide in California to be used by state and local agencies, private groups, and citizens to identify the state's historical resources and to indicate what properties are to be protected, to the extent prudent and feasible, from substantial adverse change."

The California Register was modeled after the National Register. All resources listed on or formally determined eligible for the National Register of Historic Places (NRHP) are automatically listed on the CRHR. In addition, properties designated under municipal or county ordinances are potentially eligible for listing in the CRHR.

The State Historical Resources Commission oversees the administration of the California Register, which includes historical resources determined by the commission, according to procedures adopted by the commission, to be significant and to meet the following criteria as set forth in section 5024.1(c), which indicates that a resource may be listed as an historical resource in the California Register if it meets any of the following National Register of Historic Places criteria:

- (1) Is associated with events that have made a significant contribution to the broad patterns of California's history and cultural heritage.
- (2) Is associated with the lives of persons important in our past.
- (3) Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values.
- (4) Has yielded, or may be likely to yield, information important in prehistory or history.

Like the National Register of Historic Places, evaluation for eligibility for the California Register requires establishment of historic significance and consideration of "integrity." California's integrity threshold is slightly lower than the federal level. As a result, some resources that are historically significant but do not meet NRHP integrity standards may be eligible for listing on the California Register. In addition to separate evaluations for eligibility for the California Register, the State automatically will list resources if they are listed on or determined eligible for the NRHP through a complete evaluation process.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The California Environmental Quality Act (CEQA) requires review of potential adverse impacts to defined historical resources (Public Resources Code section 21084.1). The State CEQA Guidelines Section 15064.5(a) defines "historical resources" as any of the following:

1. Resources listed in or determined eligible for listing in the California Register (State CEQA Guidelines Section 15064.5(a)(1)).
2. Resources included in a local register as defined in Public Resources Code Section 5020.1(k), "unless the preponderance of evidence demonstrates" that the resource "is not historically or culturally significant." (State CEQA Guidelines Section 15064.5(a)(2)).
3. Resources that are identified as significant in surveys that meet the standards provided in Public Resources Code Section 5024.1[g] (State CEQA Guidelines Section 15064.5(a)(3)). Pursuant to State CEQA Guidelines Section 15064.5a(3), these resources include any object, building, structure, site, area, place, record, or manuscript which a lead agency determines to be historically significant or significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California. Generally, a resource shall be considered by the lead agency to be "historically significant" if it meets criteria for listing in the California Register of Historical Resources, including:

- a) *Is associated with events that made a significant contribution to the broad patterns of California's history and cultural heritage.*
- b) *Is associated with the lives of people important in our past.*
- c) *Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values; or*
- d) *Has yielded or may be likely to yield information important in prehistory or history.*

4. Resources that the lead agency determines are significant, based on substantial evidence (State CEQA Guidelines Section 15064.5(a)(4)).

The fact that a resource is not listed in, or determined to be eligible for listing in the California Register, not included in a local register of historical resources, or identified in an historical resource survey does not preclude a lead agency under CEQA from determining that the resource may be an historical resource as defined in Public Resources Code Section 5020.1(j) or 5024.1 (State CEQA Guidelines Section 15064.5(a)(4)).

CEQA requires that historical resources be taken into consideration during the CEQA process (Public Resources Code, Section 21083.2). Notably, a project that causes a substantial adverse change in the significance of an historical resource is a project that may have significant impact under CEQA (State CEQA Guidelines Section 15064.5(b)). If feasible, substantial adverse changes in the significance of historical resources must be mitigated or avoided (CEQA Guidelines Section 15064.5(b)(4)).

City of Santa Cruz Regulations

As part of its status as a Certified Local Government, the City has an historic preservation ordinance. The historic preservation ordinance (HPO) provides for the protection, enhancement, and perpetuation of significant cultural resources in the City. The HPO provides the statutory framework for local preservation decisions, and contains sections governing the following topics:

- Historic District Designation (Part 2, Chapter 24.06);
- Historic Landmark Designation (Section 24.12.420);
- Procedure for Amending Historic Building Survey (Section 24.12.440);
- Procedure: New Construction in Historic Districts (Section 24.12.450);
- Historic Alteration Permit (Part 10, Chapter 24.08);
- Historic Demolition Permit (Part 11, Chapter 24.08); and
- Historic Overlay District (Part 22, Chapter 24.10).

BEACH AREA HISTORICAL CONTEXT

In the mid-nineteenth century, Santa Cruz was primarily a port city that supplied timber to San Francisco. That changed with the arrival of the railroad in the 1870s. The railroad enabled a larger number of people to visit the area, while simultaneously decreasing the importance of the port for shipping goods. Santa Cruz continued to attract both residential development and tourism through the late 1800s and the first decade of the 1900s. During this time, Fred Swanton established the Santa Cruz Beach, Cottage, and Tent City Corporation (unofficially known as the Santa Cruz Beach Company) and constructed 200 tent cottages along the beach. Swanton soon replaced these with wooden cottages, along with a casino and natatorium.

Swanton's Santa Cruz Beach Company constructed the Casa del Rey Hotel in 1911 to replace the approximately 200 cottages that had developed from a popular "tent city" across from the Neptune Casino (Lehmann, 2000). The new hotel, which served as an upscale alternative to the economically-priced cottages, featured three hundred rooms and numerous amenities, including a trolley terminal, a railway station, a night club, convention facilities, park-like gardens, tennis courts, and a putting green. As part of the Casa del Rey Hotel, Swanton also created the nearby golf and country club at Pogonip (Ibid.). Financial problems forced Swanton into bankruptcy in 1912, and by 1915, the Casa del Rey Hotel had been acquired by the Seaside Company. The Seaside Company was formed by a group of local investors and was incorporated in 1915 to acquire the boardwalk and its related enterprises (Lehmann, October 2000). S. Waldo Coleman was the company's first president until 1928. Coleman owned both the Coast Counties Gas and Electric Company, which provided the Seaside Company's power, and the streetcar system (Archaeological Consulting and Research Services, October 1984).

Also in 1912, the Sea Beach Hotel, Santa Cruz's premiere tourist hotel, burned to the ground the same year, leaving Casa del Rey the City's only major waterfront hotel. Casa del Rey remained successful throughout the 1910s and 1920s, a period marked by the rapid rise of the automobile. The 1915 opening of Highway 17 brought more short-term visitors to the Santa Cruz area, which previously had been the domain of long-term vacationers. By 1921, Highway 17 was paved, allowing a greater number of vehicles to access Santa Cruz. By the mid-1920s, Santa Cruz was well established as a popular destination for tourists traveling by car.

In 1925, the Seaside Company announced plans to expand the Casa del Rey complex by building 40 apartments along Beach Street. The existing La Bahia Apartments complex was constructed in 1926 by the Santa Cruz Seaside Company. The complex was designed by architect William C. Hays, who was an architect of statewide stature.

The Casa del Rey Hotel complex, and Santa Cruz as a whole, enjoyed an active tourist industry through the 1930s, despite the Great Depression. Santa Cruz became a popular location for conventions, and the Casa del Rey, St. George, and Palomar Hotels were combined under one management in 1931, in part to make conventions easier to organize. Event spaces, such as the Coconut Grove ballroom, hosted some of the era's popular bands.

Beginning in the 1930s, hotels were replaced, for the most part by motor courts and motels, a phenomenon that took place across the country (Lehmann, October 2000). The grand hotels of the 1880s and 1890s in Santa Cruz have disappeared and have never been rebuilt. The

decline of railroad service the popularity of the automobile spelled the end of Santa Cruz as a destination resort where people stayed for weeks at a time (Ibid.). La Bahia, originally built to provide longer term accommodations for the nearby Casa del Rey Hotel is perhaps the last remnant of the seaside grand hotels (Ibid.).

The Casa del Rey property served as a Naval Convalescent Hospital during World War II. The Navy leased the Casa del Rey Apartments as an annex to the hospital, and by 1945 the Apartments housed 250 men. The original Casa del Rey Hotel became a retirement home, and subsequently was damaged and demolished as a result of the 1989 Loma Prieta Earthquake.

LA BAHIA BACKGROUND & EXISTING STRUCTURES

La Bahia Background

The La Bahia complex originally was known as the Casa del Rey Apartments and as indicated above, it was built as an adjunct to the Casa del Rey Hotel, which was located one block east of the property and had been constructed in 1911. The Casa del Rey Apartments were intended to provide residences and longer-term accommodations than the adjacent hotel, as well as luxury suites for important guests. Built in 1926 by the Santa Cruz Seaside Company, the La Bahia Apartments consist of a complex of buildings in the Spanish Colonial Revival style, designed by prominent California architect William C. Hays. Hays, a San Francisco architect formerly with the prestigious firm of John Galen Howard, was an architect of statewide stature who taught at the University of California Berkeley campus for over 50 years and was the first professor in UC Berkeley's new school of architecture (Archaeological Consulting and Research Services, October 1984). He designed buildings throughout northern California, including several at the University of California campuses at Berkeley, San Francisco, and Davis.

Hays' design combined elements of the Mediterranean Revival Style, including arched passageways, courtyards, balconies, and varied building dimensions. According to the B/SOL Area Plan, the building's Moorish Spanish style was consistent with the original design for the Santa Cruz Boardwalk buildings (City of Santa Cruz, April 2008). The Casa del Rey Apartments were marketed as an adjunct to the Casa del Rey Hotel. A 1928 advertisement emphasized that the two properties were "just steps from" each other and under the same management, and encouraged Apartment guests to dine and dance at the Hotel.

By the 1930s, the Casa del Rey Apartments housed several permanent residents in addition to its shorter-term tenants. Based on a review of City Directories, these residents were primarily white-collar managers and owners who worked in downtown Santa Cruz or for the Seaside Company.

In the decades following the end of WWII, the Casa del Rey Apartments became "increasingly popular as a permanent residence with single professional, retired, or widowed women." The Casa del Rey Apartments were renamed La Bahia Apartments in 1964 by owner Dr. Allegrini. Around this time, the Apartments saw a drop in the number of permanent residents, and by the mid-1970s, four of the six buildings were rented exclusively to short-term vacationers. By the 1980s, the Apartments' remaining long-term residents were limited to students and retirees. Since the early 1980s, the La Bahia Apartments site has been host to an ongoing series of

redevelopment proposals. The Seaside Company, which had sold the property in 1944, bought the property back in 1983. Over the last ten years, the property has primarily been used as rental apartments for University of California Santa Cruz (UCSC) students during the school year and as housing for the Seaside Company's Boardwalk employees during the summer.

Existing La Bahia Structures

The following subsection is primarily from the technical report prepared by ARG, R, except as otherwise cited. As previously indicated, ARG is part of the City's EIR consultant team that prepared this EIR, and the ARG report is included in Appendix C of this EIR.

La Bahia complex occupies the entire block of Beach Street between Main Street and Westbrook Street, and to First Street on the north. The apartment complex consists of six buildings along Beach and Westbrook Streets, the south and east edges of the site, respectively. A parking lot extends along the north side of the buildings, while the northwest portion of the site is vacant. As previously indicated, the structures are designed in the Spanish Colonial Revival style of architecture and, according to the historical review conducted for this EIR, the La Bahia Apartments complex is an excellent example of the Spanish Colonial Revival style and exhibits many representative features of the style, including stuccoed walls, plaster ornamentation, decorative grille work, balconies, varied roof heights and forms, overhanging roofs, clay roof tiles, and courtyards with arched openings (Architectural Resources Group, December, 2013).

The footprint of the entire complex is generally L-shaped and is composed of six rectangular buildings. The buildings are primarily two stories high, with the exception of the bell tower wing, which is three stories high. The central portion of the building along Beach Street is one story high. The buildings are of stud-wall and wood-frame construction, with a concrete foundation. The exterior walls are covered with white, textured stucco and painted windows. Each apartment has its own exterior door opening either to the surrounding streets or to one of the two interior courtyards (Hill, 1996).

The buildings have varied rooflines and fenestration. Some of the roofs are flat and covered with rolled roofing material, while those that are pitched—gabled, hipped, and shed—are covered with red clay tile. Fenestration is in a variety of styles and materials, including *jalousie*, vinyl, aluminum, and the original wood, though very few of the latter remain. Some windows contain divided lights, while some are picture windows. A former review of the La Bahia complex indicated that at some point, likely in the 1970s, almost all the wood windows were replaced with aluminum windows (Architectural Resources Group, 2003).

The main (south) façade along Beach Street consists of two multi-level structures, ranging from two to three stories, connected by a one-story section. The two-story structure to the west features a mix of picture windows and divided-light, double-hung windows. At the east end of this portion is an entryway with a wooden lintel surmounted by a *jalousie* window¹ with semicircular balcony. Atop this window is a curved parapet. The central, one-story portion of the

¹ A *jalousie* window is composed of horizontal glass slats that can be adjusted to admit light and air but exclude rain and direct sunlight.

façade along Beach Street features jalousie and picture windows, and two porticos that lead to apartment entries. The east end of the main façade features portions ranging from two to three stories and a variety of window types. This portion of the La Bahia complex also includes the bell tower, which is the dominant feature of the main façade and features decorative pilasters, tile, and carved stucco. The tower is square, with four round-arch openings flanked by classical pilasters. The roof of the tower has a dome with patterned, colorful tiles (Hill, 1996).

The complex of buildings encloses two courtyards. Courtyard #1 as referenced on the original site plan and also referenced as the Court of the Laurels (*Patio de los Mirtos*) runs along a north-south axis and is located on the east side of the complex. Courtyard #2 as referenced on the original site plan and also referenced as Court of the Mariners (*Fuente de los Marineros*) runs east-west in the complex's western portion. The courtyards are considered to be large outdoor rooms with exterior walls of the buildings surrounding them forming the walls and the sky forming a ceiling (Architectural Resources Group, April 1998).

The Court of the Laurels is enclosed on all four sides by passageways at the south side (leading from a gated opening to Beach Street) and the southeast and southwest corners. The Court is formal with an axial plan. At the south end is a grass lawn surrounded by low hedges and bordered by walkways on either side. Beyond the lawn to the north are steps leading up to a paved patio, at the end of which is situated a wall featuring a fountain with decorative tiles. Hedges and trees are planted along the sides of this paved patio.

The Court of the Mariners is more intimate and informal than the Court of the Laurels, with more trees, an asymmetrical design, and a more vertical feeling due to the narrow width of the enclosed court. The courtyard is generally trapezoidal in plan, with an entrance at the narrower east end via a breezeway leading from the Court of the Laurels. Directly to the north of the breezeway is a ramp leading to apartment units, which are accessed via individual stoops.

The rear of the lot is undeveloped, with the portion immediately behind the buildings used for parking. The lot slopes considerably to the south, so that the rear (north) walls of the complex are partially obscured from the northwest corner of the lot. The complex's multi-leveled and varied rooflines, however, are readily visible from this location.

EVALUATION OF HISTORICAL SIGNIFICANCE OF LA BAHIA

City Historic Building Survey

The City has adopted an Historic Building Survey to list historic and architecturally significant structures deserving preservation. The Santa Cruz Historic Building Survey consists of three volumes. Volume 1 was completed in 1976, Volume II in May 1989, and Volume III in March 2013. The Survey identifies, analyzes, and evaluates those structures "that possess particular attributes which make them significant in the cultural fabric of the city" (1976).

The La Bahia Apartments complex is included in the City's *Historic Building Survey, Volume I*, and is given a rating of "Excellent." The Survey describes the complex as:

The irregular but coherent street façade together with the intimate interior courtyards makes for very successful urban architecture. The original wooden window frames, now replaced by plate glass, add a warmth to the building that was especially important on the long exterior street façade.

A number of other structures in the Beach area are included on the City's Historic Building Survey. Table 4.2-1 identifies City-designated historic structures located within 500 feet of the project site. Four are located in the immediate vicinity of the Project site: the Casa Blanca Hotel Apartments, Edric Wall, Seabench Wall, and the Cerf Estate Cottage.

Buildings of greatest historical and architectural significance have been designated "landmarks" pursuant to section 24.12.430 of the City's Zoning Ordinance. Currently there are 27 designated landmarks in the City. The La Bahia Apartments complex is a City-designated "Landmark," and was designed a landmark by the City Council on January 25, 2000.

TABLE 4.2-1: Locally-Designated Historic Structures Near La Bahia

Address	Name / Style	Approximate Distance from La Bahia
215 Beach Street	La Bahia / <i>Spanish Colonial Revival</i> [1926]	PROJECT SITE
124 First Street	Edric Wall	60 feet
101 Main Street	Casa Blanca Hotel Apartments / <i>Mission Revival</i> [1916]	65 feet
121 Main Street	Seabeach Wall	65 feet
118 First Street	Walsh House / <i>Stick style Victorian</i> [1894]	100 feet
121 Main Street	Cerf Estate Cottage / <i>Craftsman/Italian Renaissance</i> [1916]	115 feet
321 Second Street	Modern Manor Apartments* / <i>Art Moderne</i> [1946]	150 feet
413-417 Second Street	Beach Hill Court / <i>Mission Revival</i> [1925]	150 feet
400 Beach Street	Casino, Carousel	250 feet
525 Second Street	Edgewater Beach Motel / <i>Vernacular</i> [1865-75]	350 feet
512 Second Street	Residence / <i>Strick Eastlake style</i> [1870-90]	365 feet
308-310 Second Street	Second Street Wall	375 feet
315 Main Street	Carmelita Cottage	425 feet
110 Younger Way	Residence / <i>Spanish Colonial Revival</i> [1925]	500 feet
Washington Street	Municipal Wharf	550 feet

SOURCE: City of Santa Cruz Historic Building Survey, Volumes 1- III

* Opt Out indicates property owner submitted Opt Out form prior to adoption. Opt Out properties are not on the City Historic Property List and are therefore not subject to City historic ordinance requirements or eligible for use of historic zoning incentives.

La Bahia Historical Significance Evaluation

PRIOR EVALUATIONS OF LA BAHIA SITE

In addition to the City's 1976 Historic Building Survey, a "Historical Overview" of the La Bahia Apartments was completed in 1984 by Archaeological Consulting and Research Services. The 1984 evaluation noted that the Historic Building Survey rating for La Bahia was primarily based on architectural significance. The 1984 historical evaluation accounted for historical and cultural significance and found that:

- (1) The La Bahia to be "a very successful example" of Spanish Colonial Revival urban architecture.
- (2) The construction of apartments during the 1920s was rare in Santa Cruz, and the use of Spanish Colonial style for apartments with landscaped interior courtyards and clustered forms of staggered heights is no longer common.
- (3) The building is associated with S. Waldo Coleman, President of the Seaside Company from 1915-1928, whose policies managed the company through a period of recession and poor tourism economy.
- (4) The architect for La Bahia, William C. Hays, is recognized statewide for his contributions to University of California architecture and his influence on student architect at UC Berkeley.

The Historic Architecture Assessment completed by Ward Hill in conjunction with the B/SOL Area Plan concluded that La Bahia Apartments appeared to be eligible for listing on the National Register of Historic Places and the California Register of Historical Resources, and as a Santa Cruz Landmark. In "The Sidewalk Companion to Santa Cruz Architecture," John Chase declared La Bahia Apartments as "unquestionably the most successful courtyard development in Santa Cruz."

In 1998, Architectural Resources Group (ARG) completed, as part of the B/SOL Area Plan EIR, a report that described La Bahia's architectural significance and articulated recommendations for a new hotel development on the site. Broadly, this report identified the character-defining features of the La Bahia Apartments as the overall massing and configuration, the Spanish Colonial style and detailing, and the courtyards. ARG's 1998 report also found that La Bahia's major contributing elements include: the buildings along Beach Street; the two courtyards; the building elevations encompassing the courtyards, and the passages to the courtyards; as well as the scale, massing, character, and detail of all buildings.

The B/SOL Area Plan analyzed development of the La Bahia site into a conference hotel facility that included consolidation with the property east of Westbrook Street. The B/SOL Area Plan recommends development of the La Bahia site into a "quality" hotel conference center, retaining the architectural character-defining elements identified in the ARG report: buildings along the south elevation (Beach Street), both courtyards, the building elevations surrounding the courtyards and the passages into the courts, as well as the scale, massing, and building's details (City Santa Cruz, October 1998). The B /SOL Area Plan Final EIR concluded that future development of the La Bahia site as envisioned in the Plan could result in potentially significant unavoidable historic resource impacts. The B/SOL Area Plan Final EIR included mitigation

measures to reduce historic resources impacts to a less-than-significant level. But the B/SOL Area Plan Final EIR concluded that if the building were demolished, destroyed, or altered in a way that does not preserve the major contributing historic/architectural features, the impact would remain significant and unavoidable.

CURRENT EVALUATION FOR EIR

Eligibility for State and Federal Listing. The review prepared for this EIR by ARG (see Appendix C) concluded that the La Bahia building appears to satisfy Criterion A/1 of the NRHP/CRHR at the local level of significance for its association with Santa Cruz's expanding beachfront tourism industry of the 1920s. The building complex also satisfies NRHP/CRHR Criterion C/3 at the local level of significance as a distinctive example of the Spanish Colonial Revival style and for its association with master architect William C. Hays. Review of each criterion is provided below.

- *NRHP Criterion A/CRHR Criterion 1 [Association with Significant Events/Patterns of Events].* La Bahia Apartments appears to qualify for listing under Criterion A/1 for its association with the development of Santa Cruz's beachfront in the 1920s and 1930s, a time during which the beachfront grew in importance both as a resort for temporary visitors and an enclave for permanent residents. The Seaside Company, which built the apartments and owned them until 1944 (before resuming ownership in the 1980s), was one of the primary drivers of this development. .
- *NRHP Criterion B/CRHR Criterion 2 [Association with Significant Persons].* La Bahia Apartments does not appear to qualify for listing under Criterion B/2 for association with persons significant to local, state, or national history. While the building is associated with S. Waldo Coleman, director of the Seaside Company during La Bahia's construction, the building's association with the Seaside Company is more properly addressed under Criterion A/1 above.
- *NRHP Criterion C/CRHR Criterion 3 [Architectural Significance].* La Bahia Apartments appears to qualify for listing under Criterion C/3 for its architectural significance. William C. Hays was a renowned architect, with significant buildings throughout the Northern California region. The complex is an excellent example of the Spanish Colonial Revival style and exhibits many representative features of the style, including stuccoed walls, plaster ornamentation, decorative grille work, balconies, varied roof heights and forms, overhanging roofs, clay roof tiles, and courtyards with arched openings. The building is also a rare example in Santa Cruz of a property that has continued to operate as an apartment complex since its construction in the 1920s.
- *NRHP Criterion D/CRHR Criterion 4 [Potential to Yield Information].* Criterion D/4 is generally applied to archeological resources, and evaluation of the 215 Beach Street property for eligibility under this criterion was beyond the scope of this evaluation.

Because La Bahia Apartments appears to satisfy NRHP or CRHR significance criteria, ARG has assigned it a California Historical Resource Status Code of 3S, which indicates that the property was found eligible for both the National and California Registers through survey evaluation.

Evaluation of Integrity. As indicated above, to qualify under the National and California Registers' Criteria for Evaluation, a property or structure also must retain "historic integrity of those features necessary to convey its significance." While a property's significance relates to its role within a specific historic context, its integrity refers to "a property's physical features and how they relate to its significance." According to the current review for this EIR, the La Bahia Apartments appear to retain a fair amount of integrity. Since it has not been moved, the complex retains integrity of location. While some single-family homes have been constructed to the north, and the nearby Casa del Rey Hotel has been lost, the property's beachfront setting has been fairly well preserved. The overall design of the complex, including the building massing, proportions, and architectural style and details, are intact, and thus La Bahia Apartments retains integrity of design. The complex also retains integrity of workmanship. The stucco wall cladding has a unique texture, which clearly displays the workers' skills, and the extant details, such as the metalwork light fixtures, are also evidence of highly-skilled craftsmen. Integrity of materials has been partially reduced by (1) replacement of original wood sash windows with incompatible styles, such as louvered and metal, and (2) loss or damage of much of the original metalwork and light fixtures. Several wood doors, however, remain intact. Finally, the La Bahia Apartments retain integrity of feeling and association as a beachfront complex designed in the Spanish Colonial Revival style.

Character-Defining Features. A character-defining feature is an aspect of a building's design, construction, or detail that is representative of the building's function, type, or architectural style. Generally, character-defining features include specific building systems, architectural ornament, construction details, massing, materials, craftsmanship, site characteristics, and landscaping within the period of significance. In order for an important historical resource to retain its significance, its character-defining features must be retained to the greatest extent possible. An understanding of a building's character-defining features is a crucial step in developing a rehabilitation plan that incorporates an appropriate level of restoration, rehabilitation, maintenance, and protection.

The "Architectural Analysis and Recommendations for New Development" report, prepared by ARG in 1998 as the B/SOL Area Plan, identified the following exterior character-defining features of the La Bahia property.

Overall massing, configurations, and volumes

- Village style plan
- Offsets and overhangs
- Varying roof heights
- Courtyards
- Tower and cupola

Spanish Colonial style and detailing

- Red tile roofs
- White stucco walls
- Balconies throughout with wood and metal railings
- Tower and cupola
- Fountain in court
- Plaster ornamentation

- Tile work
- Grille work
- Patio de Los Mirtos wall in courtyard

Courtyards

- Arched plaster openings and passageway access to the courtyards
- Courtyard entrances to individual units
- Open-air hallways and stairways
- Paving and steps
- Landscaping and site furnishings

The 1998 review identified the following interior character-defining features:

Overall massing, configurations, and volumes

- Original extent and configuration of each unit

Spanish Colonial style and detailing

- Original doors and windows
- Original high fixtures
- Original built-in furniture
- Uncased arched plaster openings and passageways

Conclusion

The La Bahia property is considered an historical resource for purposes of the California Environmental Quality Act (CEQA). The existing complex is a City Landmark and is included in the City of Santa Cruz' Historic Building Survey with a rating of "excellent." The Environmental Impact Report (EIR) completed for the B/SOL Area Plan in 1998 concluded that the La Bahia property is "likely" eligible for the National Register of Historic Places under Criterion C (Architecture) at the local level of significance, and thereby also appears eligible for the California Register of Historical Resources. Based on ARG's review for this EIR as described above, the property is eligible for listing on both the California Register of Historical Resources and on the National Register of Historic Places, and ARG has assigned La Bahia Apartments a California Historical Resource Status Code of 3S, which indicates that the property was found eligible for both the National and California Registers through survey evaluation.

4.3.2 RELEVANT PROJECT ELEMENTS

Project Overview

The proposed La Bahia Hotel project consists of demolition of the existing 44-unit La Bahia apartment complex, except for the southeastern portion of the complex, including the existing bell tower, and construction of a 165-room hotel. Access to the project will be provided by a check-in entrance on Beach Street, an entrance/exit on Westbrook Street, and an exit onto Main Street. Project parking will be provided within a parking garage that is partially underground.

The proposed hotel structure will be stepped up from Beach Street to First Street. The new construction will feature white walls with red tile and parapet roofs. The parking garage is partially underground (Level 1) and partially at street level (Level 2). The restaurant is located on Level 2, and the pool and meeting rooms are located on Level 3. The hotel rooms are located on the second through sixth levels. The proposed building totals approximately 198,325 square feet.

Proposed Historic Rehabilitation

The proposed project includes the rehabilitation and restoration of the building at the southeast corner, including the existing bell tower, and the rehabilitation of the southeast apartment units. The bell tower will be structurally upgraded. In addition, historic elements of the tower will be repaired, including decorative tile features, the terracotta clay tile roof, and stucco finishes. The tower element and existing stairs will be retained. The existing eight apartment units at the southeast corner of the site along Beach Street will be maintained and rehabilitated into guest rooms. The exterior walls and primary structural bearing walls will be maintained and will be structurally upgraded with new shear plywood and required seismic upgrades. The exterior finishes (stucco, terracotta clay tile roof, eave details, balcony, etc.) will be repaired. The exterior wall configuration, fenestration, and entry gates also will be maintained and rehabilitated. New painted aluminum windows will be installed within the existing window openings to replace the non-historic windows. The window size and profile will be compatible with the historic building. The existing stairs, entry gate, and circulation will be maintained. New bathrooms and building systems (mechanical, electrical, plumbing, fire protection) will be installed in the new hotel guestrooms. There will be three guestrooms at Level 1, four guestrooms at Level 2 and one guestroom at Level 3 of the historic building.

Demolition and Construction

Construction of the proposed project will include demolition of most of the existing La Bahia structures, including courtyards, with the exception of the bell tower and southeastern portion of the existing building, as described above. Demolition will result in removal of approximately 2,750 tons of material. Grading activities will result in excavation of 22,250 cubic yards of soil, all of which will be exported offsite.

In order to provide mitigation for potential liquefaction hazards, the project geotechnical consultant has indicated that in-situ densification of the ground using vibro-replacement may be used to densify the soil, increase bearing capacity, and provide liquefaction mitigation. Vibro-displacement using stone columns is a ground improvement technique that constructs dense aggregate columns by means of a crane-supported downhole vibrator. Stone columns need to penetrate the liquefiable soil and be embedded at least one foot into sandstone bedrock. Preliminary estimates indicate that most stone columns will be less than 10 feet deep with a spacing of approximately 10 feet. Further discussion of this technique is provided in the GEOLOGY SOILS (4.6) section of this EIR.

4.3.3 IMPACTS AND MITIGATION MEASURES

CRITERIA FOR DETERMINING SIGNIFICANCE

In accordance with the California Environmental Quality Act (CEQA); State CEQA Guidelines (including Appendix G); City of Santa Cruz plans, policies, and/or guidelines; and agency and professional standards, a project impact would be considered significant if the project would:

- 2a. Cause a substantial adverse change in the significance of an historical resource as defined in Section 15064.5 (see definition below), to include physical demolition, destruction, relocation, or alteration of historical resources or of the immediate surroundings of historic resources, such that the significance of the resource would be materially impaired (see definition below).

Substantial Adverse Change Definition. CEQA Guidelines Section 15064.5(b) defines a “substantial adverse change” to an historical resource as: “physical demolition, destruction, relocation or alteration of the resource or its immediate surroundings such that the significance of an historical resource would be materially impaired.” The significance of an historical resource is materially impaired when a project demolishes or materially alters in an adverse manner those physical characteristics of an historical resource that convey its historical significance and that justify its inclusion in, or eligibility for, inclusion in the California Register of Historical Resources or in registers meeting the definitions in Public Resources Code 5020.1(k) or 5024.1(g).

Mitigation of Historical Resource Impacts. Pursuant to State CEQA Guidelines sections 15064.5(b)(3) and section 15126.4(b)(1), generally, a project that follows the Secretary of the Interior’s Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings, or the Secretary of the Interior’s Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings (1995), Weeks and Grimmer, shall be considered as mitigated to a level of less than a significant impact on the historical resource. Section 15064.5(b)(4) indicates that the lead agency shall identify potentially feasible measures to mitigate significant adverse changes in the significance of an historical resource. The lead agency shall ensure that any adopted measures to mitigate or avoid significant adverse changes are fully enforceable through permit conditions, agreements, or other measures.

IMPACT ANALYSIS

Impacts Due to Demolition

Impact 4.2-1: Impacts to Historical Resource, La Bahia, Due to Demolition

The project will result in demolition of most of the existing La Bahia structures, which is considered an historical resource under CEQA due to its local listing and eligibility for listing in the California and National registers. Demolition will result in a substantial adverse change in the significance of an historical resource. Thus, this is considered a *significant impact*.

The proposed La Bahia complex is an historical resource pursuant to definitions in the State CEQA Guidelines. The significance of an historical resource is considered to be “materially impaired” when a project demolishes or materially alters the physical characteristics that justify the determination of an historical resource’s significance (*CEQA Guidelines* §15064.5(b)). Given the extent of the demolition it entails, the proposed project will materially impair the integrity and significance of the La Bahia Apartments. While the project includes retention of the bell tower and adjoining southeast apartment units, many of the character-defining features of the property identified above will be eliminated, such as the overall massing and configuration, courtyards, and architectural details, except for the bell tower and cupola that would be retained. The La Bahia Apartments property is fundamentally a complex of buildings that is defined by the varied scale of and interrelationships between the individual building and landscape components. By reducing the historical property to a portion of a single building, the proposed project would eliminate these characteristics. As such, the project will result in a substantial adverse change to the significance of the historical resource, and this is a significant impact. It is noted, however, that the proposed project design preserves more of the existing building than the project approved by the City in 2009.

The B/SOL Area Plan EIR concluded that If the La Bahia complex is demolished, destroyed, or relocated, significant impacts would occur. The B/SOL Plan EIR found that if the La Bahia is altered or expanded in a way which preserves the major contributing elements of the building, thus not impairing the significance of the historic resource, there would be a less-than-significant impact on the historical resources of the City. The EIR identified a potentially significant impacts of implementation of the B/SOL Area Plan to historic resources including the La Bahia, if a “substantial adverse change” (as defined by CEQA), occurs to the character-defining features of the historic resources. The following mitigation measures were identified in the B/SOL Area Plan EIR for the La Bahia site:

- Should a development project proceed on the La Bahia Apartments site that is determined to follow the recommendations contained in the Architectural Resources Group (ARG) report titled, La Bahia Apartments, Santa Cruz, California - Architectural Analysis and Recommendations for New Development, February 20, 1998, Appendix C of the B/SOL Area Plan EIR), there will be a less-than-significant impact on the historic character of the existing La Bahia Apartments complex. At the time a specific project is proposed for the La Bahia, the applicant, shall coordinate with the Planning Staff and a historic preservation consultant to ensure that the proposed plan retains the major

contributing features of the La Bahia complex. [NOTE: The mitigation measure text references a February 20, 1998 report, but the report included in the DEIR is dated March 24, 1998, and the report included in the FEIR is dated April 6, 1998.]

- Prior to alteration of the La Bahia, documentation of the historic building, and important contributory elements should be documented according to the level of detail required by the Secretary of the Interior's Standard I for Historic American Building Survey (HABS) documentation,
- If potential historic resources such as the La Bahia Apartments are to be altered or demolished, incorporating part of historic building into project design or salvaging significant building features should be considered during project design.

The B/SOL Area Plan EIR concluded that if reasonable effort is made to preserve the historic character and feel of the La Bahia Apartments complex (following the mitigation measures outlined above) then these measures would be adequate to reduce impacts to a less-than-significant level. If the La Bahia is demolished, destroyed, or altered in a way that does not preserve the major contributing elements of the building, the B/SOL Area Plan EIR concluded that development of the conference hotel would result in an unavoidable significant impact to historic resources.

At the request of the City, this EIR has included a review by a historic preservation consultant that reviewed the project and the elements of the existing structures that are proposed for retention. The project does incorporate the bell tower and part of the existing building into the project design. The following mitigation measures also incorporate mitigation measures identified in the B/SOL Area Plan EIR for documentation of the building prior to alteration and potentially salvaging significant building features. However, the project will still result in a substantial adverse change to the significance of the historical resource, and this is a significant impact.

Mitigation Measures

Implementation of Mitigation Measures 4.1-1a and 4.1-1b below will provide documentation of the La Bahia complex and potential salvage of historical materials prior to demolition, but will not reduce this impact to a less-than-significant level given the extent of proposed demolition.

4.2-1a – Documentation. Require the project applicant to document the La Bahia Apartments complex and its setting. This documentation shall include drawings, photographs, and an historical narrative as outlined below, and developed in consultation with the City of Santa Cruz Planning and Community Development Department. The documentation shall be submitted to the Planning Department and to ensure its public accessibility, the documentation will be filed with the Santa Cruz Public Library and Special Collections Library at the University of California Santa Cruz.

- **Drawings:** Existing historic drawings of the La Bahia Apartments, if available, shall be photographed with large-format negatives or shall be photographically reproduced on Mylar. In the absence of existing drawings, full-measured drawings of the complex's plan, exterior elevations, and courtyard elevations should be prepared.

- *Photographs*: Photo-documentation of the La Bahia Apartments shall be prepared to Historic American Buildings Survey (HABS) standards for archival photography. HABS standards require large-format black-and-white photography, with the original negatives having a minimum size of 4"x5". Digital photography, roll film, film packs, and electronic manipulation of images are not acceptable. A minimum of 12 photographs must be taken, detailing the site, building exteriors, and building interiors. Photographs must be identified and labeled using HABS standards. Color 35mm non-archival photographs of the historical building and grounds shall be taken to supplement the limited number of archival photographs required under the HABS standards described above. Photographs should include overall views of the site; individual views of important building features, exterior elevations of each façade of the complex, views of interior courtyard spaces, and detailed views of specific materials or elements.
- *Historical Overview*: In consultation with the City of Santa Cruz Planning and Community Development Department, a qualified historian or architectural historian shall assemble historical background information relevant to La Bahia Apartments and its setting. Much of this information may be drawn from the Historical Resources Technical Report prepared by Architectural Resources Group (2013) for the La Bahia Hotel project. To ensure its public accessibility, the agreed-upon documentation would be filed with the Santa Cruz Public Library for inclusion in their local history collection, as well as with other local libraries and historical societies, as appropriate.

4.2-1b –Salvage. Require project applicant to set up a procedure to offer any building features or elements from the La Bahia Apartments that are not used as part of the project or kept by the owner for reuse in other locations. The procedure shall be designed and implemented in consultation with the City of Santa Cruz Planning and Community Development Department to provide public information regarding availability of building features or materials for reuse. The focus would be on identifying building features or elements that are (1) related to the character-defining features identified in the Architectural Resources Group evaluations and (2) can safely and feasibly be removed from the building. Allow demolition to proceed only after any significant historic features or materials have been identified and kept by the owner or offered for salvage, and their removal completed.

Impacts To Retained Structure Due to Construction

Impact 4.2-2: Impacts to Retained La Bahia Due to Construction Activities

The proposed demolition of much of the La Bahia Apartments complex, including removal of building foundations, could adversely affect the retained historical bell tower and building due to damage to the exterior of the retained building. This is considered a *potentially significant* impact.

In general, demolition and excavation activity has the potential to adversely affect historical resources in the immediate vicinity. Resources may be physically damaged by inadvertent

contact with materials or machinery associated with demolition. Demolition-related excavation also may result in soil movement under or adjacent to the existing foundation of an historical resource. The onsite demolition could damage the exterior of the portion of the complex that is to remain. This remaining portion, which includes the bell tower and eight apartment units at the southeast corner of the complex, is immediately adjacent and physically connected to the portions to be demolished. The proposed demolition also could compromise the remaining historical building's structural stability, as excavation may result in soil movement under or adjacent to the building's existing foundation.

Mitigation Measures

Implementation of Mitigation Measures 4.2-2a and 4.2-2b below will reduce impacts to the retained La Bahia historical resource associated with the demolition and excavation to a less-than-significant level.

4.2-2a. Require installation of protective barriers to protect the bell tower and the north and east walls of the retained La Bahia apartments from potential damage caused by demolition activities. An historic preservation architect, meeting the *Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation, Professional Qualifications Standards*, shall prepare designs and specifications for protective barriers required to protect the bell tower and the north and east walls of the retained La Bahia apartments. In removing the portions of the complex proposed for demolition, materials original to the portion of the complex that is remaining shall be retained in place wherever feasible.

4-2-2b. Require a pre-demolition review and inspection by a registered structural engineer with a minimum of five years of experience in the rehabilitation and restoration of historic buildings, to determine the existing relationship of the foundations of the various buildings of the La Bahia Apartments complex. Any required test excavations would be performed only in the presence of the structural engineer. The structural engineer would prepare a report of findings, recommendations and any related design modifications necessary to retain the structural integrity of the bell tower and southeastern apartment units and to ensure that construction of the other project components will not affect the foundation or structural integrity of the retained portion of the building.

In consultation with an historic preservation architect meeting the *Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation, Professional Qualifications Standards* and the project geotechnical engineer, the structural engineer shall determine whether the soil excavations and construction of new foundations have the potential to result in settlement or damage to the retained building that would require underpinning and/or shoring. If underpinning and/or shoring is determined to be necessary, appropriate designs shall be implemented upon approval from the City of Santa Cruz Planning and Community Development Department.

Impacts Due to Rehabilitation and New Design

The proposed project includes (1) rehabilitation of the existing bell tower and the southeast apartment units, and (2) new construction on the remainder of the block. Because the La Bahia Apartments complex is a designated historic building in the City's Historic Building Survey and also is a designated local landmark, both of these components of the project would be subject to the historic alteration permit process as specified in Part 10 of Chapter 24.08 of the Santa Cruz Zoning Code. As part of this process, the Historic Preservation Commission would review the proposed new design and rehabilitation and make a recommendation to the City Council. The City Council will make the final decision on the historic alteration permit.

Impact 4.2-3: Rehabilitation of Retained Bell Tower & Building

The proposed project could result in a substantial adverse change in an historical resource due to alteration of the La Bahia bell tower and southeast portion of the building to be retained in a manner that could endanger the property's historical significance. This is considered a *potentially significant* impact.

The proposed rehabilitation of the La Bahia bell tower and southeast apartment units is described above in section 4.2.2. Pursuant to State CEQA Guidelines sections 15064.5(b)(3) and section 15126.4(b)(1), generally, a project that follows the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings, or the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings (1995), Weeks and Grimmer, shall be considered as mitigated to a level of less than a significant impact on the historical resource. A final review of the building plans will confirm the rehabilitation is in conformance with the *Secretary of The Interior's Standards for Rehabilitation* in that that historic materials are being (1) preserved where feasible, (2) repaired rather than replaced where preservation is not feasible, and (3) replaced with appropriate materials where repair is not feasible. At this time, it is not known what materials will be preserved, repaired or replaced. This level of construction detail is not available at this stage of a project. It is provided when detailed construction documents are developed with structural and material testing and engineering that is submitted as the construction plan set and evaluated at the building permit stage of the process. The Applicant has indicated that the exterior finishes (stucco, terracotta clay tile roof, eave details, balcony, etc.) will be repaired, but specific details have not yet been provided. The exterior wall configuration, fenestration, and entry gates also will be maintained and rehabilitated. The proposed project plans do show modifications to the existing window openings on the southeast apartment units, and preliminary information from the Applicant indicates that new painted aluminum windows will be installed within the existing window openings to replace the non-historic windows.

Mitigation Measures

Implementation of Mitigation Measure 4.2-3a, 4.2-3-b and 4.2-3-c below will reduce potential impacts associated with rehabilitation of the bell tower and southeast apartment units to a less-than-significant level.

4.2-3a. Require that post-demolition treatment of the west and north walls be undertaken with the assistance of an historic preservation architect and be completed in accordance with the *Secretary of the Interior's Standards for Rehabilitation* with an independent review by a qualified historic preservation architect at the time that detailed building plans are prepared. The Applicant shall have architectural elevations and plans prepared, in consultation with the historic preservation architect, that specify the locations and type of proposed repair or removal of building features for the retained tower and building, and specify proposed replacement materials. These architectural drawings also shall indicate how the proposed structural and seismic upgrades will be accomplished consistent with the Standards.

4.2-3b. Retain the existing window openings on the La Bahia bell tower and southeast apartment units, except in cases where the current opening can be demonstrated to be a non-historic alteration to the building.

4.2-3c. The proposed project shall be revised to include, if feasible as determined by the City of Santa Cruz, the repair and retention of any remaining wood windows on the bell tower and southeast apartment units. Non-historic metal windows shall be replaced with wood windows, in keeping with original condition of building and to differentiate the historic building from the new construction, which will feature aluminum windows.

Impact 4.2-4: Effects of New Building on Retained Bell Tower & Building

The proposed new building project could result in a substantial adverse change in the significance of the retained tower and building due to height and massing of new construction in relation to the retained features. This is considered a *potentially significant* impact.

Review of the project drawings by ARG as part of the review for this EIR found that the proposed new construction incorporates several design elements that reference the massing, scale, and materials of the bell tower and southeast apartments building, thereby reducing the project's impact on historical resources, as discussed below. However, there are instances where the massing of the proposed project should be reduced in order to be compatible with the size and scale of the bell tower and southeast apartment units.

The new construction is kept visually separate from the bell tower and southeast apartment units. New construction to the north of the historic building is separated via a ground-level courtyard, with an enclosed, above-grade connector at the second story. This connector is stepped back approximately 15 feet from Westbrook Street. Along Beach Street, a new one-story entry/roof garden creates a wide separation between the existing building to the east and the new three-story building to the west. The new construction generally "steps up" the site to the north, in keeping with the slope of the property. On the east and west elevations, the new construction is divided into bays that reference the size and scale of the retained portion of the building.

The floor-to-floor heights at the first and second stories of the new construction correspond to the existing floor heights of the historic building, allowing for alignment of the roof deck with the historic rooms.

The proposed design employs materials and details – including punched windows, stucco walls, balconies, trellises, and decorative tile – that are consonant with the bell tower and southeast apartment units and, more generally, are representative of the Spanish Colonial Revival style. The proposed roof forms – including a hipped roof clad in terra cotta tiles on the new Beach Street addition, and flat roofs with a continuous parapet elsewhere – are consistent with the roof forms of the La Bahia Apartments complex without duplicating them. The parapets are simple in profile but feature stone caps along with geometric, decorative metalwork on the parapet walls. This combination of decoration and simplicity enables the parapets to reference the Spanish Colonial Revival style while remaining clearly differentiated from the adjacent historic building.

The windows on the new construction will be aluminum covered with a brown finish. This approach references the wood windows that are representative of the Spanish Colonial Revival style, while also underscoring that the new construction is of contemporary design.

In two instances, however, the proposed massing of the new buildings would compromise the bell tower's integrity of setting. The proposed project could cause a substantial adverse change in a historical resource by enabling new construction in the vicinity of the La Bahia bell tower and southeast building in a manner that could affect the property's historic status. Specifically, in two locations – the building at the northeast corner of Beach and Main Streets and the building immediately north of the bell tower – the proposed massing of the new development would compromise the bell tower's historic integrity of setting.

Mitigation Measures

Implementation of Mitigation Measures 4.2-4a and 4.2-b below will reduce impacts of new building features on the retained bell tower and southeast apartment units to a less-than-significant level. An illustration as provided in the ARG report is shown on the next page.

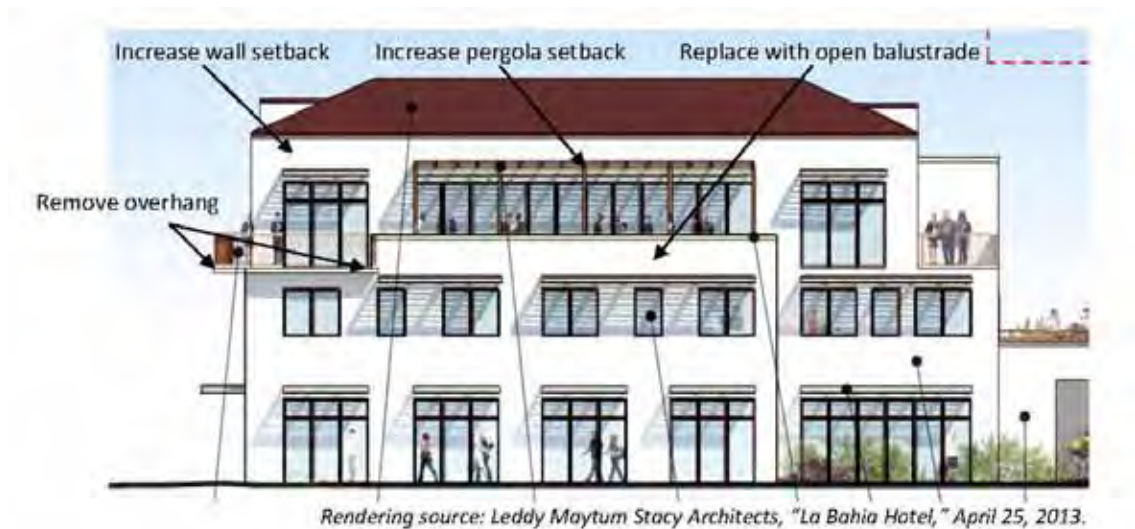
4.2-4a. Modify the design of the new building at the northeast corner of Beach and Main Streets in order to reduce the prominence and the appearance of massing of the building's third story through measures such as the following with confirmation through a photosimulation and review by a historic preservation architect:

- Replace the solid, partial-height wall that serves as the southern and eastern edges of the main balcony with a wood and/or metal balustrade.
- Move the western and southern edges of the balcony proposed at the southwest corner of this building inward so that they no longer extend beyond the footprint of the first and second stories.
- Increase the setback of the southern wall of the third floor in order to align the wall with the southern wall of the "connector" that extends between the building and the retained bell tower building. (This entails an increase in the third-floor setback of approximately three feet.)

- Shift the pergola at the third floor balcony northward so that there is at least three feet of clearance between the southern edge of the pergola and the balustrade extending along the southern edge of the balcony.

4.2-4b. Reduce a portion of the southernmost bay of the new construction along Westbrook Street to three stories (removal of up to two rooms).

Mitigation Measure 4.2-4a Concept



Mitigation Measure 4.2-4b Concept



Impacts to Nearby Historic Structures Due to Construction

Impact 4.2-5: Impacts to Historical Structures Due to Construction-Vibration

Project excavation may result in groundborne vibration and potential damage to on- and off-site historic structures. This is considered a *potentially significant* impact.

In general, demolition and excavation activities could result in inadvertent damage to existing historic structures in the vicinity of the project site. Generally, historic buildings in the vicinity of the project construction site, as shown on Table 4.2-1, would be susceptible to potential ground vibration due to their proximity to proposed new construction. Due to their age and condition, historic buildings are potentially more susceptible to damage from vibration than other structures as further explained below.

Construction of a partially below-grade parking garage and soil densification for foundation support are anticipated, requiring below-ground excavation. In addition, removal of existing pavement could produce intermittent, substantial vibration over the course of several weeks. Additional impacts depend on the method of construction employed, such as mat slab construction, which would not generate excessive vibration levels, or impact pile-driving, which could produce considerable vibration. While the former 2009 project at the project site considered pile-driving into the underlying bedrock for foundation support, vibro-compacted stone columns currently are being considered by the Applicant's consultants. This method is intended to densify the soil and reduce the likelihood of liquefaction, and may result in ground-borne vibration.

A review of potential vibration impacts was conducted by Illingworth and Rodkin, and the assessment is summarized below and included in Appendix H of this EIR. The issue arose during preparation of the EIR and had not been previously identified as a potential impact in the Initial Study that accompanied the Notice of Preparation. However, the following section also addresses construction-related impacts to non-historic structures and people.

Vibrating objects in contact with the ground propagate vibrational waves through soil and rock strata to nearby buildings and structures. In extreme cases, excessive groundborne vibration has the potential to cause structural damage to buildings and structures. Structural damage can be classified as cosmetic only, such as minor cracking of building elements, or it may threaten the integrity of the building. Construction-induced vibration that can be detrimental to a building or structure is rare and is usually only observed in instances where construction activity occurs immediately adjacent to the structure.

The project geotechnical review (October 2005) indicates that vibro-displacement stone columns are a ground improvement technique to mitigate the identified liquefaction hazard on the project site. A crane-supported, downhole vibrator displaces soil, creating a denser soil condition between installed stone columns. The temporary use of the downhole vibrator would generate groundborne vibration that could adversely affect historic structures on-site which are to be retained as part of the project, as well as nearby structures off-site. On-site, the existing La Bahia bell tower and the southeastern portion of the La Bahia building are planned to be retained. According to the geotechnical report, it can be assumed that 30 inch diameter stone

columns with a triangular center to center spacing of 10 feet would be used. Vibro-displacement could potentially occur on-site within 25 feet or less of the retained historic structures. The nearest offsite vibration-sensitive, historically-significant structure is Edric Wall, located at 124 First Street, at a distance of approximately 60 feet from the project site. (See Table 4.2-1 for a list of locally-designated historic structures near La Bahia.)

While there are no established federal, state or local standards for assessing vibration resulting from locally-funded construction projects, Table 4.2-2 shows recommended damage potential threshold criteria published by Caltrans for continuous or frequent sources, such as vibro-displacement stone column technique (Caltrans, 2004). Vibration levels are displayed in terms of Peak Particle Velocity (PPV). PPV is a measurement of the maximum velocity at which a particle in the ground is moving relative to its inactive state. PPV is typically considered to be the most appropriate measure for assessing the potential for building or structural damage. As shown in Table 4.2-2, and for the purposes of this assessment, a criterion of 0.1 in/sec (inches per second) PPV is established as a conservative threshold for potential vibration damage to on-site and nearby historic or fragile structures and a criterion of 0.3 in/sec PPV is set for other nearby non-historic buildings, such as residences.

TABLE 4.2-2: Damage Potential to Buildings from Continuous or Frequent Intermittent Vibration Levels

Structure and Condition	Velocity Level, PPV (in/sec)
Fragile Buildings	0.1
Older Residential Structures	0.3
Modern Industrial/Commercial Buildings	0.5
SOURCE: Illingworth & Rodkin (From California Department of Transportation. June 2004. "Transportation- and Construction-Induced Vibration Guidance Manual.")	

The vibro-displacement stone column technical could result in potentially adverse vibration impacts at a distance of 33 feet or less, where vibration levels under typical soil conditions (are expected to be between 2-3 millimeters (mm) per second PPV. For comparison, 2.54 mm/sec equals 0.1 in/sec PPV, the established vibration threshold. Using the supplied reference vibration levels versus distance relationships, and as a conservative measure, it appears that potentially adverse vibration impacts may occur within about 50 feet of vibro-displacement work. Therefore, it is concluded that proposed vibro-displacement stone columns could result in a significant adverse effect on the onsite historical La Bahia structures that are retained, which are within 25 feet of the proposed vibro-displacement work. At 60 feet, the distance to the nearest off-site vibration-sensitive historic structure, vibration levels from the use of vibro-displacement stone columns are not expected to be exceed the threshold criterion of 0.1 in/sec PPV.

Subsequent to the preparation of the October 2013 geotechnical review update and preparation of the vibration assessment, the project geotechnical engineer indicated that there are several methods that can be used to modify the soil without causing excess vibrations to the retained buildings, such as compaction grouting, jet grouting and deep soil mixing (Dees &

Associates, December 2013). The supplemental geotechnical memo, which is included in Appendix F, describes these options for addressing liquefaction concerns for the retained buildings. (See also the GEOLOGY AND SOILS (4.6) section of this EIR for further details.) To the extent that these other methods are deemed feasible, the vibration impacts described in this section may be reduced and/or eliminated.

Construction activities can cause vibration that varies in intensity depending on several factors. The use of pile driving and vibratory compaction equipment typically generates the highest construction related ground-borne vibration levels. Table 4.2-3 presents typical PPV vibration levels that could be expected from standard construction equipment at a distance of 25 feet. As shown in the table, most construction equipment would not exceed the 0.1 in/sec PPV threshold for historic or fragile buildings at a distance of 25 feet or greater. Furthermore, as shown on Table 4.2-2, other older structures would not expected to experience damage from vibration levels below 0.3 PPV in/sec. Thus, typical construction would not cause vibration levels that would result in potential damage to historic or non-historic buildings.

TABLE 4.2-3: Vibration Source Levels for Standard Construction Equipment

Equipment		PPV at 25 ft. (in/sec)
Pile Driver (Impact)	upper range	1.158
	typical	0.644
Pile Driver (Sonic)	upper range	0.734
	typical	0.170
Clam shovel drop		0.202
Hydromill (slurry wall)	in soil	0.008
	in rock	0.017
Vibratory Roller		0.210
Hoe Ram		0.089
Large bulldozer		0.089
Caisson drilling		0.089
Loaded trucks		0.076
Jackhammer		0.035
Small bulldozer		0.003
SOURCE: Illingworth & Rodkin (From Federal Transit Administration, May 2006. "Transit Noise and Vibration Impact Assessment.")		

Mitigation Measures

Implementation of Mitigation Measures 4.2-5a and 4.2-5b below will reduce impacts of construction-related vibration to a less-than-significant level.

4.2-5a. Implement the following measures to protect historic structures that are within 50 feet of project, including onsite structures to be retained, during construction activities that result in vibration, (e.g., the installation of vibro-displacement stone columns).

- Prior to demolition, a historic preservation architect and a structural engineer shall document existing baseline conditions of those historic resources identified in Table 4.2-1 that are identified as being potentially adversely affected by

construction-vibration, (i.e., structures within 50 feet of construction activities that could exceed 0.1 in/sec PPV). The pre-construction survey would consist of documentation of structures by means of photograph and/or video, and a floor level survey of the ground floor of structures by a qualified engineer. This documentation shall be submitted to the City Planning Director prior to commencement of any vibro-displacement stone columns work.

- Establish damage criteria of, 0.1 in/sec PPV for continuous sources for historic structures potentially affected by vibration. A qualified and licensed structural engineer may be retained to assess whether the potentially affected structures could withstand this level of high vibration. If such a determination is made by the structural engineer, then a higher limit may be permissible.
- The historical architect and structural engineer shall develop a plan to be implemented during construction that sets forth the type and location of measures to protect onsite and offsite structures, as may be required, during construction, including shoring of buildings or walls or other measures to provide temporary reinforcement of vibration-sensitive structures.
- Conduct monitoring by a qualified vibration monitoring consultant or engineering firm during installation of the vibro-displacement stone columns to monitor construction vibration. The consultant shall use a seismograph containing three channels that record in three mutually perpendicular axes. The frequency response shall be from 2 to 250 Hz, which a minimum sampling rate of 1,000 samples per second per channel.
- If in the opinion of the structural engineer, in consultation with the historic preservation architect, substantial adverse impacts to historic resources related to construction activities are identified during construction, the monitoring team shall develop corrective actions to be implemented during construction. If, at any time, monitoring indicates maximum vibration levels approaching or exceeding damage thresholds, construction will immediately cease and subsequent corrective action, as outlined below, shall be taken. If the stop work threshold is exceeded, evaluate the condition of the building for damage. If no damage is indicated, consult with structural engineer and/or architectural historian to assess whether higher thresholds are possible and adjust, as appropriate. If damage occurs, determine if any other construction approaches are feasible to reduce vibration. If none are available, examine the severity of the damage to determine if damage is minor and repair is feasible. If repair is feasible, continue with construction, but monitor vibration and damage closely to ensure that damage remains repairable. Consider whether a lower stop work threshold is feasible. If damage approaches becoming unreparable and vibration levels have approached or exceeded the stop work threshold repeatedly, consider new feasible and reasonable alternative approaches to construction.
- Conduct post-construction surveying of structures would be performed to identify (and repair if necessary) any damage from construction activities. Any damage would be documented by photography, video, or other means, and costs of repairs would be paid by the Applicant. Progress reports of the results of vibration monitoring would be provided to the lead agency in charge within an

expeditious amount of time following vibro-displacement. A final report documenting results, damage, excessive vibration or other impacts would be provided to the lead agency.

- 4.2-5b. Implement a training program for construction workers to be conducted by the historic preservation architect to provide direction on how to exercise care when working around and operating equipment near the retained La Bahia structures.

APPENDIX D



APPLICATION FOR AUTHORIZATION TO USE

REPORT TITLE: **PROPERTY CONDITION ASSESSMENT**

215 Beach Street
Santa Cruz, CA 95060

PROJECT NUMBER: 26004.60

To: AllWest Environmental, Inc.
2141 Mission Street, Suite 100
San Francisco, CA 94110

From (Applicant):

(Please clearly identify name and address of person/entity applying for permission to use or copy this document)

Ladies and Gentlemen:

Applicant states they have thoroughly reviewed the report and had the opportunity to discuss with AllWest the report's methodology, findings and conclusion(s).

Applicant hereby applies for permission to rely upon AllWest's work product, as described above, for the purpose of (state here the purpose for which you wish to rely upon the work product):

Applicant only can accept and rely upon AllWest work product under the strict understanding that Applicant is bound by all provisions in the General Conditions to the Work Authorization Agreement provided below. Every report, recommendation, finding, or conclusion issued by AllWest shall be subject to the limitations stated in the Agreement and subject report(s). If this is agreeable, please sign below and return one copy of this letter to us along with the applicable fees. Upon receipt and if acceptable, our signed letter will be returned. AllWest may withhold permission at its sole discretion or require additional re-use fees or terms.

FEES: A \$1,950 coordination and reliance fee, payable in advance, will apply. If desired, for an additional \$250 report reproduction fee, we will reissue the report in the name of the Applicant; the report date, however, will remain the same. All checks will be returned if your request for reliance is not approved.

REQUESTED BY

APPROVED BY

Applicant Company

AllWest Environmental, Inc.

Print Name and Title

Print Name and Title

Signature and Date

Signature and Date

GENERAL CONDITIONS TO THE WORK AUTHORIZATION AGREEMENT

It is hereby agreed that the Client retains AllWest to provide services as set forth in the Work Authorization attached hereto (the "Work"). This contract shall be controlled by the following terms and conditions, and these terms and conditions shall also control any further assignments performed pursuant to this Work Authorization. Client's signature on this Work Authorization constitutes Client's agreement to the all terms to this contract, including these General Conditions.

FEES AND COSTS

1. AllWest shall charge for work performed by its personnel at the rates identified in the Work Authorization. These rates are subject to reasonable increases by AllWest upon giving Client 30 days advance notice. Reimbursable Costs will be charged to the Client in addition to the fees for the basic services under this Agreement and all Additional Services (defined below) under the Agreement. Reimbursable Costs include, but are not limited to, expenses for travel, including transportation, meals, lodging, long distance telephone and other related expenses, as well as the costs of reproduction of all drawings for the Client's use, costs for specifications and type-written reports, permit and approval fees, automobile travel reimbursement, costs and fees of subcontractors, and soil and other materials testing. No overtime is accrued for time spent in travel. All costs incurred which relate to the services or materials provided by a contractor or subcontractor to AllWest shall be invoiced by AllWest on the basis of cost plus twenty percent (20%). Automobile travel reimbursement shall be at the rate of fifty- eight cents (\$0.58) per mile. All other reimbursable costs shall be invoiced and billed by AllWest at the rate of 1.1 times the direct cost to AllWest. Reimbursable costs will be charged to the client only as outlined in the Work Authorization if the scope of work is for Phase I Environmental Site Assessment, Property Condition Assessment, Seismic Assessment or ALTA survey. Invoices for work performed shall be submitted monthly. Payment will be due upon receipt of invoice. Client shall pay interest on the balance of unpaid invoices which are overdue by more than 30 days, at a rate of 18% per annum as well as all attorney fees and costs incurred by AllWest to secure payment of unpaid invoices. AllWest may waive such fees at its sole discretion.

STANDARD OF CARE

2. AllWest will perform its work in accordance with the standard of care of its industry, as it is at the time of the work being performed, and applicable in the locale of the work being performed. AllWest makes no other warranties, express or implied regarding its work.

LIMITATION OF REMEDIES

3. Client expressly agrees that to the fullest extent permitted by law, Client's remedies for any liability incurred by AllWest, and/or its employees or agents, for any and all claims arising from AllWest's services, shall be \$50,000 or its fees, whichever is greater.

Client may request a higher limitation of remedies, but must do so in writing. Upon such written request, AllWest may agree to increase this limit in exchange for a mutually negotiated higher fee commensurate with the increased risk to AllWest. Any such agreed increase in fee and limitation of remedies amount must be memorialized by written agreement which expressly amends the terms of this clause.

As used in this section, the term "limitation of remedies" shall apply to claims of any kind, including, but not limited to, claims brought in contract, tort, strict liability, or otherwise, for any and all injuries, claims, losses, expenses, or damages whatsoever arising out of or in any way related to AllWest's services or the services of AllWest's subcontractors, consultants, agents, officers, directors, and employees from any cause(s). AllWest shall not be liable for any claims of loss of profits or any other indirect, incidental, or consequential damages of any nature whatsoever. Client & AllWest have specifically negotiated this limitation.

INDEMNIFICATION

4. Notwithstanding any other provision of this Agreement, Client agrees, to the fullest extent permitted by law, to waive any claim against, release from any liability or responsibility for, and indemnify and hold harmless AllWest, its employees, agents and sub-consultants (collectively, Consultant) from and against any and all damages, liabilities, claims, actions or costs of any kind, including reasonable attorney's fees and defense costs, arising or alleged to arise out of or to be in any way connected with the Project or the performance or non-performance of Consultant of any services under this Agreement, except to the extent any such liabilities are determined by a court or other forum of competent jurisdiction to have been caused by the negligence or willful misconduct of Consultant.

Client further agrees to indemnify Consultant for any liability Consultant suffers to a third person to the extent that liability exceeds the limitation of liability amounts stated in Limitation of Remedies paragraph. This provision shall be in addition to any rights of indemnity Consultant may have under the law and shall survive and remain in effect following the termination of this Agreement for any reason. Should any part of this provision be determined to be unenforceable, AllWest and Client agree the rest of the provision shall apply to the maximum extent permitted by law. The Client's duty to defend AllWest shall arise immediately upon tender of any matter potentially covered by the above obligations to indemnify and hold harmless.

AllWest agrees to indemnify and hold harmless CLIENT, its officers, directors, partners, employees, and any other entity or person for which AllWest is legally liable, from and against any damages, losses, liabilities, judgments, settlements, expenses, and costs (including reasonable attorneys' fees, costs and expenses recoverable under applicable law), that CLIENT incurs from claims by third parties, to the extent caused by negligent acts, errors or omissions or willful misconduct of AllWest in the performance of professional services under this Agreement and any other entity or person for which AllWest is legally liable.

Notwithstanding the foregoing, if AllWest's obligation to defend, indemnify, and/or hold harmless arises out of AllWest's performance of "design professional" services (as that term is defined under California Civil Code Section 2782.8), AllWest's obligations shall be as stated in California Civil Code Section 2782.8, which is fully incorporated herein as it was in effect as of the date of this Agreement. AllWest's indemnification obligation shall be limited to claims to the extent caused by the negligence, recklessness, or willful misconduct of AllWest, and, upon AllWest obtaining a final adjudication by a court of competent jurisdiction, AllWest's liability for such claim, including the cost to defend, shall not exceed AllWest's proportionate percentage of fault. AllWest is not obligated to indemnify and hold harmless CLIENT for CLIENT'S active or sole negligence, or willful misconduct.

MEDIATION & JUDICIAL REFERENCE

5. In an effort to resolve any conflicts or disputes that arise regarding the performance of this agreement, the Client & AllWest agree that all such disputes shall be submitted to non-binding mediation, using a mutually agreed upon mediation service experienced in the resolution of construction disputes. Unless the parties mutually agree otherwise, such mediation shall be a condition precedent to the initiation of any other adjudicative proceedings. It is further agreed that any dispute that is not settled pursuant to such mediation shall be adjudicated by a court appointed referee in accordance with the Judicial Reference procedures as set forth in California Code of Civil Procedure Section 638 et seq. The parties hereby mutually agree to waive any right to a trial by jury regarding any dispute arising out of this agreement.

The parties further agree to include a similar mediation, Judicial Reference & waiver of jury trial provision in their agreements with other independent contractors & consultants retained for the project and require them to similarly agree to these dispute resolution procedures. The cost of said Mediation shall be split equally between the parties. This agreement to mediate shall be specifically enforceable under the prevailing law of the jurisdiction in which this agreement was signed.

HAZARDOUS WASTE

6. Client acknowledges that AllWest and its sub-contractors have played no part in the creation of any hazardous waste, pollution sources, nuisance, or chemical or industrial disposal problem, which may exist, and that AllWest has been retained for the sole purpose of performing the services set out in the scope of work within this Agreement, which may include, but is not necessarily limited to such services as assisting the Client in assessing any problem which may exist and in assisting the Client in formulating a remedial program. Client acknowledges that while necessary for investigations, commonly used exploration methods employed by AllWest may penetrate through contaminated materials and serve as a connecting passageway between the contaminated material and an uncontaminated aquifer or groundwater, possibly inducing cross contamination. While back-filling with grout or other means, according to a state of practice design is intended to provide a seal against such passageway, it is recognized that such a seal may be imperfect and that there is an inherent risk in drilling borings of performing other exploration methods in a hazardous waste site.

AllWest will not sign or execute hazardous waste manifests or other waste tracking documents on behalf of Client unless Client specifically establishes AllWest as an express agent of Client under a written agency agreement approved by AllWest. In addition, Client agrees that AllWest shall not be required to sign any documents, no matter requested by whom, that would have the effect of AllWest providing any form of certification, guarantee, or warranty as to any matter or to opine on conditions for which the existence AllWest cannot ascertain. Client also agrees that it shall never seek or otherwise attempt to have AllWest provide any form of such certification, guarantee or warranty in exchange for resolution of any disputes between Client and AllWest, or as a condition precedent to making payment to AllWest for fees and costs owing under this Agreement.

Client understands and agrees that AllWest is not, and has no responsibility as, a generator, operator, treater, storer, transporter, arranger or disposer of hazardous or toxic substances found or identified at the site, including investigation-derived waste. The Client shall undertake and arrange for the removal, treatment, storage, disposal and/or treatment of hazardous material and investigation derived waste (such as drill cuttings) and further, assumes full responsibility for such wastes to the complete exclusion of any responsibility, duty or obligation upon AllWest. AllWest's responsibilities shall be limited to recommendations regarding such matters and assistance with appropriate arrangements if authorized by Client.

FORCE MAJUERE

7. Neither party shall be responsible for damages or delays in performance under this Agreement caused by acts of God, strikes, lockouts, accidents or other events or condition (other than financial inability) beyond the other Party's reasonable control.

TERMINATION

8. This Agreement may be terminated by either party upon ten (10) days' written notice should the other party substantially fail to perform in accordance with its duties and responsibilities as set forth in this Agreement and such failure to perform is through no fault of the party initiating the termination. Client agrees that if it chooses to terminate AllWest for convenience, and AllWest has otherwise satisfactorily performed its obligations under this Agreement to that point, AllWest shall be paid no less than eighty percent (80%) of the contract price, provided, however, that if AllWest shall have completed more than eighty percent of the Work at the time of said termination, AllWest shall be compensated as provided in the Work Authorization for all services performed prior to the termination date which fall within the scope of work described in the Work Authorization and may as well, at its sole discretion and in accordance with said Schedule of Fees, charge Client, and Client agrees to pay AllWest's reasonable costs and labor in winding up its files and removing equipment and other materials from the Project.

Upon notice of termination by Client to AllWest, AllWest may issue notice of such termination to other consultants, contractors, subcontractors and to governing agencies having jurisdiction over the Project, and take such other actions as are reasonably necessary in order to give notice that AllWest is no longer associated with the Project and to protect AllWest from claims of liability from the work of others.

DOCUMENTS

9. Any documents prepared by AllWest, including, but not limited to proposals, project specifications, drawings, calculations, plans and maps, and any ideas and designs incorporated therein, as well as any reproduction of the above are instruments of service and shall remain the property of AllWest and AllWest retains copyrights to these instruments of service. AllWest grants to Client a non-exclusive license to use these instruments of service for the purpose of completing and maintaining the Project. The Client shall be permitted to retain a copy of any instruments of service, but Client expressly agrees and acknowledges that the instruments of service may not be used by the Client on other projects, or for any other purpose, except the project for which they were prepared, unless Client first obtains a written agreement expanding the license to such use from AllWest, and with appropriate compensation to AllWest. Client further agrees that such instruments of service shall not be provided to any third parties without the express written permission of AllWest.

Client shall furnish, or cause to be furnished to AllWest all documents and information known to Client that relate to the identity, location, quantity, nature, or characteristics of any asbestos, PCBs, or any other hazardous materials or waste at, on or under the site. In addition, Client will furnish or

cause to be furnished such reports, data, studies, plans, specifications, documents and other information on surface or subsurface site conditions, e.g., underground tanks, pipelines and buried utilities, required by AllWest for proper performance of its services. If Client fails to provide AllWest with all hazardous material subject matter reports including geotechnical assessments in its possession during the period that AllWest is actively providing its services (including up to 30 days after its final invoice), Client shall release AllWest from any and all liability for risks and damages the Client incurs resulting from its reliance on AllWest's professional opinion. AllWest shall be entitled to rely upon Client - provided documents and information in performing the services required in this Agreement; however, AllWest assumes no responsibility or liability for the accuracy or completeness of Client-provided documents. Client-provided documents will remain the property of the Client.

ACCESS TO PROJECT

10. Client grants to AllWest the right of access and entry to the Project at all times necessary for AllWest to perform the Work. If Client is not the owner of the Project, then Client represents that Client has full authority to grant access and right of entry to AllWest for the purpose of AllWest's performance of the Work. This right of access and entry extends fully to any agents, employees, contractors or subcontractors of AllWest upon reasonable proof of association with AllWest. Client's failure to provide such timely access and permission shall constitute a material breach of this Agreement excusing AllWest from performance of its duties under this Agreement.

CONFIDENTIAL INFORMATION

11. Both Client and AllWest understand that in conjunction with AllWest's performance of the Work on the project, both Client and AllWest may receive or be exposed to Proprietary Information of the other. As used herein, the term "Proprietary Information" refers to any and all information of a confidential, proprietary or secret nature which may be either applicable to, or relate in any way to: (a) the personal, financial or other affairs of the business of each of the Parties, or (b) the research and development or investigations of each of the Parties. Proprietary Information includes, for example and without limitation, trade secrets, processes, formulas, data, know-how, improvements, inventions, techniques, software technical data, developments, research projects, plans for future development, marketing plans and strategies. Each of the Parties agrees that all Proprietary Information of the other party is and shall remain exclusively the property of that other party. The parties further acknowledge that the Proprietary Information of the other party is a special, valuable and unique asset of that party, and each of the Parties agrees that at all times during the terms of this Agreement and thereafter to keep in confidence and trust all Proprietary Information of the other party, whether such Proprietary Information was obtained or developed by the other party before, during or after the term of this Agreement. Each of the Parties agrees not to sell, distribute, disclose or use in any other unauthorized manner the Proprietary Information of the other party. AllWest further agrees that it will not sell, distribute or disclose information or the results of any testing obtained by AllWest during the performance of the Work without the prior written approval of Client unless required to do so by federal, state or local statute, ordinance or regulation.

INDEPENDENT CONTRACTOR

12. Both Client and AllWest agree that AllWest is an independent contractor in the performance of the Work under this Agreement. All persons or parties employed by AllWest in connection with the Work are the agents, employees or subcontractors of AllWest and not of Client. Accordingly, AllWest shall be responsible for payment of all taxes arising out of AllWest's activities in performing the Work under this Agreement.

ENTIRE AGREEMENT

13. This Agreement contains the entire agreement between the Parties pertaining to the subject matter contained in it and supersedes and replaces in its entirety all prior and contemporaneous proposals, agreements, representations and understandings of the Parties. The Parties have carefully read and understand the contents of this Agreement and sign their names to the same as their own free act.

INTEGRATION

14. This is a fully integrated Agreement. The terms of this Agreement may be modified only by a writing signed by both Parties. The terms of this Agreement were fully negotiated by the Parties and shall not be construed for or against the Client or AllWest but shall be interpreted in accordance with the general meaning of the language in an effort to reach the intended result.

MODIFICATION / WAIVER / PARTIAL INVALIDITY

15. Failure on the part of either party to complain of any act or omission of the other, or to declare the other party in default, shall not constitute a waiver by such party of its rights hereunder. If any provision of this Agreement or its application be unenforceable to any extent, the Parties agree that the remainder of this Agreement shall not be affected and shall be enforced to the greatest extent permitted by law.

INUREMENT / TITLES

16. Subject to any restrictions on transfers, assignments and encumbrances set forth herein, this Agreement shall inure to the benefit of and be binding upon the undersigned Parties and their respective heirs, executors, legal representatives, successors and assigns. Paragraph titles or captions contained in this Agreement are inserted only as a matter of convenience, and for reference only, and in no way limit, define or extend the provisions of any paragraph. , et al., incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

AUTHORITY

17. Each of the persons executing this Agreement on behalf of a corporation does hereby covenant and warrant that the corporation is duly authorized and existing under the laws of its respective state of incorporation, that the corporation has and is qualified to do business in its respective state of incorporation, that the corporation has the full right and authority to enter into this Agreement, and that each person signing on behalf of the corporation is authorized to do so. If the Client is a joint venture, limited liability company or a partnership, the signatories below warrant that said entity is properly

and duly organized and existing under the laws of the state of its formation and pursuant to the organizational and operating document of the entity, and the laws of the state of its formation, said signatory has authority act on behalf of and commit the entity to this Agreement.

COUNTERPARTS

18. This Agreement may be signed in counterparts by each of the Parties hereto and, taken together, the signed counterparts shall constitute a single document.

THIRD PARTY BENEFICIARIES / CONTROLLING LAW

19. There are no intended third party beneficiaries of this Agreement. The services, data & opinions expressed by AllWest are for the sole use of the client, are for a particular project and may not be relied upon by anyone other than the client. This Agreement shall be controlled by the laws of the State of California and any action by either party to enforce this Agreement shall be brought in San Francisco County, California.

TIME BAR TO LEGAL ACTION

20. Any legal actions by either party against the other related to this Agreement, shall be barred after one year has passed from the time the claimant knew or should have known of its claim, and under no circumstances shall be initiated after two years have passed from the date by which AllWest completes its services.