

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 14-15, 2007

Reference No.: 2.4d.(2)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

Prepared by: Bimla G. Rhinehart  
Chief  
Division of Right of Way  
and Land Surveys

Subject: **CALIFORNIA TRANSPORTATION COMMISSION CONCEPTUAL APPROVAL OF A DIRECT SALE TO PRIOR OWNER**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) provide conceptual approval of a proposed direct sale of a 72,858 square foot (sf) parcel of excess land in the City and County of San Francisco identified as parcel DD 055744-01-01 (Property) to Emerald Fund, Inc. (Emerald), its assignees or successors in interest.

## **ISSUE:**

By Right of Way Contract dated July 17, 1998, the Department paid \$14,405,000 for the parcel and agreed to grant Emerald the right to repurchase the property from the Department if and when the Property was deemed to be excess subject to specific terms.

## **BACKGROUND:**

Subsequent changes were made by the City and County of San Francisco (City) to the municipal zoning provisions governing the property. These changes are summarized as follows:

1. The city inclusionary housing ordinance was amended in August 2006 increasing the percentage of required affordable on-site or off-site units.
2. A 2005 city rezoning ordinance targeting the subject parcel area requires developers pay an infrastructure fee for issuance of a site permit along with a community stabilization fee. Said additional fees totaled \$25.00/sf.
3. The San Francisco Unified School District School Facilities Impact fee was increased in 2005 to \$2.24/sf, an additional \$0.52/sf.
4. The maximum residential building height for a residential project located on the property was reduced from a range of 85 to 200 feet to a 65-foot height restriction on the entire property.

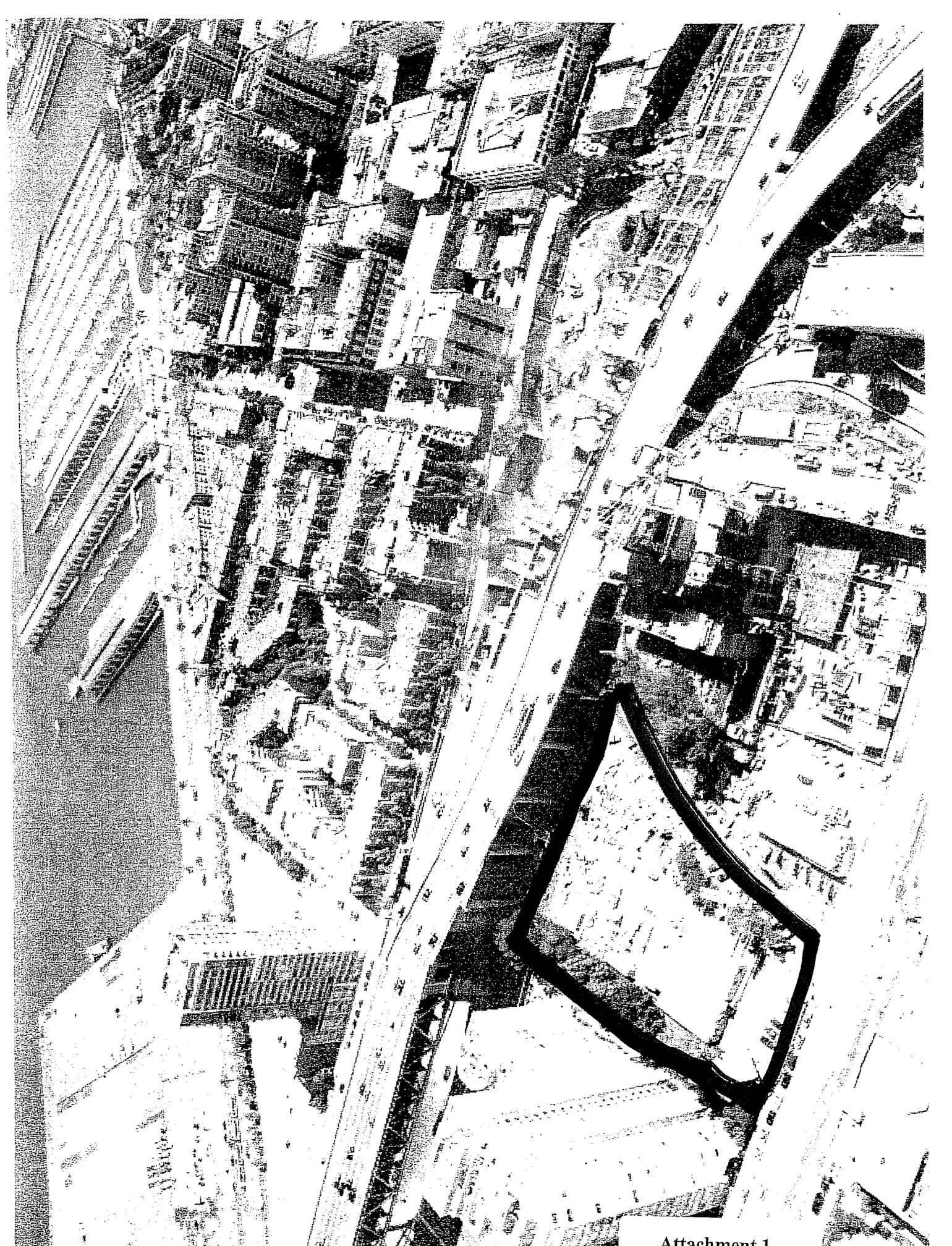
The Department's legal staff was consulted regarding the noted changes during the public zoning amendment process. It was determined that the changes were not unreasonable or discriminatory in nature, and the Department did not have a triable position.

The proposal establishes the purchase price for the property at \$12,180,000 and provides a mechanism for adjusting the purchase price in the event Emerald is able to obtain additional net saleable or leaseable residential area through the entitlement process. In the event the net saleable or leaseable area is below the set threshold of 164,000 sf, the purchase price will be adjusted downward by \$66.92 per sf for every net saleable or leaseable sf below 164,000 sf to a minimum purchase price of \$8,180,000.

Upon approval by the Commission and execution of the proposal by the parties, Emerald will make a non-refundable deposit of three percent of the purchase price or \$365,400. The Department is still using the property for the seismic retrofit of the western approach to the San Francisco-Oakland Bay Bridge. The closing date for this transaction will occur no earlier than January 1, 2009, and no later than December 31, 2009.

The transaction as proposed is in the best interest of the Department, as it will receive fair market value for the Property and receive the benefits of Emerald's expertise in the area of securing parcel entitlements.

Attachments

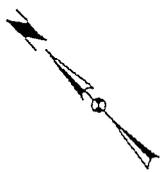




STATE	DATE	SCALE	PROJECT
IL	04/03/20	1"=100'	15000
CD	00	511-2.4	
04	3F		

LEGEND:

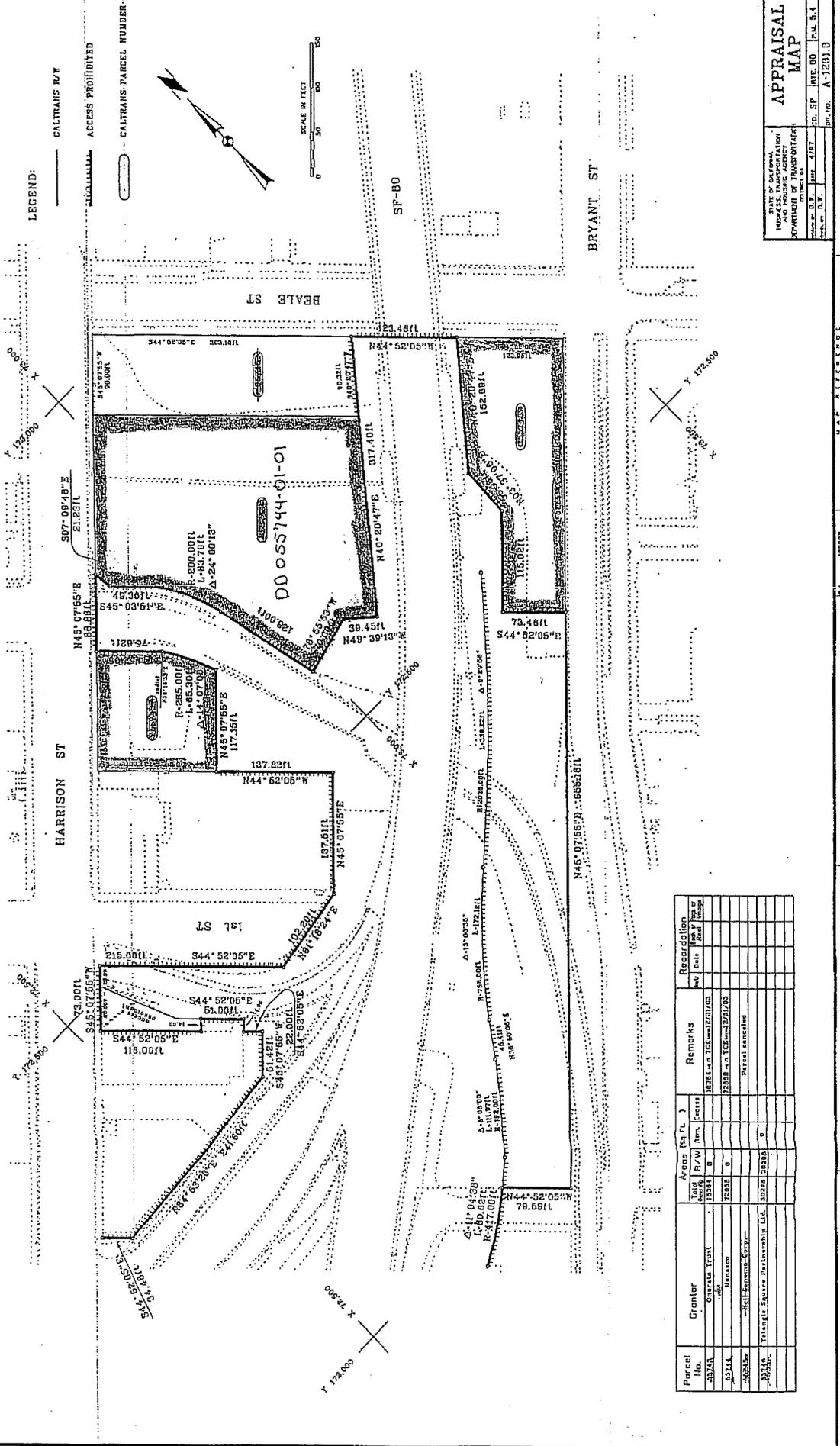
- CALTRANS T/W
- ACCESS PRIORITIZED
- CALTRANS-PARCEL NUMBER



STATE OF ILLINOIS  
 DEPARTMENT OF TRANSPORTATION  
 DIVISION OF HIGHWAYS

**APPRAISAL MAP**

CD. SF INTL. 00 P.M. 3.1  
 04. 3F INTL. 00 P.M. 3.1  
 04. 3F INTL. 00 P.M. 3.1



Parcel No.	Owner	Areas (sq. ft.)		Remarks	Recordation	
		Intg	R/W		Intg	R/W
25341	Omnia Trail	1534	0	1024.00 E.E. 10/21/03		
25342	Omnia	7525	0	2888 - n. 10/21/03		
25343	Wellington Corp.			Parcel cancelled		
25344	Trustee Source Partnership LLC	3076	0			

ISSUED BY: [Name]  
 DATE: [Date]  
 PROJECT: [Project Name]