SAN MATEO COUNTY
COUNTYWIDE OVERSIGHT BOARD MEETING

AGENDA
Tuesday, October 16, 2018 at 1:00 p.m.
400 County Center, 1st Floor
County Board of Supervisors' Chambers
Redwood City, California 94063

1. Call to Order

2. Roll Call

3. Oral Communications and Public Comment
This is an opportunity for members of the public to address the Oversight Board on any Oversight Board-related topics that are not on the agenda. If your subject is not on the agenda, the individual chairing the meeting will recognize you at this time. Speakers are customarily limited to two minutes.

4. Action to Set the Agenda

5. Approval of the September 18, 2018 Countywide Oversight Board Meeting Minutes

6. Adopt a Resolution Authorizing the Chairperson of the Countywide Oversight Board to Execute Agreements With Appraisers to Provide Services to the Board

7. Redevelopment Agency Dissolution Status Update – Belmont (Discussion Only)

8. Redevelopment Agency Dissolution Status Update – Menlo Park (Discussion Only)

9. Redevelopment Agency Dissolution Status Update – San Bruno (Discussion Only)

10. Redevelopment Agency Dissolution Status Update – San Mateo (Discussion Only)

11. First Amendment to the Purchase and Sale Agreement Between South San Francisco Successor Agency and SSF Miller/Cypress Phase 2 LLC (Discussion Only)

12. Adjournment

A copy of the Countywide Oversight Board agenda packet is available for review from the Clerk of the Board of Supervisors, 400 County Center, 1st Floor, Monday through Thursday 7:30 a.m.-5:30 p.m. and Friday 8 a.m.-5 p.m.

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Sukhmani Purewal, Assistant Clerk of the Board of Supervisors, at least two working days before the meeting at (650) 363-1802 and/or spurewal@smcgov.org. Notification in advance of the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical based products.

San Mateo County Countywide Oversight Board Meeting
Tuesday, September 18, 2018, 1:00 p.m.
400 County Center, 1st Floor, Criminal Justice Training Room, Redwood City, CA 94063

DRAFT MINUTES

1. Call to Order

   The meeting was called to order by Chair Tom Casey at 1:00 p.m.

2. Roll Call

   Present:
   Board Members: Mark Addiego; Chuck Bernstein; Trish Blinstrub; Barbara Christensen; Denise Porterfield; Jim Saco; and Chair Tom Casey.

   Staff: Shirley Tourel, Assistant Controller; Matthew Slaughter, Controller Division Manager; Brian Wong, Deputy County Counsel; Sukhmani S. Purewal, Assistant Clerk of the Board; and Sherry Golestan, Deputy Clerk of the Board.

3. Oral Communications and Public Comment

   None

4. Action to Set the Agenda

   RESULT: **Approved**
   MOTION: Denise Porterfield
   SECOND: Jim Saco
   AYES [7]: Mark Addiego, Chuck Bernstein, Trish Blinstrub, Tom Casey, Barbara Christensen, Denise Porterfield, and Jim Saco.
   NOES: None
   ABSENT: None
   ABSTENTIONS: None

5. Approval of the August 28, 2018 Countywide Oversight Board Meeting Minutes

   RESULT: **Approved**
   MOTION: Jim Saco
   SECOND: Denise Porterfield
   AYES [7]: Mark Addiego, Chuck Bernstein, Trish Blinstrub, Tom Casey, Barbara Christensen, Denise Porterfield, and Jim Saco.
   NOES: None
   ABSENT: None
   ABSTENTIONS: None

6. Approval of Bylaws

   Speakers:
   Tom Casey, Member
   Jim Saco, Member

RESULT:	**Approved (Resolution No. 2018-06)**
MOTION:	Barbara Christensen
SECOND:	Trish Blinstrub
AYES [7]:	Mark Addiego, Chuck Bernstein, Trish Blinstrub, Tom Casey, Barbara Christensen, Denise Porterfield, and Jim Saco.
NOES:	None
ABSENT:	None
ABSTENTIONS:	None

7. First Amendment to the Purchase and Sale Agreement Between the South San Francisco Successor Agency and SSF Miller/Cypress Phase 2 LLC (Discussion Only)

Speakers:
Nell Sealander, City of South San Francisco
Barbara Christensen, Member
Chuck Bernstein, Member
Andrew Turco, Sares/Regis (developer)
Alex Greenwood, City of South San Francisco
Mark Addiego, Member
Shirley Tourel, Assistant Controller
Ken Bush, Sares/Regis (developer)
Tom Casey, Member
Trish Blinstrub, Member
Mike Futrell, City Manager, City of South San Francisco

Motion to create an Ad Hoc Committee of the San Mateo County Countywide Oversight Board consisting of member Jim Saco and Chuck Bernstein for the purposes of finding a real property manager:

RESULT:	**Approved**
MOTION:	Barbara Christensen
SECOND:	Denise Porterfield
AYES [7]:	Mark Addiego, Chuck Bernstein, Trish Blinstrub, Tom Casey, Barbara Christensen, Denise Porterfield, and Jim Saco.
NOES:	None
ABSENT:	None
ABSTENTIONS:	None

8. Redevelopment Agency Dissolution Status Update – Daly City (Discussion only)

Speakers:
Tatum Mothershead, Director of Economic and Community Development, City of Daly City
Barbara Christensen, Member
Jim Saco, Member
Matthew Slaughter, Controller Division Manager
Chuck Bernstein, Member

9. Redevelopment Agency Dissolution Status Update – San Carlos (Discussion only)

Speakers:
Suzy Kim, Associate at RSG and Successor Agency's Consultant
Barbara Christensen, Member
Tom Casey, Member
Jim Saco, Member
Shirley Tourel, Assistant Controller

10. Adjournment

RESULT:	**Approved**
MOTION:	Barbara Christensen
SECOND:	Denise Porterfield
AYES [7]:	Mark Addiego, Chuck Bernstein, Trish Blinstrub, Tom Casey, Barbara Christensen, Denise Porterfield, and Jim Saco.
NOES:	None
ABSENT:	None
ABSTENTIONS:	None

The meeting was adjourned at 2:09 p.m.

San Mateo County
Countywide Oversight Board

Date: October 8, 2018 Agenda Item No. 6

To: San Mateo County Countywide Oversight Board

From: Jim Saco, Member
Chuck Bernstein, Member

Subject: Appraisal Resources to Support Countywide Oversight Board Activities

Recommendation
Adopt a resolution authorizing the Chairperson of the San Mateo County Countywide Oversight Board to execute agreements with Berliner, Kiddish and Tish, BBG and Carneghi-Nakasako & Associates, for the provision of property appraisal and related services, for three-year terms from October 16, 2018 through October 15, 2021, in an amount not-to-exceed $50,000 for each firm.

Background
The San Mateo County Countywide Oversight Board (the "Board") was created pursuant to Health and Safety Code (HSC) Section 34179(j) to provide guidance and oversight to the successor agencies who are tasked with winding down the affairs of the former redevelopment agencies (RDAs). Pursuant to Health and Safety Code Section 34181(a)(1), the Board shall direct the successor agencies to dispose of all assets and properties of the former redevelopment agency (RDA) expeditiously and in a manner aimed at maximizing value.

Discussion
At the September 18th Board meeting, the South San Francisco Successor Agency ("Agency") brought a first amendment to the Purchase and Sales Agreement between the Agency and SSF Miller/Cypress Phase 2, LLC, amending the sale price of 216 Miller Avenue to $1,118,538. The original agreement was based on an assemblage appraisal performed by Colliers International, which appraised the parcel for $3.7 million. The Agency and Sares Regis, the developer of the project, submitted written materials and made presentations identifying issues with the appraisal. The Agency questioned assumptions in the appraisal while Sares Regis submitted adjustments that essentially changed the basis of the appraisal from an assemblage to a standalone by discounting the appraised value by the number of potential units on the parcel from 72 to 49 and the economies of scale that would be derived from the larger assemblage development. Sares Regis submitted a best and final offer of $1,118,538.

Given the complexity of these issues and the fact that this is the first such item before the Board, the Board created an ad-hoc committee consisting of Board members Chuck Bernstein and Jim

Saco to identify potential resources to assist the Board in future deliberations. With assistance from the Board's staff, the ad-hoc committee contacted four firms that have provided appraisal services to the County's Real Property Division. Three of the firms expressed interest. Following phone interviews and reference checks, it is the ad-hoc committee's opinion that all three firms are qualified to perform market value appraisals as well as investment value appraisals for both assemblage and standalone developments in San Mateo County. In addition, all three firms are experienced and qualified to review and comment on appraisals performed by others.

Conclusion

The ad-hoc committee recommends that the Board enter into agreements with all three firms. We believe it makes sense to have multiple resources on hand to ensure competitive pricing and that resources are available in the event of workload constraints or a conflict of interest in a particular matter. We further recommend that as projects arise that require appraisal services, that a simple one page request for proposal be prepared by staff and sent to all three firms. Staff would review the proposals and determine which firm is best suited for that particular project. Price would be one consideration but not the only consideration. Other considerations might include the firms experience and expertise in a certain area (e.g., biotech development) and turnaround time.

Financial Impact

Based on our discussions with the three firms and the County's Real Property Division, it is believed that most appraisals will fall in the $4,000 to $6,000 range. However, very complicated appraisals could approach $20,000. The cost of the appraisals would be paid from Redevelopment Property Tax Trust Fund (RPTTF) funds which come from the taxing entities that fall within the former redevelopment agency.

Other Considerations

During the ad-hoc committee's discussions on this matter, other items were discussed that we believe should be deliberated by the full Board, as follows:

1) Should the appeal of an appraisal be restricted to the appraisal itself: the methodology, the comparables, the calculations, and so forth?

2) Should future purchase agreements include an appeal procedure whereby each party appoints an appraiser and the resulting two appraisals, along with the first appraisal, are averaged?

Exhibit

A - Draft Scope of Work describing the services to be provided under the contracts.

EXHIBIT A

DRAFT - SCOPE OF WORK

The San Mateo County Countywide Oversight Board (the "Board") was created pursuant to Health and Safety Code (HSC) § 34179(j) to provide guidance and oversight to the successor agencies who are tasked with winding down the affairs of the former redevelopment agencies (RDAs). Approving the disposition of assets is part of the Board's role and at times may require independent appraisal services.

When the Board requires appraisal services, a written request will be made to the Contractor. The Contractor shall submit a proposal to the Board or its designee who must agree to the proposal in writing prior to the Contractor commencing work.

At a minimum, the proposal submitted by the Contractor shall include; estimated costs, maximum amount that will be charged, estimated hours to complete project, staff assigned to the project, description of the work to be performed, expected date of deliverable, and the type of deliverable that will be provided (e.g. written narrative, formal report, presentation to the Board etc.,).

Appraisal related services may include, but not be limited to the following:

- Performing appraisals for assemblage and standalone developments in San Mateo County.
- Reviewing and assessing appraisals performed by others.
- Presenting results of the work performed by the Contractor to the Countywide Oversight Board.
- Other appraisal related services as needed.

Resolution No. 2018 - _____

COUNTYWIDE OVERSIGHT BOARD, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

*** * * * * ***

RESOLUTION AUTHORIZING THE CHAIRPERSON OF THE SAN MATEO COUNTY COUNTYWIDE OVERSIGHT BOARD TO EXECUTE AGREEMENTS WITH BERLINER, KIDDISH AND TISH, BBG AND CARNEGHI-NAKASAKO & ASSOCIATES, FOR THE PROVISION OF PROPERTY APPRAISAL AND RELATED SERVICES, FOR THREE-YEAR TERMS FROM OCTOBER 16, 2018 THROUGH OCTOBER 15, 2021, IN AN AMOUNT NOT-TO-EXCEED $50,000 FOR EACH FIRM

RESOLVED, by the Countywide Oversight Board ("Board") of the County of San Mateo, State of California, that

WHEREAS, in accordance with Senate Bill No. 107 (SB107), HSC Section 34179(j), the thirteen oversight Boards currently in place in San Mateo County consolidated into one San Mateo County Countywide Oversight Board effective July 1, 2018; and

WHEREAS, California Health and Safety Code Section (HSC) 34179(e) requires all action items of the Countywide Oversight Board be accomplished by resolution; and

WHEREAS, at its September 18, 2018 meeting the Board created an ad-hoc committee to identify potential appraisal resources to assist the Board in future deliberations and bring forth a recommendation; and

WHEREAS, the ad-hoc committee interviewed and performed reference checks on three firms referred by the County of San Mateo's Real Property Division, and finds that all three firms are qualified to perform property appraisal and related services in San Mateo County at competitive rates for their services; and

WHEREAS, the ad-hoc committee recommends that the Board enter into agreements with all three firms for terms of three years and not-to-exceed amounts of $50,000 to ensure that resources are available in the event that one or more firms has workload constraints or a conflict of interest in a particular matter; and

WHEREAS, the Board has reviewed the draft scope of services for which the three firms would be contracted to provide, as set forth in the attached Exhibit A, and desires that the Board enter into agreements with said firms for the provision of the same or substantially similar services;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Chairperson is hereby authorized to negotiate and execute agreements with Berliner, Kiddish and Tish, BBG and Carneghi-Nakasako & Associates to provide property appraisal services in substantially the form described per Exhibit A attached to the memo, for terms no longer than three years, and in maximum contract amounts of $50,000.

* * * * * *

San Mateo County
Countywide Oversight Board

Date: October 10, 2018 Agenda Item No. 7

To: San Mateo County Countywide Oversight Board

From: Shirley Tourel, Assistant Controller

Subject: Report on Redevelopment Agency Dissolution Status Update – Belmont

Recommendation
This item is for information and discussion purposes only. No action is required by the Board.

Background and Discussion
The San Mateo County Countywide Oversight Board (the "Board") was created pursuant to Health and Safety Code (HSC) 34179(j) to provide guidance and oversight to the successor agencies who are tasked with winding down the affairs of redevelopment agencies (RDAs).

This item is intended to inform the Board of the progress of the wind-down activities of the former Belmont Redevelopment Agency. The attachments to this memo were prepared by the Belmont Sucessor Agency and provide an overview of the remaining expenditures/obligations and disposition of assets status.

Jennifer Rose, Management Analyst II of the City of Belmont will be presenting to the Board.

Fiscal Impact
None

Exhibit
A. Staff Report - Redevelopment Agency Dissolution Status Update - Belmont

Exhibit A

Date: September 28, 2018

To: San Mateo County Countywide Oversight Board

From: Jennifer Rose, Management Analyst II, City of Belmont

Subject: Dissolution Status Report from the Successor Agency

Former RDA: Belmont Los Costanos RDA

Background

This agenda item summarizes the dissolution status of the former redevelopment agency (RDA). It includes a summary of the disposition of assets, remaining obligations, pending litigation, the status of the Last and Final Recognized Obligation Payment Schedule (ROPS), and any other items pertaining to the winding-down of the affairs of the former RDA.

Discussion

A. Disposition of Assets

The Belmont Successor Agency does not possess any real property assets as indicated on the LRPMP approved by the State Department of Finance (DOF) on 9/04/15. There are six line items on the approved LRPMP that include capitalized 'accounting' based assets as follows:

- The value of public right-of-way improvements made by the former RDA;
- The value of improvements made to public safety and recreational facilities;
- The value of economic development promotional expenditures and monitoring of site contamination;
- Capitalized grants given under a façade improvement program.

All of the assets reported on the LRPMP were reported as having no resale value.

No further action is required by the SMC Countywide Oversight Board related to disposition of assets.

B. Outstanding Obligations

There are four outstanding obligations listed on the Belmont Successor Agency Last and Final ROPS, as summarized on the next page:

Obligation Description	Remaining Obligation
Senior Tax Allocation Refunding Bonds, Series 2014A	$4,852,615
Subordinate Tax Allocation Refunding Bonds, Series 2014B	2,692,399
Trustee Services (includes arbitrage payments)	86,015
Successor Agency Administrative Costs (audit costs and 40 hours annual staff time)	143,422
Total Remaining Obligation as of September 2018:	***$7,774,451***

The final bond payments are scheduled for July 2029. Trustee services and administrative cost allowance funds will also terminate after the last bond payments are made in July 2029. The Belmont Successor Agency will have no further obligations after the ROPS 29-30A period.

In August 2014, the Belmont Successor Agency completed a refinance of three existing tax allocation bonds previously issued by the Belmont Redevelopment Agency in 1996 and 1999. This refinance included issuance of two new bonds, 2014A and 2014B, both of which are included on the Belmont Last and Final ROPS. It was estimated at the time of refinance that this action reduced the Belmont Successor Agency's financial obligations by $655,000 annually for the life of the Agency. The Belmont Successor Agency does not anticipate any accelerated repayment opportunity for these outstanding bonds.

B. Litigation

The Belmont Successor Agency is not party to any current or pending litigation.

C. Last and Final ROPS

On December 19, 2017, State DOF approved the Belmont Successor Agency's Last and Final ROPS.

Conclusion
At this time, the Belmont Successor Agency does not anticipate any future activities other than continued payment of the items approved for funding on the Last and Final ROPS.

Attachments

1. RDA Dissolution Status Detailed Report – Belmont Successor Agency
2. Department of Finance Approved LRPMP/Letter – Belmont Successor Agency

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 1 -Dissolution Update - Assets
Belmont Los Costanos RDA

LRPMP Item No.	Property Type [1]	Address/ Location of Property	County Assessor Parcel Number	Parcel Size	Named Owner [2]	Purchase Price [3]	Fair Market Value	Appraisal Value	Permissible Use per LRPMP		Current Use [6]	Disposition Status [7]	Deed Restrictions [8]	Completion Date [9]	Other Comments [10]
									Category [4]	Detail [5]					
1	Other	Public right-of-way improvements at various locations.	N/A	N/A	N/A	$ 1,635,457	$1,225,982	N/A	Government Use	Public Street Improvements, including pavement, utility undergrounding, sidewalk, and street lighting.	N/A	N/A	N/A	N/A	Improvements in the right-of-way and not on a parcel.
2	Other	One Twin Pines Lane, Belmont	045-181-280	N/A	N/A	$ 304,252	$ 199,427	N/A	Government Use	Improvements to the Police Facility.	N/A	N/A	N/A	N/A	The Successor Agency did not acquire the parcel.
3	Other	10 Twin Pines Lane, Belmont	045-181-250	N/A	N/A	$ 333,531	$ 240,142	N/A	Government Use	Improvements to the Manor House, a community facility, in Twin Pines Park.	N/A	N/A	N/A	N/A	The Successor Agency did not acquire the parcel.
4	Other	550 Island Parkway, Belmont	040-360-390	N/A	N/A	$ 35,495	$ 26,976	N/A	Government Use	Improvements to a public meeting facility at the Belmont Sports Complex.	N/A	N/A	N/A	N/A	The Successor Agency did not acquire the parcel.
5	Other	N/A	N/A	N/A	N/A	$ 86,708	$0	N/A	N/A	Not a real property interest	N/A	N/A	N/A	N/A	Economic development promotional expenditures and costs to monitor on-going contamination of an enforceable obligation. The Successor Agency estimates the value of this item at $0.
6	Other	N/A	N/A	N/A	N/A	$ 75,206	$0	N/A	N/A	Not a real property interest	N/A	N/A	N/A	N/A	Capitalized grants given under façade improvement program to improve various private property for the purpose of promoting economic activity. The Successor Agency estimates the value of this item at $0.

Notes

Please include all assets of the former RDA at the point of dissolution, include those that have been disposed of prior to July 1, 2018.

1. Indicate if property is Vacant Land, Building or Land & Building. If neither of these, indicate Other and describe the property.

2. Enter name of recorded owner of property with County Assessor.

3. Enter book value if purchase price is not available.

4. Permissible use of asset as approved by the DOF (Government Use, Sale, Future Development, Fullfill an Obligation).

5. Indicate approved use per LRPMP.

6. Indicate purpose that property is currently used for (if different from #5).

7. Describe in detail ultimate disposition of property. If for sale, indicate projected sale date, or if sale is in process.

8. Indicate if there are any deed restrictions involved with an asset transfer.

9. Date on which the asset was, or is expected to be disposed. This field should TBD if the disposition date has not occurred or been determined.

10. Use this space for additional comments such as if property is under lease, if income is currently generating income - by how much annually, etc.

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 1 - Dissolution Update - Outstanding Obligations
Belmont Los Costanos RDA

Obligation Type	Remaining Balance	Annual Payment (Varying)	Projected Payoff	Comments
2014A Bond	4,852,615	FY19: $693,280	2029-2030A	Refinanced in 2014
2014B Bond	2,692,399	FY19: $239,956	2029-2030A	Refinanced in 2014
Trustee Services	86,015	FY19: $4,060	2029-2030A	
Administrative Costs	143,422	FY19: $11,000	2029-2030A	audit costs + 40 hours annual staff time

Note

If there are factors, legal or otherwise, that hinder the SA from accelerating the payment to minimize cost, please indicate under "Comments."

If the SA is anticipating to refinance any existing bond, please indicate under "Comments" when you expect to bring the item to the OB for approval.

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 1 - Dissolution Update - Pending Litigation
Belmont Los Costanos RDA

Is the former RDA a party to a lawsuit, currently or in the future?
No.

If yes, please provide details and status of case.

Case No.	
Which Court	
Litigants	
Status of Case	

Additional comments:

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 1 - Dissolution Update - Last and Final ROPS
Belmont Los Costanos RDA

Is your SA eligible to submit a Last and Final ROPS?
DOF approved Last and Final ROPS in December 2017

If yes, when do you anticipate filing a Last and Final ROPS (Month/Year)?
Completed December 2017

If your SA does not plan to file a Last and Final, explain why.

Attachment #2

DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. ▪ GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

September 4, 2015

Mr. Thomas Fil, Finance Director
City of Belmont
One Twin Pines Lane, Suite 320
Belmont, CA 94112

Dear Mr. Fil:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code section 34191.5 (b), City of Belmont Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on February 18, 2015. The Agency subsequently submitted a revised LRPMP to Finance on June 2, 2015. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on October 1, 2014. Further, based on our review and application of the law, we are approving the Agency's LRPMP that contains no real property owned by the Agency.

Please direct inquiries to Wendy Griffe, Supervisor, or Erika Santiago, Lead Analyst at (916) 445-1546.

Sincerely,

Jennifer for

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Jennifer Rose, Management Analyst, City of Belmont
Mr. Juan Raigoza, Auditor-Controller, San Mateo County

RESOLUTION NO. 2015-005

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BELMONT APPROVING A REVISED LONG RANGE PROPERTY MANAGEMENT PLAN.

WHEREAS, by letter dated October 1, 2014, the California Department of Finance ("DOF") issued to the Successor Agency to the Redevelopment Agency of the City of Belmont (the "Successor Agency") a finding of completion in accordance with Health and Safety Code Section 34179.7 (the "Finding of Completion"), signifying the Successor Agency's full compliance with specified payment obligations; and,

WHEREAS, Health and Safety Code Section 34191.5(b) requires that, no later than six months following the issuance to the Successor Agency of the Finding of Completion, the Successor Agency prepare a Long-Range Property Management Plan ("LRPMP") to address the disposition and use of the properties of the former Redevelopment Agency of the City of Belmont (the "Former Agency"); and,

WHEREAS, the Successor Agency on January 27, 2015, adopted Resolution No. 2015-002 approving a LRPMP that identifies the property assets of the former Redevelopment Agency of the City of Belmont (the "Former Agency") and the Successor Agency's preferred method of disposing of those assets; and,

WHEREAS, Health and Safety Code Section 34191.5 states that permissible uses of properties covered by the LRPMP are (a) retention of property for governmental use as described in Section 34181(a), (b) use of property for a use identified in the redevelopment plan of the Former Agency; (c) the use of the property to satisfy enforceable obligations of the Successor Agency and (d) the disposition of the property; and,

WHEREAS, the Successor Agency's only property asset consists of improvements made by the Former Agency including public street improvements, improvements to governmental use buildings, capitalized grants given under façade improvement program, economic development promotional expenditures and costs to monitor on-going contamination of an enforceable obligation (the "Improvements"), which Improvements were constructed as and are currently used and maintained for a governmental purpose by the City of Belmont (the "City"); and,

WHEREAS, the Successor Agency desires to transfer the Improvements to the City as a governmental use property; and,

WHEREAS, Health and Safety Code Section 34181(a) provides that the Oversight Board for the Successor Agency (the "Oversight Board") may direct the transfer of ownership of the Former Agency's assets that are used for governmental purposes to the appropriate governmental agency, such as the City; and,

WHEREAS, under Health and Safety Code Section 34191.5(b), the LRPMP is to be submitted to the Oversight Board and DOF for approval; and,

WHEREAS, on February 12, 2015 the Successor Agency submitted a Long Range Property Management Plan (LRPMP) for approval which was submitted to the Department of Finance; and,

WHEREAS, subsequently the Successor Agency identified additional information which necessitates revising the LRPMP previously submitted; and,

WHEREAS, the Oversight Board at a duly and properly noticed public meeting reviewed the revised LRPMP submitted by the Successor Agency and desires to approve the LRPMP.

NOW, THEREFORE, the Oversight Board to the Successor Agency of the Former Belmont Redevelopment Agency of the City of Belmont resolves as follows:

Section 1. The above recitals are true and correct, and are a substantive part of this Resolution. The Oversight Board's approvals, authorizations and determinations as set forth in this Resolution are based upon the foregoing recitals, information and documents provided by the Successor Agency staff, and any comments and other information received by the Oversight Board during the public meeting on this matter.

Section 2. The Oversight Board does hereby approve the revised Long Range Property Management Plan of the Successor Agency in the form set forth in Exhibit "A" attached hereto and incorporated herein by reference.

Section 3. The Oversight Board hereby determines that the property covered in the revised Long Range Property Management Plan is a governmental use property and under Health and Safety Code 34181(a) directs the Successor Agency to transfer the ownership of the property to the City of Belmont.

Section 4. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution and to dispose of the properties covered in the Long Range Property Management Plan in accordance with the provisions of the Plan after approval of the Plan by DOF.

Section 5. This Resolution shall take effect upon the date of its adoption, subject to DOF's review under Health and Safety Code Section 34179(h). The Successor Agency is hereby directed to notify the DOF of the actions set forth in this Resolution in accordance with Health and Safety Code Section 34181(f).

* * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Oversight Board for the Successor Agency of the Belmont Redevelopment Agency at a special meeting thereof held on May 28, 2015 by the following vote:

AYES, BOARD MEMBERS: BOHL, ASHBY, NAVAS, CHRISTENSEN, DESMIDT

NOES, BOARD MEMBERS: _____

ABSTAIN, BOARD MEMBERS: _____

ABSENT, BOARD MEMBERS: JUAREZ-DIROLL, LIEBERMAN

_____
RECORDING SECRETARY to the
Belmont Oversight Board

APPROVED:

_____
CHAIR of the Belmont Oversight Board

Successor Agency: Belmont
County: San Mateo

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

	HSC 34191.5 (c)(1)(C)			HSC 34191.5 (c)(2)			HSC 34191.5 (c)(1)(A)			
No.	Address or Description	APN	Property Type	Permissible Use	If Sale of Property, specify intended use of sale proceeds	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition	Estimated Current Value	Date of Estimated Current Value
1	Public right-of-way improvements at various locations.	N/A	Roadway/Walkway	Governmental Use	N/A	Public Street Improvements, including pavement, utility undergrounding, sidewalk, and street lighting.	2003-2012	$ 1,635,457	$ 1,225,982	6/30/14
2	One Twin Pines Lane, Belmont	045-181-280	Police/Fire Station	Governmental Use	N/A	Improvements to the Police Facility.	2007-2008	$ 304,252	$ 199,427	6/30/14
3	10 Twin Pines Lane, Belmont	045-181-250	Public Building	Governmental Use	N/A	Improvements to the Manor House, a community facility, in Twin Pines Park.	2009	$ 333,531	$ 240,142	6/30/14
4	550 Island Parkway, Belmont	040-360-390	Park/Open Space	Governmental Use	N/A	Improvements to a public meeting facility at the Belmont Sports Complex.	2010	$ 35,495	$ 26,976	6/30/14
5	N/A	N/A	Not a real property interest	N/A	N/A	N/A	2003-2009	$ 86,708	$0	3/31/15
6	N/A	N/A	Not a real property interest	N/A	N/A	N/A	2003-2007	$ 75,206	$0	3/31/15

	SALE OF			HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)		34191.5 (c)(	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)			C 34191.5 (c)(1)H)	
Estimated Current Value Basis	Proposed Sale Value	Proposed Sale Date	Property Value/Sale Info	Purpose for which property was acquired	Lot Size	Current Zoning	Estimate of Current Parcel Value	Annual Estimate of Income/Revenue	Are there any contractual requirements for use of income/revenue?	Has there been historic environmental contamination, studies, and/or remediation, and designation as a brownfield site for the property?	property have the potential as a transit oriented development?	Were there advancements to the successor agency's planning objectives?	Does the property have a history of previous development proposals and activity?	Other Property Info
Book	N/A	N/A	N/A	Improvements to Public Right-of-Way (Roads/Sidewalks).	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Improvements in the right-of-way and not on a parcel.
Book	N/A	N/A	N/A	Improvements to the police facility.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	The Successor Agency did not acquire the parcel.
Book	N/A	N/A	N/A	Improvements to a public building.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	The Successor Agency did not acquire the parcel.
Book	N/A	N/A	N/A	Improvements to a public building.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	The Successor Agency did not acquire the parcel.
Agency Estimate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Economic development promotional expenditures and costs to monitor on-going contamination of an enforceable obligation. The Successor Agency estimates the value of this item at $0.
Agency Estimate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Capitalized grants given under façade improvement program to improve various private property for the purpose of promoting economic activity. The Successor Agency estimates the value of this item at $0.

San Mateo County
Countywide Oversight Board

Date: October 10, 2018 Agenda Item 8

To: San Mateo County Countywide Oversight Board

From: Shirley Tourel, Assistant Controller

Subject: Report on Redevelopment Agency Dissolution Status Update –Menlo Park

Recommendation
This item is for information and discussion purposes only. No action is required by the Board.

Background and Discussion
The San Mateo County Countywide Oversight Board (the "Board") was created pursuant to Health and Safety Code (HSC) 34179(j) to provide guidance and oversight to the successor agencies who are tasked with winding down the affairs of redevelopment agencies (RDAs).

This item is intended to inform the Board of the progress of the wind-down activities of the former Menlo Park Redevelopment Agency. The attachments to this memo were prepared by the Menlo Park Sucessor Agency and provide an overview of the remaining expenditures/obligations and disposition of assets status.

Dan C. Jacobson, Finance and Budget Manager of the City of Menlo Park will be presenting to the Board.

Fiscal Impact
None

Exhibit
A - Dissolution Status Report from the Successor Agency – Menlo Park

Date: September 27, 2018 **Exhibit A**

To: San Mateo County Countywide Oversight Board

From: Dan Jacobson, Finance and Budget Manager

Subject: Dissolution Status Report from the Successor Agency

Former RDA: Menlo Park

Background

This agenda item summarizes the dissolution status of the former redevelopment agency (RDA). It includes a summary of the disposition of assets, remaining obligations, pending litigation, the status of the Last and Final Recognized Obligation Payment Schedule (ROPS), and any other items pertaining to the winding-down of the affairs of the former RDA.

Discussion

A. Disposition of Assets

The California Department of Finance (DOF) approved the Long Range Property Management Plan (LRPMP) on July 31, 2013. The Successor Agency had only one property and, as authorized under the LRPMP, it was sold in September 2013. Proceeds were remitted from the sale to the County Controller in September 2013 for distribution to taxing entities, according to the schedule attached.

B. Outstanding Obligations

The approved Last and Final ROPS is attached to this staff report. The approved amount includes $345,000 in administration and $59,590,300 in principal and interest payments for a total of $59,935,300 as of July 31, 2018. The final maturity date is October 1, 2029.

In 2015, the Successor Agency issued Tax Allocation Bonds to refund the outstanding Community Development Agency's 2006 Bonds. This issue included a ten-year call provision, resulting in the City's inability to accelerate repayment prior to 2025. At that time, the City will conduct a cost-benefit analysis of calling the bonds.

C. Litigation

The Successor Agency is not aware of any matters currently in litigation. In the event that the Agency becomes aware of existing or potential litigation, the matter(s) would be brought forward to the Oversight Board in Closed Session, as appropriate.

D. Last and Final ROPS

The Last and Final ROPS for Menlo Park was approved by the Department of Finance on May 10, 2018.

Conclusion

The Successor Agency does not anticipate any items for the Board during FY 2018/19. Staff will continue to work with the Countywide Oversight Board to assist other Agencies as expertise and capacity allow.

Attachments

1. County Controller report to DOF regarding disposition of assets – *Menlo Park*
2. RDA Dissolution Status Detailed Report – *Menlo Park*
3. Department of Finance Approved LRPMP – *Menlo Park (include DOF approval letter)*

Attachment #1

555 County Center, 4th Floor
Redwood City, California 94063-1665
Telephone: (650) 363-4777
Email: Controller@smcgov.org
www.co.sanmateo.ca.us/controller

County of San Mateo
Office of the Controller

Bob Adler
Controller

Juan Raigoza
Deputy Controller

Shirley Tourel
Deputy Controller

Date: September 26, 2013

To: Department of Finance (DOF)

Subject: Health and Safety Code (H&SC) §34182(c)(4) – Distribution of Proceeds from Sale of RDA Asset

Health and Safety Code §34182(c)(4) provides that the County Auditor-Controller shall disburse proceeds of asset sales which have been received from the successor entities pursuant to Sections 34177 and 34187 to the taxing entities. Attached is our report of amounts paid to the taxing entities from the remittance we received from Menlo Park Successor Agency from the sale of their property at 711-821 Hamilton Avenue, Menlo Park.

If you have any questions please do not hesitate to contact Shirley Tourel, Deputy Controller, at stourel@smcgov.org or (650)599-1149.

Very truly yours,

Bob Adler, Controller
County of San Mateo

Remittances Received from the Sale of Former Redevelopment Agency Property Paid to Affected Taxing Entities in Fiscal Year 2013-14

Payments Occurring from July 1, 2013 to June 30, 2014

(Report all Values in Whole Dollars)

County : San Mateo County

Title of Former RDA:	**Countywide Totals**	**Menlo Park RDA**
Sale of Property Remittances:		
Total Revenue Received from the Sale of Former RDA Property	7,373,173	7,373,173
Total Remittances	7,373,173	**7,373,173**
Distribution of Remittances from Property Sales:		
Cities	**771,822**	771,822
Counties	**1,521,361**	1,521,361
Special Districts	**982,136**	982,136
K-12 Schools	**3,436,002**	3,436,002
Community Colleges	**435,314**	435,314
County Office of Education	**226,537**	226,537
Total ERAF (Please break out the ERAF amounts into the following categories if this information is readily available):	-	-
ERAF - K-12	-	
ERAF - Community Colleges	-	
ERAF - County Offices of Education	-	
Total Distributed Remittances (Total Remittances Must Equal the Total Distributed Remittances)	7,373,173	7,373,173
Total Remittance Distributions to K-14 Schools:	4,097,854	4,097,854
Percentage of Remittance Distributions to K-14 Schools	55.6%	55.6%
Percentage of Remittance Distributions to K-14 Schools	0.0%	0.0%

Property Name or Other Comments (Optional):

Land at 711-821 Hamilton Avenue, Menlo Park CA

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 2 - Dissolution Update - Assets
Menlo Park RDA

LRPMP Item No.	Property Type [1]	Address/ Location of Property	County Assessor Parcel Number	Parcel Size	Named Owner [2]	Purchase Price [3]	Fair Market Value	Appraisal Value	Permissible Use per LRPMP		Current Use [6]	Disposition Status [7]	Deed Restrictions [8]	Completion Date [9]	Other Comments [10]
									Category [4]	Detail [5]					
1	Land	711-821 Hamilton Ave							Sale			Complete		Sep-13	

Notes

Please include all assets of the former RDA at the point of dissolution, include those that have been disposed of prior to July 1, 2018.

1. Indicate if property is Vacant Land, Building or Land & Building. If neither of these, indicate Other and describe the property.

2. Enter name of recorded owner of property with County Assessor.

3. Enter book value if purchase price is not available.

4. Permissible use of asset as approved by the DOF (Government Use, Sale, Future Development, Fullfill an Obligation).

5. Indicate approved use per LRPMP.

6. Indicate purpose that property is currently used for (if different from #5).

7. Describe in detail ultimate disposition of property. If for sale, indicate projected sale date, or if sale is in process.

8. Indicate if there are any deed restrictions involved with an asset transfer.

9. Date on which the asset was, or is expected to be disposed. This field should TBD if the disposition date has not occurred or been determined.

10. Use this space for additional comments such as if property is under lease, if income is currently generating income - by how much annually, etc.

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 2 - Dissolution Update - Outstanding Obligations
Menlo Park RDA

Obligation Type	Remaining Balance	Annual Payment	Projected Payoff	Comments
Bond	59,590,300	$4.5-5.5m average	2029	Remaining balance as of 7/31/18
Admin costs	345,000	30,000	2029	

Note

If there are factors, legal or otherwise, that hinder the SA from accelerating the payment to minimize cost, please indicate under "Comments."

If the SA is anticipating to refinance any existing bond, please indicate under "Comments" when you expect to bring the item to the OB for approval.

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 2 - Dissolution Update - Pending Litigation
Menlo Park RDA

Is the former RDA a party to a lawsuit, currently or in the future?

If yes, please provide details and status of case.

Case No.	
Which Court	
Litigants	
Status of Case	

Additional comments:

San Mateo County Consolidated Successor Agency Oversight Board ATTACHMENT 2 - Dissolution Update - Last and Final ROPS Menlo Park RDA
Is your SA eligible to submit a Last and Final ROPS? *Already submitted.* If yes, when do you anticipate filing a Last and Final ROPS (Month/Year)? *Approved by DOF on May 10, 2018.* If your SA does not plan to file a Last and Final, explain why. *N/A*

Attachment #3

DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

July 31, 2013

Mr. Geoffrey Buchheim, Finance Services Manager
City of Menlo Park Successor Agency
701 Laurel Street
Menlo Park, CA 94025

Dear Mr. Buchheim:

Subject: Long Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Menlo Park Successor Agency (Agency) submitted a Long Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on June 11, 2013. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on July 3, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. However, the following variance was noted during our review, but does not require a revised plan to be submitted:

- Property No. 1 listed an erroneous address of 785 Hamilton Avenue. The correct address is 735 Hamilton Avenue.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to the disposition and use of all the real property assets of the former redevelopment agency.

Agency actions taken pursuant to a Finance approved LRPMP are subject to oversight board (OB) approval per HSC section 34181 (f). Any subsequent OB actions addressing the Agency's implementation of the approved LRPMP should be submitted to Finance for approval.

Please direct inquiries to Wendy Griffe, Supervisor, or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Margaret Roberts, City Clerk, City of Menlo Park
Ms. Shirley Tourel, Senior Internal Auditor, County of San Mateo
Mr. Steven Mar, Bureau Chief, Local Government Audit Bureau, California State Controller's Office
California State Controller's Office

LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

Instructions: Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

Redevelopment_Administration@dof.ca.gov

The subject line should state "[Agency Name] Long-Range Property Management Plan". The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

GENERAL INFORMATION:

Agency Name: **Successor Agency for the Former Redevelopment Agency of the City of Menlo Park**

Date Finding of Completion Received:

Date Oversight Board Approved LRPMP: 01/14/2013

Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

X Yes ☐ No

For each property the plan includes the purpose for which the property was acquired.

X Yes ☐ No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

X Yes ☐ No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

X Yes ☐ No

For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

X Yes ☐ No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

X Yes ☐ No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

X Yes ☐ No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

X Yes ☐ No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

X Yes ☐ No

The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

X Yes ☐ No

ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.

Agency Contact Information

Name:	Geoffrey Buchheim	Name:	Starla Jerome-Robinson
Title:	Financial Services Manager	Title:	Assistant City Manager
Phone:	(650) 330-6648	Phone:	(650) 330-6617
Email:	gcbuchheim@menlopark.org	Email:	slrobinson@menlopark.org
Date:	06/11/2013	Date:	06/11/2013

Department of Finance Local Government Unit Use Only

DETERMINATION ON LRPMP: ☐ APPROVED ☐ DENIED

APPROVED/DENIED BY: _____ DATE: _____

APROVAL OR DENIAL LETTER PROVIDED: ☐ YES DATE AGENCY NOTIFIED: _____

Form DF-LRPMP (11/15/12)

Successor Agency to the Community Development Agency of the City of Menlo Park

Long Range Property Management Plan

The Community Redevelopment Property Trust Fund was established to serve as the repository of the former redevelopment agency's real properties. The RDA held two properties at the time of dissolution. The Hamilton Avenue East property consisting of multiple parcels is held by the trust and is described below. Another parcel had been previously classified as City park land, and had no carrying value on the books of the former Agency. This parcel is described in an addendum to this report.

Hamilton Avenue East

The real property commonly known as *777,785,787,791,801,811 and 821 Hamilton Avenue, Menlo Park* constitutes the inventory of land holdings in the trust fund as of dissolution of the redevelopment agency. Together, the property consists of vacant land on the north side of Hamilton Ave, between Willow Road and Chilco Street in Menlo Park. (The assessor's parcel numbers are 055-398-020 though -080.)

In 2001, the City of Menlo Park Community Development Agency (the former Agency) purchased the various vacant and improved properties at 777 through 821 Hamilton Avenue with the intent of developing the consolidated property in order to implement the Amended and Restated Las Pulgas Project Area Plan and to eliminate blight in the Project Area. The total acquisition cost of all properties was $5,694,977. Initially, the properties were to be used for the possible relocation of existing businesses at the Belle Haven Park and Housing site on Hamilton Avenue, so the properties were cleared of existing structures within two months of purchase. Ultimately the properties were not needed as exchange properties to facilitate the park and housing project, completed in 2008.

Prior to the Supreme Court decision to dissolve redevelopment agencies, the City Council had directed staff to work toward encouraging the development of the site, along with the adjacent properties, as a market rate housing development with a Below Market Rate component (15% of all units) to address lower income affordability. Toward that end, City staff had released a Request for Qualifications to the development community to identify potential developers that would purchase the City's property and attempt to aggregate the adjoining lots for a larger development project. The City was in the middle of that effort when the court decision dissolved the Community Development Agency.

The Dissolution Act called for the Successor Agency, under the direction of the Oversight Board, to dispose of real property of the former RDA. The Oversight Board sought an appraisal of the property in April, 2012 and on June 27, 2012, directed the Successor Agency to release a Request for Proposals (RFP) to identify a commercial realtor to list the property for sale, the proceeds from which would be disbursed by the County. The appraisal indicated a value of between $2.925 million and $3.24 million. Following approval of the selection of a realtor by the Oversight Board on August 8, 2012, the City Attorney negotiated a listing agreement and work began to determine an

appropriate asking price for the site, communicate with adjacent property owners about the prospects for the sale of other properties on Hamilton Avenue, and to market the property for sale.

Marketing materials for the property were developed and circulated among prospective buyers, including well over 100 developers, the Silicon Valley brokerage community and through various online services. The marketing campaign for the property generated substantial interest and the City's Community Development Department addressed numerous questions regarding potential parking restrictions, zoning and potential densities for the property. The Hamilton Avenue East site is currently zoned M1 (light industrial). The site is approximately 2.1 acres and could potentially support up to 38 housing units in accordance with the site's current General Plan designation of R3 zoning density at 18.5 units per acre or up to 30 units per acre at the proposed density that is set forth in the City of Menlo Park's preliminary draft Housing Element (currently under review at the State Department of Housing and Community Development).

On October 18, 2012 bids for the property were opened and included 14 proposals ranging in price from $3.1 million to $7.8 million and proposing a variety of housing projects on the site and outlining various terms and contingencies. The Oversight Board met in closed session on Monday, November 5, and authorized the City Attorney to negotiate a Purchase and Sale Agreement for the sale of the property for the sum of $8 million by the Successor Agency to Greenheart Land Company. The City Council (Successor Agency Board) approved the Purchase and Sale Agreement for the sale of the property for the sum of $8 million to Greenheart Land Company, and the Oversight board approved the PSA at their meeting on November 26, 2012.

The Successor Agency has no knowledge of any environmental contamination of the property and has not performed any environmental studies, nor has the property been classified as a brownfield site. The proposed buyer of the property has conducted its own environmental studies/evaluation of the property and has agreed to purchase the property in its "as is" condition.

The property is not located in the City's priority development area as identified by ABAG/MTC and is not located near any major public transportation system such as CalTrain. In the future, the Dumbarton Rail may be rebuilt and extended to provide some commute oriented transportation access. The site is proposed for development at higher density consistent with transit-oriented development.

As noted above, the property has been landbanked by the Agency with the intent that it be developed for higher density residential uses, as it is located in a residential neighborhood. Previous light industrial uses have been relocated elsewhere. There have been no previous development proposals pending rezoning of the property to higher density residential zoning. Since the property has been vacant land, there have been no efforts to rent or lease the property.

There have been no transfers of the property since the property is to be sold and the funds distributed to other taxing agencies.

Successor Agency to the Community Development Agency of the City of Menlo Park

Long Range Property Management Plan - Addendum

313 Market Place

This parcel was purchased by the former Redevelopment Agency on March 20, 1997. The purpose of the acquisition was to incorporate the property into the existing Market Place Park, a public park owned by the City of Menlo Park. The site is located near the northwesterly corner of Market Place and Hamilton Avenue. The right side and rear property lines abutted the existing park; the left side property line abutted a twenty-foot public right of way containing a paved pathway leading into the park. The location would therefore lend itself easily to the expansion of the existing park, compatible with the Redevelopment Implementation Plan for the Las Pulgas Community Development Project Area and consistent with the City's General Plan.

As approved by the City Council, the 5,402 square foot parcel was purchased by the City of Menlo Park Housing and Redevelopment Division for $128,000, and a Replacement Housing Plan for the project was adopted on April 22, 1997. The single-family residence occupying the site was demolished in June 1997. After an environmental assessment determined that the project could not have significant effect on the environment, a Negative Declaration was prepared in accordance with CEQA Guidelines, and the property was rezoned from R-1-U (Single Family Urban Residential District) to O-S-C (Open Space and Conservation District) in December, 1997.

The site was subsequently landscaped in a manner that incorporated it into the existing park. The Market Place Park Improvement Project completed in 2004 included new play area fencing and gates, parking, lighting, concrete walks, concrete paving areas, picnic tables, benches, waste containers, trees and irrigation improvements.

The Successor Agency requests approval to transfer title of the parcel to the City of Menlo Park as there is no other potential use of the site zoned O-S-C and it is, and has been, in use as part of a public park. The acquisition and subsequent improvements to the park were never formally transferred to the City as with other capital improvements of the former agency. With the implementation of GASB 34 in 2003, the entire 16,553 square foot Market Place Park (including the 5,402 square feet owned by the former redevelopment agency) was included in the valuation of the City's infrastructure assets at $7.95 per square foot. Upon approval of the Long Range Management Plan by the Oversight Board, the Successor Agency would propose to transfer title via Grant Deed to the City of Menlo Park with a deed restriction requiring the parcel to be used for open space and recreational purposes.

The Successor Agency has no knowledge of any environmental contamination of the property and has not performed any environmental studies, nor has the property been classified as a brownfield site.

The property is not located in the City's priority development area as identified by ABAG/MTC and is not located near any major public transportation system such as CalTrain.

As noted above, the property was acquired for and has been in use as part of a City park. There have been no previous development proposals. Since the property has been used as a City park, there have been no efforts to rent or lease the property.

OB RESOLUTION NO. 12-006

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MENLO PARK APPROVING A PURCHASE AND SALE AGREEMENT WITH GREENHEART LAND COMPANY FOR THE SALE OF PROPERTY OWNED BY THE FORMER COMMUNITY DEVELOPMENT AGENCY LOCATED AT 777-821 HAMILTON AVENUE

WHEREAS, pursuant to the provisions of ABx1 26, enacted June 28, 2011 and AB 1484, enacted June 27, 2012 (collectively referred to as the "Redevelopment Dissolution Law"), the Oversight Board and Successor Agency are charged with the responsibility for expeditiously winding down the affairs of the former Community Development Agency of the City of Menlo Park; and

WHEREAS, the Oversight Board bears a fiduciary responsibility to the local taxing entities that benefit from distributions of property tax and other revenues pursuant to the Redevelopment Dissolution Law (Health & Safety Code Section 34179(i)); and

WHEREAS, the Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency (Health & Safety Code Section 34181(a)); and

WHEREAS, the Successor Agency shall dispose of assets and properties of the former redevelopment agency as directed by the Oversight Board, such property disposal shall be done expeditiously and in a manner aimed at maximizing value, and the proceeds of property sales shall be transferred to the County Auditor-Controller for distribution to the local taxing entities (Health & Safety Code Section 34177(e)); and

WHEREAS, the real property located at 777-821 Hamilton Avenue within the City of Menlo Park is the only real property asset owned by the former Community Development Agency; and

WHEREAS, at a public meeting on April 9, 2012, the Oversight Board received a report from Successor Agency staff on options for the disposition of the property located at 777-821 Hamilton Avenue and approved retention of a qualified appraiser to prepare an estimate of fair market value based on the highest and best use of the property; and

WHEREAS, at a public meeting on June 27, 2012, the Oversight Board received the appraisal report prepared by John R. Kaeuper MAI which concluded that the value of the property was in the range of $2,925,000 to $3,240,000 based on its highest and best use for multi-family residential development at a density of 30 to 35 dwelling units per acre, and the Oversight Board directed Successor Agency staff to issue a Request for Proposals establishing a competitive process for selecting a qualified real estate broker to handle the property sale in a manner aimed at maximizing its value; and

WHEREAS, at a public meeting on August 8, 2012, the Oversight Board received a report from the Successor Agency on its comprehensive analysis and evaluation of three proposals submitted by real estate brokers and adopted Resolution No. 12-001 approving the selection of Cassidy/Turley

Commercial Real Estate Services and authorizing the Successor Agency to negotiate and enter into a listing agreement with that firm; and

WHEREAS, Resolution No. 12-001 was transmitted to the State Department of Finance, which did not request review of that Oversight Board action; and

WHEREAS, on October 18, 2012, fourteen proposals for the property were opened ranging from $3.1 Million to $7.8 Million with a variety of housing projects and various terms and conditions; and

WHEREAS, almost all the proposals included contingencies regarding rezoning of the property, general plan amendments, and obtaining land use entitlements, as well as providing for an extended close of escrow; and

WHEREAS, on October 30, 2012, the Successor Agency met in Closed Session to review the proposals; and

WHEREAS, on November 5, 2012, the Oversight Board met in Closed Session and authorized the Successor Agency to negotiate a Purchase and Sale Agreement with Greenheart Land Company for the sale of property owned by the Former Redevelopment Agency located at 777-821 Hamilton Avenue; and

WHEREAS, the proposal from Greenheart Land Company of $8 Million, was the only proposal that was not contingent upon any rezoning or land use entitlements; and

WHEREAS, the proposal from Greenheart Land Company allowed for short 60 day Due Diligence period starting on December 4, 2012, with no financing contingencies as a cash transaction; and

WHEREAS, on November 13, 2012, the Successor Agency approved a Purchase and Sale Agreement with Greenheart Land Company for the sale of property located at 777-821 Hamilton Avenue, which is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, due to the lack of a quorum, the public meeting was duly adjourned to and completed on December 3, 2012; and

WHEREAS, on December 3, 2012, the Oversight Board conducted a public meeting located at 777-821 Hamilton Avenue, and the meeting was duly noticed pursuant to the requirements of Health & Safety Code Sections 34179(f) and 34181(f).

NOW THEREFORE, BE IT RESOLVED, as follows:

1. The Oversight Board finds and determines that the prompt and successful conclusion of the sale of the property located at 777-821 Hamilton Avenue pursuant to the Purchase and Sale Agreement will further the goals of the Redevelopment Dissolution Law by facilitating the expeditious wind-down of the activities of the Community Development law and maximizing the value of the property, to the benefit of the affected taxing entities.

2. The Oversight Board hereby approves the Purchase and Sale Agreement with Greenhart Land Company in substantially the form attached to this Resolution as Exhibit A for the sale of the property owned by the former Redevelopment Agency located at 777 -821 Hamilton Avenue and authorizes the Successor Agency to execute and take all reasonable and necessary steps to implement the Agreement; and

3. The Oversight Board strongly urges the Department of Finance to allow this transaction to move forward so that the sale proceeds may be transferred to the San Mateo County Auditor-Controller for distribution to the taxing entities; and

4. The Oversight Board authorizes its legal counsel, Craig Labadie, to work with the Successor Agency toward the goal of obtaining Department of Finance approval for the property sale.

I, Margaret S. Roberts, Secretary to the Oversight Board, do hereby certify that the above and foregoing Board Resolution was duly and regularly passed and adopted at a meeting by said Board on this third day of December, 2012, by the following votes:

AYES: Bennett, Farrales, Jerome-Robinson, Keith, Sheikholeslami

NOES: None

ABSENT: Braucht, Keller

ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand on this third day of December, 2012.

Margaret S. Roberts

Margaret S. Roberts, MMC
City Clerk

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is entered into as of November 14, 2012 (the "Effective Date") by and between the Successor Agency to the Community Development Agency of The City of Menlo Park, a California public entity organized and existing under the provisions of ABx1 26, enacted June 28, 2011 ("Redevelopment Dissolution Act") and AB 1484, enacted June 27, 2012 ("Budget Trailer Bill") ("Seller"), and Greenheart Land Company, LLC, a California limited liability company ("Buyer").

1. **Agreement of Sale** Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase the real property which includes the real property commonly known as 777, 785, 787, 791, 801, 811 and 821 Hamilton Avenue, Menlo Park, CA, and which is more thoroughly described and/or depicted in attached Exhibit A, together with all appurtenant rights and benefits (collectively, the "Property").

2. **Purchase Price**. The purchase price for the Property is EIGHT MILLION DOLLARS ($8,000,000) (the "Purchase Price") and shall be paid by Buyer at the Closing (as defined in Section 7.1 below) in the form of cash, cashier's check or federal funds wire transfer, less the amount of the Deposit (as hereinafter defined).

3. **Deposit**.

3.1 Application of Deposit. Within three (3) business days after execution of this Agreement by both Buyer and Seller, Buyer shall deposit in escrow with First American Title Company, 1737 North First Street, Suite 500, San Jose CA 95112, Att'n: Dian Blair (the "Title Company") a deposit in the amount of THREE HUNDRED FIFTY THOUSAND DOLLARS ($350,000) (the "Deposit"). The Deposit shall be held in an interest-bearing account and interest shall accrue for the account of Buyer. If the sale of the Property is consummated, the Deposit, plus accrued interest, shall be applied to the Purchase Price. If the sale of the Property is not consummated for any reason except a default under this Agreement on the part of Buyer, the Deposit (other than the Independent Contract Consideration) plus accrued interest thereon shall immediately be returned to Buyer. The Deposit includes the amount of One Hundred Dollars ($100.00) as independent consideration ("Independent Contract Consideration") for Seller's execution of this Agreement and the agreement to sell the Property to Buyer on and subject to the terms and conditions of this Agreement. The Independent Contract Consideration is applicable to the Purchase Price and shall be retained by Seller in event of any termination of this Agreement for any reason whatsoever.

3.2 **Liquidated Damages**. **IF BUYER DEFAULTS IN THE PERFORMANCE OF ANY OBLIGATION OF BUYER HEREUNDER, AND THE CLOSING FAILS TO OCCUR AS A RESULT OF SUCH DEFAULT, SELLER WILL SUSTAIN SUBSTANTIAL DAMAGES. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES SUSTAINED BY SELLER IN THE EVENT OF SUCH A DEFAULT HEREUNDER BY BUYER. THEREFORE, SELLER AND BUYER AGREE THAT IF BUYER COMMITS SUCH A DEFAULT, THE DEPOSIT REPRESENTS A REASONABLE ESTIMATE OF THE AMOUNT OF DAMAGES FOR SUCH DEFAULT, AND SELLER SHALL BE ENTITLED TO RECOVER SUCH AMOUNT AS LIQUIDATED DAMAGES FOR SUCH DEFAULT. BOTH PARTIES ACKNOWLEDGE AND AGREE THAT SAID AMOUNT IS PRESENTLY A REASONABLE SUM CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, INCLUDING THE**

RELATIONSHIP OF THE SUM TO THE RANGE OF HARM TO SELLER THAT REASONABLY COULD BE ANTICIPATED, AND THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY AND EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. SELLER'S RIGHT TO RECOVER SUCH AMOUNT AS LIQUIDATED DAMAGES FOR SUCH DEFAULT SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY AT LAW AND IN EQUITY. SELLER WAIVES ALL OTHER LEGAL OR EQUITABLE REMEDIES AGAINST BUYER AND ANY RELATED OR AFFILIATED ENTITY, AGENT OR REPRESENTATIVE, INCLUDING ANY RIGHT OF SELLER TO OBTAIN SPECIFIC PERFORMANCE OF BUYER'S OBLIGATIONS UNDER THIS AGREEMENT.

BUYER:
DocuSigned by:
Scott Hassan
5F05B37981FB4C8...

SELLER:

4. Title.

4.1 Permitted Title Exceptions; Title Policy. The obligation of Buyer to purchase the Property shall be conditioned on the Title Company being prepared to issue an ALTA (2006) extended coverage owner's policy of title insurance ("Title Policy") insuring that fee title in the Property is vested in Buyer, subject only to the Permitted Title Exceptions, as defined below, and including any endorsements requested by Buyer and approved by the Title Company during the Due Diligence Period (as herein defined). The Title Policy shall insure title subject only to a lien for local real estate taxes and assessments not yet due or payable, and such other exceptions as may be approved in writing by Buyer pursuant to Section 6.1(c) below ("Permitted Title Exceptions").

5. Documents to be Delivered to Buyer. Seller shall provide to Buyer, or make available for inspection and copying at a reasonably convenient location, all documents, reports, plans, Leases (as herein defined), Contracts (as herein defined) and other documents in the possession or control of Seller and relating to the use, ownership, management and operation of the Property, within five (5) days from the Effective Date.

6. Conditions to Closing.

6.1 Conditions. Buyer's obligation to purchase the Property is conditioned upon the satisfaction of each of the following conditions:

(a) The performance by Seller of every obligation of Seller hereunder, and the truth of each representation and warranty made in this Agreement by Seller as of the Effective Date and as of the Closing.

(b) Buyer's review and approval of any documents or other items provided to Buyer by Seller in accordance with Section 5 hereof.

(c) Buyer's review and approval of a preliminary title report, all title exceptions, and an ALTA survey, if obtained by Buyer. Buyer shall notify Seller in writing of any objections Buyer has to the preliminary title report and the title exceptions within ten (10) days of Buyer's receipt of the preliminary title report and exceptions referenced therein. If Seller is not willing to remove the objectionable exceptions, or is unable to do so, prior to the Closing,

Seller will advise Buyer thereof in writing and Buyer may either waive its objections and proceed with the purchase or terminate this Agreement.

(d) Buyer's inspection and approval of the present physical condition and status of the Property, including the soil, drainage, and the existence of any hazardous materials on the Property.

(e) The feasibility of the Property for Buyer's intended use, including the economic viability of any development which Buyer may intend to perform on the Property.

(f) The Title Company's commitment at Closing to issue to Buyer the Title Policy.

The parties expressly acknowledge that the obligation of Buyer to proceed hereunder is not conditioned on any of the following:

(i) obtaining financing, or a commitment for financing, for acquisition or development of the Property. The parties acknowledge that a material and substantial inducement to Seller's agreement to proceed with the transaction contemplated herein is the understanding that Buyer intends to acquire the Property with internal resources, and will not require third party funds to acquire the Property. Buyer may elect to obtain third party financing to develop the Property, but obtaining that financing, or a commitment for that financing, will not be a condition to Buyer's obligations hereunder;

(ii) re-zoning of the Property. Buyer represents that Buyer is familiar with ongoing efforts by the City of Menlo Park to adopt a revised Housing Element to comply with applicable state law, and acknowledges that Seller undertakes no obligation under this Agreement to complete the adoption of the Housing element or to undertake any other action in connection with the adoption of new zoning, modification of existing zoning, updating the applicable general plan or otherwise with respect to the Property; or

(iii) acquisition of, or any commitment or other obligation by a third party to sell or convey, all or any portion of additional property on Hamilton Avenue in Menlo Park, or any rights in such additional property.

6.2 Conditions - Seller. The parties understand and agree that this Agreement and the sale and transfer of the Property to Buyer is subject to the provisions of the California Redevelopment Dissolution Law (AB1x 26, enacted June 28, 2011, as modified by AB 1484, enacted June 27, 2012). Among other statutory requirements, the Agreement for the sale of the Property must be approved by the Board of the Successor Agency to the Menlo Park Community Development Agency and the Oversight Board for the Successor Agency (the "Oversight Board") following compliance with applicable public notice and public meeting requirements (such approval, the "Board Approval"). Promptly following the Effective Date, Seller shall initiate the process for obtaining Board Approval and shall diligently pursue such process until the Board Approval is obtained. Promptly following receipt of the Board Approval, Seller shall submit this Agreement to the State Department of Finance (the "DOF") for approval pursuant to Health & Safety Code Sections 34179 and 34181 (the "DOF Approval"). The DOF Approval shall be deemed to have been obtained upon the earlier of the date when (i) the DOF actually gives its approval of this Agreement, or (ii) the DOF approval period as set forth in Health & Safety Code Sections 34179 and 34181 has expired without modification or

disapproval by the DOF. Promptly following the DOF Approval, Seller shall provide to Buyer written notice (the "Confirmation Notice") that both Board Approval and DOF Approval have been obtained (or deemed obtained in the case of the DOF). If Seller has not provided the Confirmation Notice to Buyer within one hundred twenty (120) days following the Effective Date (the "Final Notice Date"), either party may terminate this agreement upon written notice to the other, provided that such termination notice shall be provided to the other no more that fifteen (15) days following the Final Notice Date, in which event the Deposit shall be immediately returned to Buyer. If any of the approvals are conditional upon revisions or modifications of the terms of sale, Buyer shall have the right to accept or reject such revisions or modifications, in its sole discretion. If Buyer rejects such revisions or modifications, this Agreement shall terminate and the Deposit shall be immediately returned to Buyer.

6.3 Due Diligence Period. Buyer's obligation to purchase the Property is subject to Buyer's being satisfied, in its sole discretion, with the Property after the review and inspections described in Section 6.1 above. Buyer shall have until sixty (60) days after the Effective Date (the "Due Diligence Approval Date"), to notify Seller in writing that the conditions described in Section 6.1 are satisfied or waived and that Buyer wishes to proceed to Closing under this Agreement (the "Due Diligence Period"). If Buyer fails to deliver such notice to Seller within the required period, this Agreement shall terminate and the Deposit and all interest thereon shall be returned to Buyer. If such notice is timely delivered to Seller, the relevant conditions shall be deemed waived or satisfied. Promptly following any termination under this Section 6.3, Buyer shall return all documents delivered to Buyer by Seller.

6.4 Waiver. Buyer may, at any time or times before the Closing, waive any of the foregoing conditions. Any such waiver must be in writing and signed by Buyer.

6.4 Access. Beginning on the Effective Date, Seller shall afford authorized representatives of Buyer reasonable access to the Property, upon reasonable advance notice and during normal business hours, for the purposes of satisfying any conditions precedent to the Closing contained herein. Buyer shall have the right to conduct or cause to be conducted soils tests, structural tests, tests for hazardous materials or any other tests Buyer determines are necessary or desirable to evaluate the condition of the Property. In performing its examinations and inspections of the Property, Buyer shall use commercially reasonable efforts to minimize any interference with the use of the Property and Buyer shall indemnify Seller against and hold Seller harmless from any and all losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees and costs (collectively, "Loss"), resulting from or related to the entry upon the Property by Buyer or its representatives, except for any Loss due to Seller's negligence or the mere discovery of a pre-existing condition, and Buyer shall restore any damage done during such inspection to the condition that existed prior to such inspection, and shall remove any materials brought by Buyer onto the Property in the course of the investigation. Buyer shall not conduct any Phase II testing for the presence of Hazardous Materials, or any other physically invasive testing, without Seller's prior written consent, which shall not be unreasonably withheld or delayed.

7. Closing.

7.1 Closing Date. The consummation of the purchase and sale of the Property (the "Closing") shall occur on the date that is seven (7) days after the later of (i) the Due Diligence Approval Date, or (ii) the date Buyer receives the Confirmation Notice.

7.2 Deposits Into Escrow.

(a) On or before the Closing date, Seller shall deposit the following documents and items into escrow, each of which shall be executed by Seller, if necessary, and shall be in form reasonably satisfactory to Buyer: (i) a grant deed conveying the real property to Buyer; (ii) a bill of sale conveying the personal property, if any, to Buyer; (iii) an assignment of leases, contracts and intangible property (the "Assignment"); (iii) an affidavit stating that Seller is not a "foreign person" under U.S.C.A. Section 1445(f)(3); (iv) Seller's share of the closing costs; and (v) such other documents as may reasonably be required to complete the Closing.

(b) On or before the Closing date, Buyer shall deposit the following into escrow: (i) the Purchase Price in accordance with the provisions of Section 2 above; (ii) Buyer's share of the closing costs; (iii) an executed counterpart of the Assignment; and (iv) such other documents as may reasonably be required to complete the Closing.

7.3 Prorations. All rents and other sources of income and all expenses for the Property will be prorated as of the Closing date and the Purchase Price will be adjusted on the following basis:

(a) Accounts Receivable. Any income of the Property earned and attributable to the period prior to the Closing date will be paid to Seller to the extent that such income has been collected on or before the Closing date. Any income earned and attributable to the period beginning on the Closing date and thereafter will be paid to Buyer. Upon receipt by Buyer after the Closing of any income earned prior to the Closing date, the same will be paid to Seller.

(b) Accounts Payable. All sums due for accounts payable which were owing or accrued by the Property prior to the Closing will be paid by Seller. Buyer will furnish Seller any bills for such period received after the Closing for payment, and Buyer will have no further obligation with respect thereto. Payments due under any Contracts which Buyer does not assume shall not be prorated and Seller shall be liable for all payments due thereunder. Buyer shall be deemed to have elected not to assume any Contracts except for those Contracts, if any, identified by Buyer for assumption in a written notice delivered to Seller during the Due Diligence Period.

(c) Property Taxes. All real property ad valorem taxes and special assessments, if any, whether payable in installments or not, for the tax year in which the Closing occurs will be prorated to the Closing date, based on the latest available tax rate and assessed valuation. The amount of any personal property taxes shall be paid by Seller.

(d) Utility Charges. All utility charges (including, without limitation, electricity, gas, water, sewer and telephone, as applicable) will be prorated to the Closing date and Seller will obtain a canceled bill therefor. All utility security deposits, if any, will be retained by Seller.

(e) Post Closing. If the amount of any of the adjustments to be prorated cannot be determined on the date of Closing, these adjustments will be made between the parties as soon after Closing as possible.

7.4 Closing Costs. Closing costs shall be paid as follows: (i) Buyer will pay the premium for owner's title insurance coverage, and escrow fees, and (ii) Seller will pay county

transfer taxes, if any. Any other closing costs will be paid in accordance with custom in San Mateo County, as determined by the Title Company.

7.5 Escrow Instructions. On or before the Closing date, each party shall deliver escrow instructions and other instruments as are required by the Title Company to close the escrow for this transaction.

7.6 Possession. Seller shall deliver possession of the Property to Buyer on the Closing date.

8. **Representations and Warranties.**

8.1 Representations and Warranties of Seller. Seller represents and warrants the following to Buyer as of the date hereof and as of the Closing date. Each representation and warranty shall survive the Closing date for a period of one (1) year, and shall expire unless a claim for breach of such representation or warranty is properly filed and served on Seller within that one (1) year period.

(a) Seller has full power and authority to enter into this Agreement. Upon delivery of the Confirmation Notice described in Section 6.2 above, subject to any applicable statutes of limitation for a legal challenge, Seller will have full power and authority to consummate the transaction contemplated herein, and any and all approvals or other authorization required to be obtained will have been obtained as of the date of the delivery of the Confirmation Notice.

(b) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the United States Internal Code of 1986, as amended, or under Section 18805 of the California Revenue and Taxation Code.

(c) There is no existing claim, litigation, or other proceeding which has been filed against the Property or against Seller in its capacity as owner of the Property which would prevent or delay the performance by Seller of its obligations hereunder or affect the use or value of the Property.

(d) There are no leases, tenancies or occupancy agreements relating to or affecting the Property (the "Leases").

(e) There are no service, maintenance, management, repair, parking, construction or other contracts (collectively, "Contracts") relating to the ownership or operation of the Property.

(f) Seller has not received any written notice of any violation of any law, ordinance, regulation, order or requirement applicable to the Property which has not been cured and Seller is unaware of any such uncured violation.

If Seller discovers that any representation or warranty set forth above is not accurate before the Closing date, Seller will give Buyer written notice of that fact within three (3) business days after obtaining knowledge of such fact, and in any event before the Closing. If Seller delivers any such notice or Buyer discovers the inaccuracy of a representation or warranty, Buyer may, at its election, terminate this Agreement, in which event the Deposit shall be immediately returned to

Buyer. If Buyer elects to proceed with the Closing after receipt of such notice or after having discovered the inaccuracy of the representation or warranty in question, Buyer shall be deemed to have waived any claim with respect to the representation or warranty in question to the extent of the additional information.

8.2 Sale Made "As Is"; Release of Seller. Buyer will perform an investigation in order to become familiar with the Property, and has made or will make such independent investigations as it deems necessary or appropriate concerning the Property. Except as expressly set forth herein: (i) Buyer is relying solely upon its own familiarity with the Property and is not relying in any way upon any representations, information, appraisals, statements, agreements, warranties, studies, surveys, reports, descriptions, guidelines or other information or material furnished by Seller, and (b) Buyer acknowledges that it is acquiring the Property for the Purchase Price stated herein "AS IS", in its present state and condition, without representation or warranty by Seller or its representatives as to any matter. Except with respect to Seller's representations, warranties and indemnities contained herein, from and after the Closing, Buyer, on behalf of itself and its successors and assigns, waives its right to recover from and forever releases and discharges Seller, its agents, employees and representatives from any and all demands, claims, costs, damages, losses or causes of action whether known or unknown, that may arise on account of or in any way be connected with the physical condition, use, operation or ownership of the Property. In connection with the foregoing release, Buyer hereby consents to inclusion of this waiver and release in the grant deed conveying the Property to Buyer, and expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

Seller

DocuSigned by:
Scott Hansen
5F05B37981FB4C8...
Buyer

8.3. Limitation of Liability.

The total aggregate liability of Seller for any and all injuries, damages, claims, losses, expenses or claims (including attorneys' fees) in connection with the sale of the Property will be limited to the Purchase Price for the Property. Buyer acknowledges that neither the City of Menlo Park or any of the taxing entities receiving proceeds from the dissolution of the Community Development Agency are parties to this Agreement and neither the City of Menlo Park nor any of the taxing entities entitled to receive proceeds shall have any liability for the actions of Seller, nor any financial liability or responsibility except as may be imposed pursuant to the provisions of State law with respect to proceeds received by the City or any of such taxing entities from the sale of the Property. Buyer shall notify all parties who may claim through Buyer, including the agents, employees or representatives of Buyer, as well as future occupants, purchasers or other users of the Property, of this limitation of Seller's liability to them and shall require them to abide by this limitation of liability. In no event shall Seller be liable in contract, tort, strict liability, warranty, or otherwise, for any special, incidental or consequential damages, including, but not limited to, delay, disruption, or loss of anticipated profits or revenue.

9. Indemnification. Each party hereby agrees to indemnify the other party and hold it harmless from and against any and all claims, demands, liabilities, costs and damages, including without limitation, reasonable attorneys' fees, resulting from any misrepresentations or breach of warranty or covenant made by such party in this Agreement.

10. Eminent Domain. If, prior to the Closing, all of the real property is taken by eminent domain, this Agreement shall terminate and the Deposit shall be immediately returned to Buyer. If only part of the real property is so taken, Buyer shall have the option of (a) proceeding with the Closing and acquiring the Property as affected by such taking, together with all compensation and damage awarded or the right to receive same, or (b) terminating this Agreement, in which event the Deposit shall be immediately returned to Buyer. From the Effective Date and until the Closing date, Seller agrees that it shall not commence or threaten to commence any condemnation or eminent domain proceedings against all or any portion of the Property.

11. Actions During Contract Period. Between Seller's execution of this Agreement and the Closing, or earlier termination of this Agreement as permitted hereunder, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted. From and after the Effective Date, Seller shall not (a) execute, modify, terminate and/or approve any Leases or Contracts affecting the Property or any interest therein without Buyer's written approval; or (b) encumber the Property with any liens, encumbrances or other instruments creating a cloud on title or securing a monetary obligation with the Property. Seller shall terminate prior to Closing, at no cost or expense to Buyer, any and all Contracts affecting the Property that are not designated by Buyer during the Due Diligence Period to be assumed by Buyer at Closing.

12. [Section intentionally omitted.]

13. Miscellaneous.

13.1 Notice. Any notice, demand or communication required or permitted hereunder shall be given in writing and may be delivered personally, by facsimile, by email, by private courier, or sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the following addresses or to such other addresses as any party may hereafter designate by written notice:

Seller: Successor Agency to the Community Development Agency of the City of Menlo Park 701 Laurel Street Menlo Park, CA 94025 Att'n: Alex D. McIntyre Ph: 650-330-6610 Email: admcintyre@menlopark.org With a copy to: William L. McClure, Esq. City Attorney 1100 Alma Street, Suite 210	Buyer: Greenheart Land Company, LLC 921 East Charleston Road Palo Alto, CA 94303 Att'n: Steve Pierce Ph: 650-323-5305 Email: spierce@greenheart.bz With a copy to: Morrison & Foerster LLP 755 Page Mill Road Palo Alto, CA 94304 Attn: Philip J. Levine, Esq.

Menlo Park, CA 94025 Ph: (650) 324-9300 Email: wlm@jsmf.com	Ph: (650) 813-5613 Email: PLevine@mofo.com

Notice shall be deemed given upon the earlier of: (i) actual receipt, including, if notice is sent by email, confirmation of receipt of the message in question; or (ii) three (3) days after posting in the U.S. Mail as provided above.

13.2 Covenant of Further Assurances. The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Agreement.

13.3 Tax Deferred Exchange. The parties acknowledge that Buyer may identify the Property as a replacement property in connection with an attempt to qualify the acquisition of the Property as part of an exchange eligible for deferred tax treatment under Federal and State law. Seller shall cooperate with Buyer as reasonably necessary, and as instructed in writing by Buyer, in connection with such exchange, subject to the following: (i) Seller shall not be obligated to take title to any property other than the Property, (ii) Buyer shall pay all costs associated with the exchange; (iii) the exchange shall not affect the times for performing the various obligations set forth herein; and (iv) Seller shall have no responsibility to ensure that the transaction does in fact qualify as a tax-deferred exchange.

13.4 Severability. If any provision of this Agreement as applied to either party or to any circumstance shall be ruled by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) that provision as applied to other permissible parties or circumstances or any other provision of this Agreement or the validity or enforceability of the Agreement as a whole.

13.5 Assignment. Neither party may assign its rights or delegate its obligations hereunder without the prior written consent of the other party, and any such assignment or delegation without the other party's prior consent shall be void and of no effect. Notwithstanding the foregoing, Buyer may assign its rights and delegate its obligations to an entity owned or controlled by Buyer or Buyer's principals, provided, however such assignment shall not relieve Buyer of any obligations provided in this Agreement.

13.6 Successors and Assigns. Subject to the provisions of Section 13.5 hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, devisees, legal representatives, successors and assigns.

13.7 Attorneys' Fees. In the event of any controversy, claim or action being filed between the parties respecting this Agreement or in connection with the Property, the prevailing party shall be entitled, in addition to all expenses, costs or damages, to reasonable attorneys' fees, whether or not such controversy was litigated or prosecuted to judgment, and any such attorneys' fees and other costs and expenses shall be recoverable separately from and in addition to any other amount included in such judgment or award, and such obligation is

intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment or award.

13.8 Brokers and Finders. Seller is represented in this transaction by Cassidy Turley Northern California, Inc. ("Seller's Broker"), and Seller shall pay a commission to Seller's Broker upon close of escrow in accordance with a separate written agreement. Seller and Buyer represent that they have not engaged the services of any other real estate broker to represent them and that no commission will be due from either party to any broker other than Seller's Broker. The party through whom any broker or finder (other than Seller's Broker) makes a claim shall indemnify, defend and hold harmless the other from such claim. Nothing herein shall make any person, including the brokers representing the parties to this Agreement, a third party beneficiary of this Agreement. The provisions of this Section 13.8 shall survive Closing or the termination of this Agreement.

13.9 Time of the Essence. Time is of the essence of this Agreement. However, if the final date of any period designated for performance of any act under this Agreement falls on a Saturday, Sunday or statewide legal holiday as defined in California Government Code sections 6700 and 6701, then the time for such performance shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

13.10 Governing Law. This Agreement is entered into and shall be governed by and construed in accordance with the laws of the State of California.

13.11 Counterparts. This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose. The parties hereto contemplate that they may be executing counterparts of this Agreement transmitted by facsimile or email in PDF format and agree and intend that a signature by facsimile machine or email in PDF format shall bind the party so signing with the same effect as though the signature were an original signature.

13.12 Exhibits. All recitals and exhibits referred to in this Agreement are incorporated herein by reference and shall be deemed part of this Agreement.

13.13 Entire Agreement. This document represents the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements, representations and covenants, oral or written.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

SELLER	BUYER
Successor Agency to the Community Development Agency of The City of Menlo Park	**Greenheart Land Company, LLC, a California limited liability company**
By: _____	By: _____
Alex D. McIntyre	Scott Hiessen
Executive Director	Managing Member

Attachments:

EXHIBIT A - Legal Description

DocuSign Envelope ID: E9883826-3022-4021-BF00-C985A8418836

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Menlo Park, County of San Mateo, State of California, described as follows:

PARCEL I:

LOTS 3 AND 4, BLOCK 10, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, MAP NO. 2, SAN MATEO COUNTY, CALIFORNIA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON NOVEMBER 17, 1926 IN BOOK 14 OF MAPS AT PAGES 51, 52 AND 53.

PARCEL II:

PORTION OF SEVIER AVENUE, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, MAP NO. 2, SAN MATEO COUNTY, CALIFORNIA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON NOVEMBER 17, 1926 IN BOOK 14 OF MAPS AT PAGES 51, 52 AND 53, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 4 IN BLOCK 10 AS SHOWN ON SAID MAP; THENCE FROM SAID POINT OF BEGINNING, ALONG THE NORTHERN LINE OF LOT 3 AND SAID LOT 4, NORTH 85° 01. 00" EAST, 103.31 FEET TO THE NORTHEASTERN CORNER OF SAID LOT 3; THENCE LEAVING SAID LINE NORTH 22° 05. 00" EAST, 44.92 FEET TO THE SOUTHERN LINE OF THE SOUTHERN PACIFIC COMPANY RIGHT OF WAY; THENCE ALONG SAID LINE SOUTH 85° 01' 00" WEST, 103.31 FEET; THENCE SOUTH 22° 05. 00" WEST, 44.92 FEET TO THE POINT OF BEGINNING.

SAID PARCEL WAS VACATED BY THAT CERTAIN RESOLUTION NO. 5132 RECORDED OCTOBER 26, 1999 AS RECORDER'S INSTRUMENT NO. 1999-178851 OF OFFICIAL RECORDS.

PARCEL III:

LOT 2 IN BLOCK 10, AS SHOWN ON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, MAP NO. 2, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON NOVEMBER 17, 1926 IN BOOK 14 OF MAPS AT PAGES 51, 52 AND 53.

PARCEL IV:

LOT 1, BLOCK 9, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "NEWBRIDGE PARK, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON JUNE 10, 1926 IN BOOK 14 OF MAPS AT PAGES 6 AND 7.

PARCEL V:

LOT 1, BLOCK 10, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "NEWBRIDGE PARK NO. 2, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON NOVEMBER 17, 1926 IN BOOK 14 OF MAPS AT PAGES 51, 52 AND 53.

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PARCEL VI:
LOTS 2, 3 AND 4 IN BLOCK 9, AS SHOWN ON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK SAN MATEO COUNTY CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON JUNE 10, 1926 IN BOOK 14 OF MAPS AT PAGE(S) 6 AND 7.

APN: 055-398-020 (Parcel I); 055-398-030 (Parcel II); 055-398-040 (Parcel V); 055-398-050 (Parcel III); 055-398-060, 055-398-070 and 055-398-080 (Parcel IV)

OB RESOLUTION NO. 13-002

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF MENLO PARK ADOPTING A LONG-RANGE PROPERTY MANAGEMENT PLAN OF THE SUCCESSOR AGENCY FOR THE FORMER REDEVELOPMENT AGENCY

WHEREAS, the former Redevelopment Agency of the City of Menlo Park was dissolved on February 1, 2012; and

WHEREAS, there was real property which was transferred to the Successor Agency which is responsible for the disposition of the property in accordance with the procedures and requirements of Assembly Bill x1 26 and Assembly Bill 1484; and

WHEREAS, Assembly Bill 1484 requires the development of a Long-Range Property Management/Disposition Plan to address the use or disposition of all of the properties except those designated for a governmental purpose in the Community Development Property Trust Fund; and

WHEREAS, the Property Management Plan describes the history and status of the multiple parcels known as Hamilton Avenue East, which is not designated for a governmental purpose and the parcel at 313 Market Place as a site designated for a governmental purpose per Health and Safety Code Section 314181(a).

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the City of Menlo Park, that said Board hereby approves the Long-Range Property Management Plan; and

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act and AB 1484 to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Long-Range Property Management Plan and to take any other actions necessary to ensure the validity of the Long-Range Property Management Plan.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

I, Margaret S. Roberts, Secretary to the Oversight Board, do hereby certify that the above and foregoing Board Resolution was duly and regularly passed and adopted at a meeting by said Board on this fourteenth day of January, 2013, by the following votes:

AYES: Farrales, Jerome-Robinson, Keith, Sheikholeslami

NOES: None

ABSENT: Bennett, Braucht, Keller

ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand on this fourteenth day of January, 2013.

Margaret S. Roberts, MMC
City Clerk

OB RESOLUTION NO. 13-003

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF MENLO PARK APPROVING THE TRANSFER OF TITLE OF A SPECIFIED PARCEL TO THE CITY OF MENLO PARK FOR OPEN SPACE AND RECREATIONAL PURPOSES

WHEREAS, the former Redevelopment Agency of the City of Menlo Park was dissolved on February 1, 2012; and

WHEREAS, there was real property which was transferred to the Successor Agency which is responsible for the disposition of the property in accordance with the procedures and requirements of Assembly Bill x1 26 and Assembly Bill 1484; and

WHEREAS, the Property Management Plan describes the history and status of the multiple parcels knows as Hamilton Avenue East, which is not designated for a governmental purpose and the parcel at 313 Market Place as a site designated for a governmental purpose per Health and Safety Code Section 314181(a) as open space and recreational use.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the City of Menlo Park, that said Board hereby approves the a transfer of title for the parcel at 313 Market place to be used as open space and recreational purposes, with a deed restriction ensuring the continued use of the property for open space and recreational purposes as allowed under Health and Safety Code 34181(a); and

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act and AB 1484 to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the transfer of title; and

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

I, Margaret S. Roberts, Secretary to the Oversight Board, do hereby certify that the above and foregoing Board Resolution was duly and regularly passed and adopted at a meeting by said Board on this fourteenth day of January, 2013, by the following votes:

AYES: Farrales, Jerome-Robinson, Keith, Sheikholeslami

NOES: None

ABSENT: Bennett, Braucht, Keller

ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand on this fourteenth day of January, 2013.

Margaret S. Roberts, MMC
City Clerk

OB RESOLUTION NO. 13-006

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MENLO PARK APPROVING AMENDMENT 2 TO THE PURCHASE AND SALE AGREEMENT WITH GREENHEART LAND COMPANY FOR THE SALE OF PROPERTY OWNED BY THE FORMER REDEVELOPMENT AGENCY FOR THE PROPERTY LOCATED AT 777-821 HAMILTON AVENUE TO REDUCE THE SALE PRICE FROM $8.0 MILLION TO $7.650 MILLION AND TO EXTEND THE TIME TO OBTAIN STATE DEPARTMENT OF FINANCE APPROVAL TO APRIL 30, 2013

WHEREAS, on December 3, 2012, the Oversight Board approved Resolution 12-006, approving a purchase and sale agreement for the real property located at 777-821 Hamilton Avenue within the City of Menlo Park is the only real property asset owned by the former Community Development Agency; and

WHEREAS, at a public meeting on January 14, 2014, the Oversight Board approved extending the buyer's due diligence period for twenty-one days to accommodate additional environmental investigation; and

WHEREAS, Greenheart Land Company has completed an environmental review of the property and has requested the price reduction from $8.0 Million to $7.650 as a result of the clean up needed for environmental contamination of the site; and

WHEREAS, the time to obtain the Department of Finance approval will need to be extended to April 30, 2013.

NOW THEREFORE, BE IT RESOLVED, that the Oversight Board does hereby approve a price reduction to $7.650 and extend the time to obtain the Department of Finance approval to April 30, 2013.

I, Margaret S. Roberts, Secretary to the Oversight Board, do hereby certify that the above and foregoing Board Resolution was duly and regularly passed and adopted at a meeting by said Board on this twenty-sixth day of February, 2013, by the following votes:

AYES: Farrales, Keith, Keller, Jerome-Robinson

NOES: None

ABSENT: Bennett, Braucht, Sheikholeslami

ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand on this twenty-sixth day of February, 2013.

Margaret S. Roberts

Margaret S. Roberts, MMC
City Clerk

San Mateo County
Countywide Oversight Board

Date: October 10, 2018 Agenda Item 9

To: San Mateo County Countywide Oversight Board

From: Shirley Tourel, Assistant Controller

Subject: Report on Redevelopment Agency Dissolution Status Update – San Bruno

Recommendation
This item is for information and discussion purposes only. No action is required of the Board.

Background and Discussion
The San Mateo County Countywide Oversight Board (the "Board") was created pursuant to Health and Safety Code (HSC) 34179(j) to provide guidance and oversight to the successor agencies who are tasked with winding down the affairs of redevelopment agencies (RDAs).

This item is intended to inform the Board of the progress of the wind-down activities of the former San Bruno Redevelopment Agency. The attachments to this memo were prepared by the San Bruno Sucessor Agency and provide an overview of the remaining expenditures/obligations and disposition of assets status.

Keith DeMartini, Finance Director of the City of San Bruno will be presenting to the Board.

Fiscal Impact
None

Exhibit
A – Dissolution Status Report from the Successor Agency – San Bruno

Date: September 12, 2018 **Exhibit A**

To: San Mateo County Countywide Oversight Board

From: Keith DeMartini, Finance Director for the City of San Bruno

Subject: Dissolution Status Report from the Successor Agency

Former RDA: San Bruno

Background

This agenda item summarizes the dissolution status of the former redevelopment agency (RDA). It includes a summary of the disposition of assets, remaining obligations, pending litigation, the status of the Last and Final Recognized Obligation Payment Schedule (ROPS), and any other items pertaining to the winding-down of the affairs of the former RDA.

Discussion

A. Disposition of Assets

At the point of dissolution, the former RDA had 1 property. This property was converted to a Public Plaza for Public use with a completion date of June 27, 2012. The Successor Agency has no other assets.

B. Outstanding Obligations

1) **2000 Certificates of Participation** (for the construction of the Police Facility)**:**
2) **2000 Certificates of Participation Fiscal Agent Fees:** Annual fiscal agent fees
3) **Archstone I Owner Participation Agreement:** Per Section 401.3 of the Owner Participation Agreement and in accordance with the First Amendment to the OPA dated March 4, 2004, the Agency shall pay up to $311,000 annually through 2039-40 to ensure the provision of affordable housing units at the Crossing.
4) **Administrative Costs:** The Successor Agency is eligible to receive an administrative allowance covering costs. The City expects to continue to request funding up to the amount allowable by law.

The Successor Agency has no plans to refinance bonds. We plan to work with the Countywide Oversight Board to submit our last and final ROPS 2019-20A through 2030-31A, and 2019-20B through 2035-36B.

C. Litigation

The Successor Agency is not aware of any pending litigations.

D. Last and Final ROPS

The Successor Agency has not filed the Last and Final ROPS as of yet but plans to do so within the next 3 months.

Conclusion

The Successor Agency looks forward to working with the Countywide Oversight Board to approve our Last and Final ROPS.

Attachments

1. RDA Dissolution Status Detailed Report.
2. LRPMP and DOF Approval Letter

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 1 - Dissolution Update - Assets
San Bruno RDA

LRPMP Item No.	Property Type [1]	Address/ Location of Property	County Assessor Parcel Number	Parcel Size	Named Owner [2]	Purchase Price [3]	Fair Market Value	Appraisal Value	Permissible Use per LRPMP		Current Use [6]	Disposition Status [7]	Deed Restrictions [8]	Completion Date [9]	Other Comments [10]
									Category [4]	Detail [5]					
1	*Public Plaza*	*470 San Mateo Ave*	*020-363-160*	*100 X 25 feet*	*City of San Bruno*		*450,000.00*		*Gov't Use*	*Public Use*	*Public Plaza*	*Govermental use per §34191.5©(2)*	*See Grant Easement*	*6/27/2012*	Mercedes, the lot is about 100 X 25 feet and we have no intention of converting it to anything other than public use. Please see attached Grant, Parcel Map and Revised RDA Dissolution. As to restrictions, the only ones I can think of are the Grant Easement. It has been built for public use.

Notes

Please include all assets of the former RDA at the point of dissolution, include those that have been disposed of prior to July 1, 2018.

1. Indicate if property is Vacant Land, Building or Land & Building. If neither of these, indicate Other and describe the property.

2. Enter name of recorded owner of property with County Assessor.

3. Enter book value if purchase price is not available.

4. Permissible use of asset as approved by the DOF (Government Use, Sale, Future Development, Fullfill an Obligation).

5. Indicate approved use per LRPMP.

6. Indicate purpose that property is currently used for (if different from #5).

7. Describe in detail ultimate disposition of property. If for sale, indicate projected sale date, or if sale is in process.

8. Indicate if there are any deed restrictions involved with an asset transfer.

9. Date on which the asset was, or is expected to be disposed. This field should TBD if the disposition date has not occurred or been determined.

10. Use this space for additional comments such as if property is under lease, if income is currently generating income - by how much annually, etc.

San Mateo County Consolidated Successor Agency Oversight Board ATTACHMENT 1 - Dissolution Update - Outstanding Obligations (Insert Name) RDA				
Obligation Type	Remaining Balance	Annual Payment	Projected Payoff	Comments
RPTTF 2019-20A & B thorugh 2035-35A & B	*13,088,029.00*	*1,003,650.00*	*2019-20A & B through 2035-36 A&B*	
2000 COP Reimbursemnt Agreement	7,771,029.00	647,150.00		
2000 COP Fiscal Agent Fees	30,000.00	2,500.00		
Archstone I Owner Participation Agreement	5,287,000.00	311,000.00		
Administrative Costs		43,000.00		

Note

If there are factors, legal or otherwise, that hinder the SA from accelerating the payment to minimize cost, please indicate under "Comments."

If the SA is anticipating to refinance any existing bond, please indicate under "Comments" when you expect to bring the item to the OB for approval.

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 1 - Dissolution Update - Pending Litigation
(Insert Name) RDA

Is the former RDA a party to a lawsuit, currently or in the future?

No

If yes, please provide details and status of case.

Case No.	n/a
Which Court	
Litigants	
Status of Case	

Additional comments:

San Mateo County Consolidated Successor Agency Oversight Board ATTACHMENT 1 - Dissolution Update - Last and Final ROPS (Insert Name) RDA
Is your SA eligible to submit a Last and Final ROPS? Yes If yes, when do you anticipate filing a Last and Final ROPS (Month/Year)? Next 3 months If your SA does not plan to file a Last and Final, explain why. N/A

San Mateo County
Countywide Oversight Board

Date: October 10, 2018 Agenda Item 10

To: San Mateo County Countywide Oversight Board

From: Shirley Tourel, Assistant Controller

Subject: Report on Redevelopment Agency Dissolution Status Update – San Mateo

Recommendation
This item is for information and discussion purposes only. No action is required of the Board.

Background and Discussion
The San Mateo County Countywide Oversight Board (the "Board") was created pursuant to Health and Safety Code (HSC) 34179(j) to provide guidance and oversight to the successor agencies who are tasked with winding down the affairs of redevelopment agencies (RDAs).

This item is intended to inform the Board of the progress of the wind-down activities of the former San Mateo Redevelopment Agency. The attachments to this memo were prepared by the San Mateo Sucessor Agency and provide an overview of the remaining expenditures/obligations and disposition of assets status.

Drew Corbett, City Manager - City of San Mateo will be presenting to the Board.

Recommendation
This item is for information and discussion purposes only. No action is required of the Board.

Fiscal Impact
None

Exhibit
A **–** Dissolution Status Report from the Successor Agency – San Mateo

Date: September 28, 2018 **Exhibit A**

To: San Mateo County Countywide Oversight Board

From: Drew Corbett, City Manager, City of San Mateo

Subject: Dissolution Status Report from the Successor Agency

Former RDA: San Mateo City RDA

Background

This agenda item summarizes the dissolution status of the former redevelopment agency (RDA). It includes a summary of the disposition of assets, remaining obligations, pending litigation, the status of the Last and Final Recognized Obligation Payment Schedule (ROPS), and any other items pertaining to the winding-down of the affairs of the former RDA.

Discussion

A. Disposition of Assets

At the point of dissolution, the former RDA had 5 properties. After our initial Long Range Property Management Plan (LRPMP) submittal was rejected, the Successor Agency submitted a revised plan to the Department of Finance (DOF) in August 2014. The DOF approved the LRPMP on December 17, 2014.

The LRPMP called for 3 of the 5 properties to be transferred to the City of San Mateo for Governmental Uses. Of these properties, one was a roadway into the Downtown Transit Center, one was a wastewater pump station, and the final property was a small public parking lot that provided sole egress to adjacent private properties. The remaining 2 properties were to be transferred to the City to be held for Future Development and disposed of at fair reuse value. All 5 properties were subsequently transferred to the City via a Grant Deed in July 2015.

The City issued a Request for Proposals in September 2017 to select a development team to work with for the 2 properties that were held for Future Development. The RFQ required that the parcels be developed as housing and public parking and required that a minimum of 35% of the housing units be affordable to low or moderate incomes. The City Council selected MidPen Housing for Exclusive Negotiations in April 2018. Their project proposal is for 164 affordable housing units and 535 public parking spaces. The City has requested that the housing project incorporate a preference program for public employees across the various agencies in the County. The City and MidPen Housing are now working towards the submittal of the entitlement application for the project.

B. Outstanding Obligations

There are three outstanding bond issuances from the former RDA. All three have been refinanced since the dissolution of the RDA.

1. 2015A Refunding Tax Allocation Bonds (tax exempt) - $31.210M outstanding; last refinanced in 2015; outstanding until 2032 with next refunding opportunity in 2025.
2. 2015B Refunding Tax Allocation Bonds (taxable) - $4.140M outstanding; last refinanced in 2015; outstanding until 2022 with no additional refunding opportunities.
3. 2017A Refunding Tax Allocation Bonds (tax exempt) - $18.835M outstanding; last refinanced in 2017; outstanding until 2025 with no additional refunding opportunities.

C. Litigation

Not applicable

D. Last and Final ROPS

The Last and Final ROPS was approved by the Department of Finance on April 6, 2016. The first amendment to the Last and Final ROPS was approved by the Department of Finance on December 13, 2017.

Conclusion

The San Mateo City RDA does not expect to bring any items to the Oversight Board in 2018/19.

Attachments

1. RDA Dissolution Status Detailed Report – San Mateo City RDA
2. RDA Dissolution Status Presentation – San Mateo City RDA
3. Department of Finance Approved LRPMP – San Mateo City RDA

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 1 - Dissolution Update - Assets
San Mateo CIty RDA

LRPMP Item No.	Property Type [1]	Address/ Location of Property	County Assessor Parcel Number	Parcel Size	Named Owner [2]	Purchase Price [3]	Fair Market Value	Appraisal Value	Permissible Use per LRPMP		Current Use [6]	Disposition Status [7]	Deed Restrictions [8]	Completion Date [9]	Other Comments [10]
									Category [4]	Detail [5]					
1	Right of Way	North B Street	032-323-060 032-323-070	9,875 sqft	City of San Mateo	$373,000	$0	$0 (2013)	Gov't Use	Right of Way	Roadway	Transferred to City	None	7/23/2015	
2	Land	4th and Railroad Ave.	034-179-050 034-179-060	16,506 sqft	City of San Mateo	$554,509	$0	$750,000 (2013)	Gov't Use	Public Parking	Public Parking	Transferred to City	None	7/23/2015	Property provides sole egress to private parking spaces on adjacent properties.
3	Land	480 E. 4th Avenue	034-183-060	50,573 sqft	City of San Mateo	$5,000,000	$9,740,000	$9,740,000 (2018)	Future Development	Housing/ Replacement Parking	Public Parking	Transferred to City	None	7/23/2015	City entered into ENA for Development for Affordable Housing and Public Parking in June 2018
4	Land and Bldg	400 E. 5th Avenue	033-281-140	54,472 sqft	City of San Mateo	$899,361	$9,090,000	$9,090,000 (2018)	Future Development	Housing/ Replacement Parking	Public Parking and Day Labor Center	Transferred to City	None	7/23/2015	City entered into ENA for Development for Affordable Housing and Public Parking in June 2018
5	Land and Bldg	Detroit Drive	033-441-010 033-441-020	48, 770 sqft	City of San Mateo	$93,912	$0	$0 (2013)	Gov't Use	Wastewater Pump Station	Wastewater Pump Station	Transferred to City	None	7/23/2015	

Notes

Please include all assets of the former RDA at the point of dissolution, include those that have been disposed of prior to July 1, 2018.

1. Indicate if property is Vacant Land, Building or Land & Building. If neither of these, indicate Other and describe the property.

2. Enter name of recorded owner of property with County Assessor.

3. Enter book value if purchase price is not available.

4. Permissible use of asset as approved by the DOF (Government Use, Sale, Future Development, Fullfill an Obligation).

5. Indicate approved use per LRPMP.

6. Indicate purpose that property is currently used for (if different from #5).

7. Describe in detail ultimate disposition of property. If for sale, indicate projected sale date, or if sale is in process.

8. Indicate if there are any deed restrictions involved with an asset transfer.

9. Date on which the asset was, or is expected to be disposed. This field should TBD if the disposition date has not occurred or been determined.

10. Use this space for additional comments such as if property is under lease, if income is currently generating income - by how much annually, etc.

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 1 - Dissolution Update - Outstanding Obligations
San Mateo City RDA

Obligation Type	Remaining Balance	Annual Payment	Projected Payoff	Comments
Bond	$18.835M	$3.2M to $3.5M	8/1/2025	Refinanced in 2017; Not callable
Bond	$31.210M	$1.5M to $4.2M	8/1/2032	Refinanced in 2015; Callable in 2025
Bond	$4.140M	$700K to $1.25M	8/1/2022	Refinanced in 2015; Not callable

Note

If there are factors, legal or otherwise, that hinder the SA from accelerating the payment to minimize cost, please indicate under "Comments."

If the SA is anticipating to refinance any existing bond, please indicate under "Comments" when you expect to bring the item to the OB for approval.

San Mateo County Consolidated Successor Agency Oversight Board
ATTACHMENT 1 - Dissolution Update - Pending Litigation
San Mateo City RDA

Is the former RDA a party to a lawsuit, currently or in the future?
No.

If yes, please provide details and status of case.

Case No.	
Which Court	
Litigants	
Status of Case	

Additional comments:

San Mateo County Consolidated Successor Agency Oversight Board ATTACHMENT 1 - Dissolution Update - Last and Final ROPS San Mateo City RDA
Is your SA eligible to submit a Last and Final ROPS? Initial Last and Final ROPS Approved on 4/4/16 Amendment #1 to Last and Final ROPS Approved on 12/13/17 If yes, when do you anticipate filing a Last and Final ROPS (Month/Year)? If your SA does not plan to file a Last and Final, explain why.

Attachment #2

San Mateo City RDA
Update to Oversight Board

October 16, 2018

Long-Range Property Management Plan

- Approved by DOF in December 2014
- 3 of 5 properties transferred to City for governmental purposes
- 2 of 5 properties held for future development
  - RFP issued for properties to be developed as housing and parking (minimum 35% affordable)
    - MidPen selected with proposal for 164 housing units (100% affordable) and 535 public parking spaces
    - City and MidPen working toward entitlement application

Outstanding Obligations

Obligation	Amount Outstanding	Payoff Year	Year Eligible for Refinance
2015A TABs (tax exempt)	$31.210M	2032	2025
2015B TABs (taxable)	$4.140M	2022	N/A
2017A TABs (tax exempt)	$18.835M	2025	N/A

Pending Litigation

- None

Last and Final ROPS

- Original Last and Final ROPS approved by DOF on April 6, 2016

- First amendment to Last and Final ROPS approved by DOF on December 13, 2017
  - Refinancing of 2007 Tax Allocation Bonds

DEPARTMENT OF FINANCE
EDMUND G. BROWN JR. ▪ GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

REVISED

December 17, 2014

Mr. David Culver, Finance Director
City of San Mateo
330 West 20th Avenue
San Mateo, CA 94403

Dear Mr. Culver:

Subject: Long-Range Property Management Plan

This letter supersedes the California Department of Finance's (Finance) Long-Range Property Management Plan (LRPMP) letter dated April 28, 2014. A revision is necessary as the Agency wishes to amend the previous disposition of specific properties. Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of San Mateo Successor Agency (Agency) submitted a LRPMP to Finance on October 17, 2013. The Agency subsequently submitted a revised Oversight Board (OB) approved LRPMP to Finance on October 1, 2014. Finance has completed its review of the revised LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 26, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all of the properties listed on the revised LRPMP.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of the LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the existing requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Agency actions taken pursuant to a Finance approved LRPMP which requires the Agency to enter into a new agreement are subject to OB approval per HSC section 34181 (f). Any OB action approving a new agreement in connection with the LRPMP should be submitted to Finance for approval.

Please direct all inquiries to Wendy Griffe, Supervisor, or Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,

for

JUSTYN HOWARD
Acting Program Budget Manager

cc: Ms. Kathy Kleinbaum, Senior Management Analyst, City of San Mateo
Mr. Bob Adler, Auditor-Controller, County of San Mateo
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State Controller's Office
California State Controller's Office

DEPARTMENT OF FINANCE
EDMUND G. BROWN JR. ▪ GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

February 18, 2015

Mr. Dave Culver, Finance Director
City of San Mateo City
330 West 20th Avenue
San Mateo, CA 94403

Dear Mr. Culver:

Subject: Approval of Oversight Board Action

The City of San Mateo Successor Agency (Agency) notified the California Department of Finance (Finance) of its February 11, 2015 Oversight Board (OB) resolution on February 11, 2015. Pursuant to Health and Safety Code section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution No. 2(2015), approving the transfer of the following Agency parcels to the City of San Mateo, is approved:

	Address	Assessor's Parcel Number	Permissible Use
1	North B Street	032-323-060; 032-323-070	Governmental Use
2	4th and Railroad Avenue	034-179-050; 034-179-060	Governmental Use
3	480 4th Avenue	034-183-060	Future Development
4	5th and Railroad Avenue	033-281-140	Future Development
5	Detroit Drive	033-441-010; 033-441-020	Governmental Use

The above properties are listed in the Agency's Long-Range Property Management Plan (LRPMP), which was approved by Finance on December 17, 2014, and the disposition of the properties authorized by OB Resolution No. 02(2015) are consistent with the LRPMP.

This is our determination with respect to the OB action taken.

Mr. Dave Culver
February 18, 2015
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Please direct inquiries to Wendy Griffe, Supervisor, or Erika Santiago, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Kathy Kleinbaum, Senior Management Analyst, City of San Mateo City
Mr. Bob Adler, Auditor-Controller, County of San Mateo
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State Controller's Office
California State Controller's Office

Long Range Property Management Plan

Revised August 2014

City of San Mateo
Acting as Successor Agency
To the Redevelopment Agency
of the City of San Mateo

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INTRODUCTION

One of the key components of the dissolution of redevelopment is the requirement that all successor agencies prepare a Long Range Property Management Plan (LRPMP) that governs the disposition and use of the non-housing properties owned by the former redevelopment agency. This document is the LRPMP for the Successor Agency to the former Redevelopment Agency of the City of San Mateo (Successor Agency). The Successor Agency has prepared this Plan in accordance with Health and Safety Code (HSC) §34191.5.

LRPMP REQUIREMENTS

The former Redevelopment Agency of the City of San Mateo (former Redevelopment Agency or former RDA) was dissolved on February 1, 2012 pursuant to the Redevelopment Dissolution Statutes—ABx1 26, as amended by AB 1484. On January 9, 2012, the City Council approved a resolution electing for the City of San Mateo to serve as the Successor Agency to the Redevelopment Agency of the City of San Mateo. As of February 1, 2012, the Successor Agency is responsible for winding down all of the activities of the former Redevelopment Agency.

The Redevelopment Dissolution Statutes govern the dissolution of the former Redevelopment Agency, which includes the disposition of the former RDA's real property. At the time of its dissolution, the former Redevelopment Agency owned properties located at five sites. Pursuant to the dissolution laws, ownership of the non-housing properties transferred to the Successor Agency on February 1, 2012. All of the properties are located within the boundaries of the Downtown and Shoreline Merged Project Area and are subject to the provisions of the Redevelopment Plan, the San Mateo General Plan, and the City's zoning and land use regulations, as set forth in City of San Mateo (City) codes and ordinances.

Pursuant to HSC §34179.7, a Successor Agency is required to submit the LRPMP to its Oversight Board and the State of California Department of Finance (DOF) no later than six months following DOF's issuance of the Finding of Completion (FOC) to the Successor Agency. DOF approved the FOC for the Successor Agency on April 26, 2013. The Successor Agency submitted the Oversight Board–approved LRPMP to the DOF on October 17, 2013. The DOF responded to the Successor Agency in a letter dated April 28, 2014, stating that the LRPMP was not approved and requested that the LRPMP be revised to address the issues specified in the DOF letter.

This document is the revised Long Range Property Management Plan (revised Plan or revised LRPMP) for the City of San Mateo acting as Successor Agency to the former Redevelopment Agency of the City of San Mateo. This property management plan includes an inventory of the properties and the determinations of the Successor Agency as to the disposition of the properties. It has been revised to reflect the comments of the Department of Finance and the direction of the Oversight Board. Accompanying this LRPMP is the information checklist requested by DOF and the DOF Tracking Worksheet.

Compensation Agreements and Properties to Be Retained for Future Development
The Successor Agency interprets HSC §34191.5 to mean that agreements with taxing entities are not required in connection with the disposition of Successor Agency properties to the sponsoring city for future development. The Successor Agency bases its interpretation on the fact that HSC §34180(f) is a statutory provision that was included in the original form of the redevelopment dissolution law enacted under ABx1 26, before the LRPMP provisions were created under AB 1484, and that HSC §34180(f) does not apply once a Successor Agency receives a FOC and the provisions of Chapter 9 become operative. In other words, HSC §34180(f), along with all other provisions relating to property disposition, is superseded once the LRPMP has been adopted. DOF, on the other hand, interprets redevelopment dissolution laws to mean that compensation agreements are required pursuant to HSC §34180(f) where Successor Agency properties are to be transferred to the sponsoring city for future development.

In April 2014, DOF clarified that a city does not have to reach compensation agreements with taxing entities prior to the Successor Agency's transfer of future development property to the city. DOF has stated that the Successor Agency-to-city transfer can occur at any time after DOF approves a Successor Agency's LRPMP, and that the city should reach a compensation agreement with the other taxing entities prior to the city's subsequent disposition of the property to a third party for development purposes. Furthermore, in its recent LRPMP approval letters, DOF has stated that "The compensation agreements negotiated by and between the City and the other taxing entities are not subject to OB [Oversight Board] or Finance approval."

Based on DOF's recent clarification regarding compensation agreements, the City of San Mateo intends to enter into an agreement or agreements with the affected taxing entities prior to the City's disposition of the future development properties. The City anticipates that the compensation agreement(s) would specify that any net unrestricted proceeds from sales of the properties would be distributed to all of the affected taxing entities on a pro rata basis in proportion to each entity's respective share of the property tax base, and that the calculation of net unrestricted proceeds would take into account the transaction costs incurred by the City in marketing the property and processing the sale or lease, as well as the costs incurred by the City in carrying or maintaining the property and in preparing and improving the site for development. This paragraph will not be operative if a court order or decision, legislation or Department of Finance policy reverses DOF's directive regarding such compensation agreements.

SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY

The Successor Agency to the Redevelopment Agency of the City of San Mateo has been conveyed title by operation of law to property located at five sites and comprised of eight parcels. The following matrix organizes the properties by their proposed disposition, and the map on the following page indicates the locations of the properties.

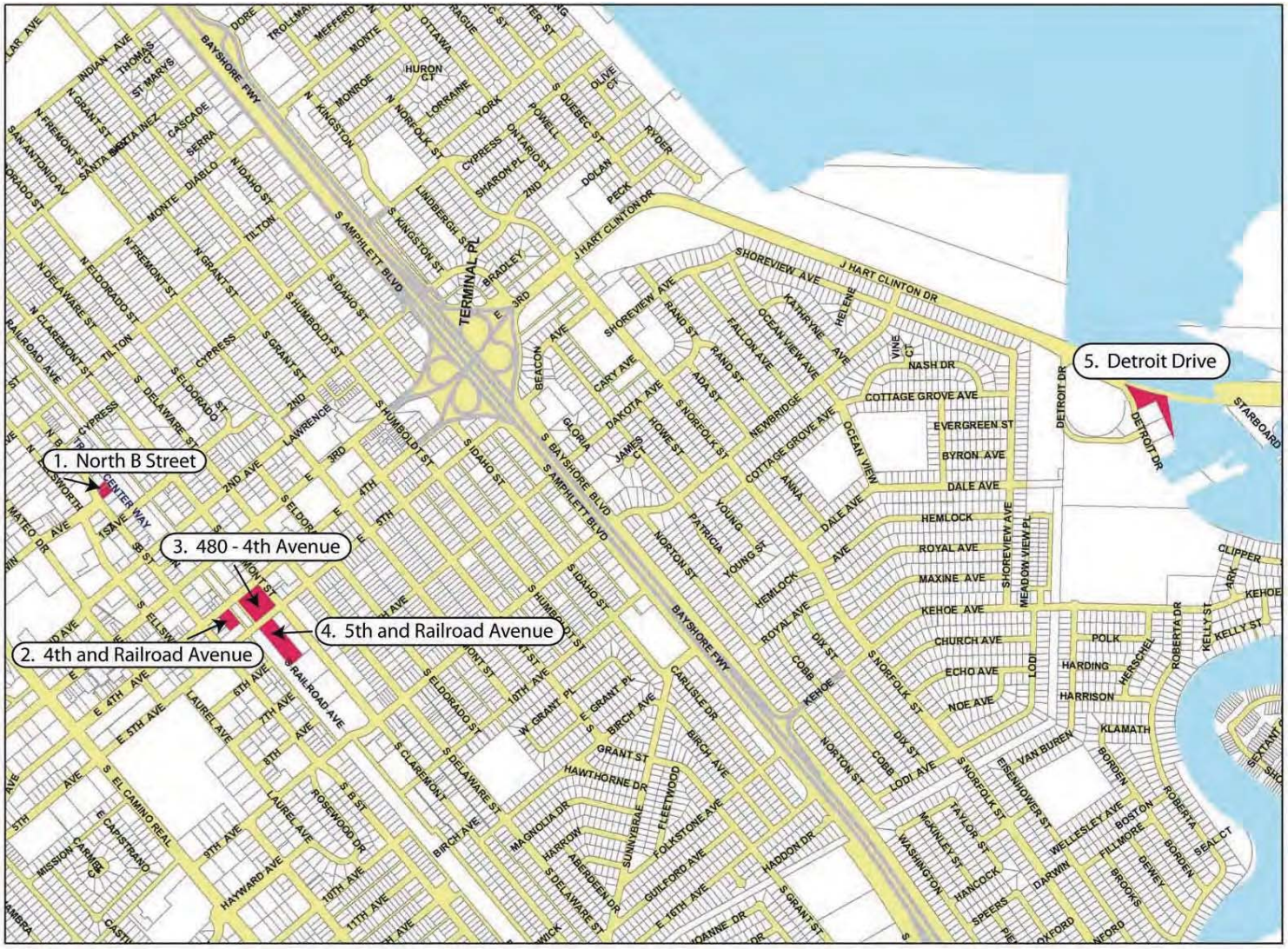
Site #	Property Address	APN	SF	Existing Use
Properties to be transferred to the City of San Mateo for Governmental Use				
1	North B Street	032-323-060 032-323-070	7,492 2,383	Public Roadway Right of Way Providing Access to Caltrain Station
2	4th and Railroad Avenue	034-179-050 034-179-060	11,064 5,442	Public Parking for the Central Parking and Improvement District (CPID)
5	Detroit Drive	033-441-010 033-441-020	24,829 23,941	City's Marina Lagoon flood control pump station
Properties to be transferred to the City of San Mateo for Future Development				
3	480 E. 4th Avenue	034-183-060	50,573	Public parking lot and temporary fire station
4	5th and Railroad Avenue	033-281-140	54,472	Public parking lot and Worker Resource Center

ORGANIZATION OF REPORT

This report is organized by proposed disposition category. The site numbers are consistent with those that were included with the original LRPMP, submitted to DOF in October 2013. As a result, the sites are not presented sequentially in this report. This report includes additional attachments that were not included in the prior submittal. The attachments are numbered sequentially in this report and as a result, are not consistent with the numbering of the attachments in the prior version of the LRPMP. If viewing this document in portable document format (PDF), note that all references to attachments contain a clickable, internal link to the corresponding attachment as it appears in the "Attachments" section.

PROPERTY LOCATION MAP

Properties of the City of San Mateo Successor Agency



PROPERTY INVENTORY AND DISPOSITION AND USE

As set forth in AB 1484, the LRPMP must include a plan addressing the use or disposition of each former RDA-owned property and an inventory of all properties. This section of the LRPMP includes the required inventory information and data and describes the planned disposition or use for each of the five former RDA-owned sites.

Property Disposition Categories

AB 1484 sets forth the following permissible uses or disposition under the LRPMP process:

A. Retention of the property for governmental use pursuant to HSC §34181(a)
B. Retention of the property for future development
C. Sale of the property
D. Use of the property to fulfill an enforceable obligation

Property Inventory Information

The inventory must contain the following information for each property:

- Acquisition Information
  - Date of acquisition
  - Value of the property at time of acquisition
  - Purpose for which the property was acquired
- Parcel Data
  - Address
  - Assessor parcel number
  - Lot size
  - Current zoning (in Redevelopment Plan or Specific, Community or General Plan)
- Current Value and Revenue Generation
  - Estimate of current value
  - Date/value basis for estimate (appraisal information if available)
  - Estimate of any lease, rental or other revenues generated by the property
  - Description of any contractual requirements regarding the disposition of such revenues
- Environmental Information
  - History of environmental contamination
  - Designation as a brownfield site
  - Summary of related environmental studies
  - History of remediation efforts
- Property's Potential for Transit Oriented Development and Advancement of Planning Objectives
- History of Development Plans and Activity
- Proposed Use or Disposition of Property

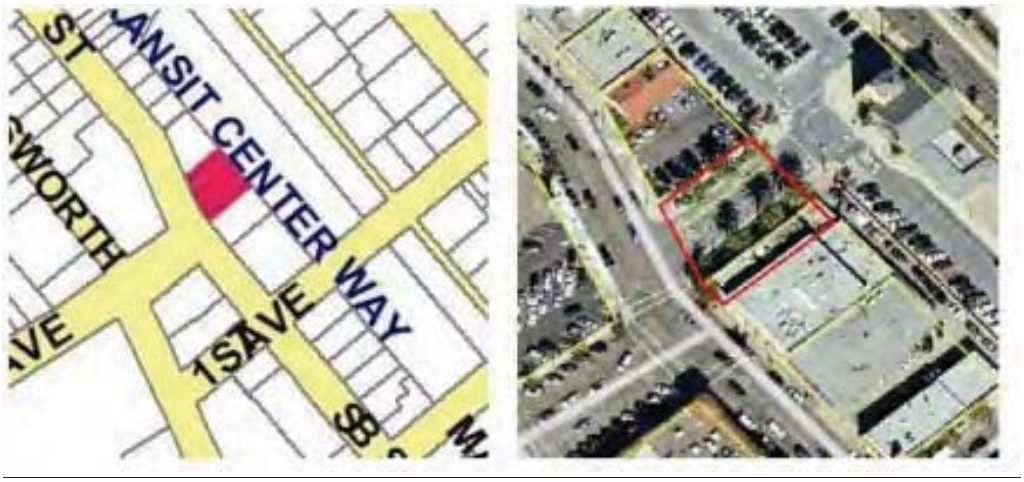
The following subsections present the required inventory and disposition information for each property.

PROPERTY TO BE TRANSFERRED TO CITY AND RETAINED FOR GOVERNMENTAL USE

- **Site 1: North B Street (Public Roadway Right of Way into Downtown Transit Center)**
- **Site 2: 4th and Railroad Avenue (Public Parking adjacent to Talbot's Toyland Store)**
- **Site 5: Detroit Drive**

Site 1

North B Street (Roadway into Downtown Transit Center)



SUMMARY

These two adjacent parcels, totaling 9,875 square feet, were acquired in 1991 by the former RDA to be constructed and used as a public roadway right of way to provide public access (vehicle, pedestrian and bicycle) from North B Street and Baldwin Avenue to the downtown Caltrain station and related public parking lot. The parcels continue to provide public access to the station. The parcels are to be transferred to the City for retention as their current governmental use.

DATE OF ACQUISITION, VALUE AT ACQUISITION AND ESTIMATED CURRENT VALUE

The former RDA purchased the site in 1991 for approximately $373,000 using tax allocation bond proceeds. The Grant Deed for the site is included as Attachment 1. An appraisal of the property was completed in February 2013, and the value at that time was estimated to be $0 (see Attachment 2).

PURPOSE FOR WHICH PROPERTY WAS ACQUIRED

The site was purchased in 1991 in order to provide surface parking in the short term as well as vital public access to and from the proposed downtown Caltrain station and related public parking garage in the long term. The City constructed the roadway in the mid-1990s, and the site continues to provide public access from North B Street and Baldwin Avenue to the downtown Caltrain station.

PARCEL DATA, INCLUDING ADDRESS, LOT SIZE AND CURRENT ZONING

The assessor parcel numbers are 032-323-060 and 032-323-070. The parcels do not have an assigned address. The lot sizes are 7,492 square feet (sf) and 2,383 sf respectively.

Current zoning is C1-2/R5 (Neighborhood Commercial with a 2.0 FAR/Residential-Multiple Family Dwellings). The City of San Mateo Zoning Code states that the Neighborhood Commercial District is:

> *"intended to create and maintain neighborhood shopping areas under standards that provide for compatibility with surrounding residential areas. Uses include retail sales serving the immediate neighborhood, limited office space, and personal services."*

ESTIMATE OF THE CURRENT VALUE OF THE PARCEL, INCLUDING ANY APPRAISAL INFORMATION, IF AVAILABLE

The parcels were appraised February 20, 2013 with an estimated value of $0, based on the appraiser's opinion that the site has no value because of its use as a public right of way (see Attachment 2).

ESTIMATE OF ANY LEASE, RENTAL, OR OTHER REVENUES GENERATED BY THE PROPERTY AND A DESCRIPTION OF THE CONTRACTUAL REQUIREMENTS FOR DISPOSITION OF THOSE REVENUES

No revenue is generated by these parcels. They serve as a public roadway right of way to provide vehicle and other access to and from the downtown Transit Center.

ANY HISTORY OF ENVIRONMENTAL CONTAMINATION OR REMEDIATION EFFORTS

None.

DESCRIPTION OF THE PROPERTY'S POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT AND THE ADVANCEMENT OF THE PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY

The former RDA's development of the site achieved the former RDA's redevelopment goals and objectives, and also advanced the planning objectives of the City of San Mateo.

This public roadway right of way provides access to the downtown Caltrain Station and the parking garage for the station, which enhances the ability for residents and visitors to utilize public transportation. It has no other potential use because developing the property would prevent vehicle access to the parking garage for the downtown train station and would reduce use of the station.

The continued use of this property as a public roadway right of way advances the long-term objectives of the Successor Agency and the City of San Mateo.

BRIEF HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITIES, INCLUDING THE RENTAL OR LEASE OF PROPERTY

The site was temporarily used as a parking lot while the Transit Center was under construction, according to the 1991 Administrative Report on the Authorization to Purchase the "Dead Palm Tree" site (see Attachment 3). The intended use of the site, a public roadway access to the train station, was constructed in the mid-1990s and provides access from North B Street and Baldwin Avenue to the downtown Caltrain Station and parking lot. This roadway has been in place since the mid-1990s and continues to provide access to the train station and parking lot. The City has

no plans to redevelop the site to another use and seeks to continue its current governmental use as a public roadway right of way.

USE OR DISPOSITION OF PROPERTY

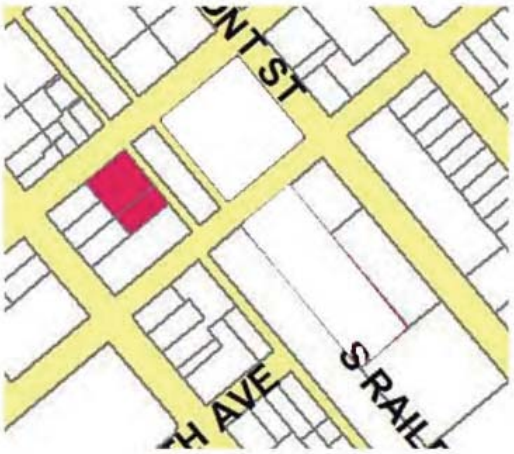
The site was purchased in 1991 specifically for the purpose of providing public access to the downtown Caltrain station. It continues to provide vehicle, bicycle and pedestrian access to the downtown Caltrain station and the parking garage for the station.

Because this property was constructed for public use, a roadway, the Oversight Board shall direct the Successor Agency to transfer these parcels to the City of San Mateo for retention for a governmental use.

The City of San Mateo will continue to maintain the property roadway right of way.

Site 2

4th and Railroad Avenue (Public parking adjacent to Talbot's Toyland Store)





SUMMARY

These two adjacent parcels, totaling 16,506 square feet, were acquired by the City in 1985 to provide downtown public parking as part of the Central Parking and Improvement District (CPID). The site was conveyed to the former RDA in 1989, and was leased to the City to serve the CPID by providing 50 parking spaces and continues to do so today. These parcels are to be transferred to the City for retention as a governmental use.

DATE OF ACQUISITION, VALUE AT ACQUISITION AND ESTIMATED CURRENT VALUE

The Grant Deed and Title Insurance Policy indicate that the property was acquired by the City of San Mateo from the Southern Pacific Transportation Company in November 1985 (see Attachment 4) for approximately $554,509. The 1985-1986 Annual Report on the Activities of the former Redevelopment Agency suggests that the former RDA purchased the property (see page 2 of Attachment 5):

> *"Noteworthy in 1984-85 was the purchase of a parking site on B Street between the 4th and 5th Avenues, which reflects the goals of the approved Downtown Specific Plan."*

In February 1989, the City Council approved a resolution granting the property to the former Redevelopment Agency and leasing it back to the City for utilization by the CPID, which would operate and maintain the lot for the benefit of Downtown (see Attachment 6).

> *"Whereas, the lot was incorrectly placed in the City's name although funds of the Redevelopment Agency of the City of San Mateo were used for acquisition; and Whereas, the City wishes to correct the grant and at the same time accept a lease back of the lot from the Redevelopment Agency;"*

As consideration for the lease, the City agreed to operate and maintain the lot in accordance with the CPID. The lease was to expire on December 31, 2003, unless extended by agreement between the former Agency and City for up to an additional 15 years. The lease was continued by agreement of the parties (however, staff are unable to locate evidence of formal action to extend the lease term).

In February 2013, an appraisal was obtained that estimates the current value to be $750,000 (see Attachment 7 and the section below for more detailed information on the appraisal).

PURPOSE FOR WHICH PROPERTY WAS ACQUIRED

The property was acquired to address the inadequate supply of existing public parking within the Central Parking and Improvement District (CPID) in the downtown. The CPID is a parking district that was established by the City in 1954 to address downtown related parking concerns. The CPID was created to provide pool of parking spaces that are shared by the commercial properties within the boundaries of the district because they are unable to meet their parking needs on-site due to the small lot sizes and historic grid character of the downtown.
An information sheet on the district is included as Attachment 8.

In 1989, when the property was transferred from the City to the former Redevelopment Agency, the City executed a lease agreement with the former RDA to lease the property back for inclusion in the CPID (see Attachment 6). The lease states the

> *"Agency understands that the City has a CPID which will receive the benefit of the lot and which shall be responsible to operate the lot. Agency also understands that the CPID, in the City's discretion, may receive use of the lot without charge but with the obligation to operate and maintain."*

The site has continuously served as a public parking lot and has been operated and maintained by the CPID since it was acquired. It serves as a critical part of the overall parking supply of the CPID.

Additionally, the public parking lot provides access to private parking spaces for two adjacent parcels, including 445 South B Street (APN 034 179 040) and 407 South B Street (APN 034-179-020). The City entered into an agreement with the owners of 445 South B Street to provide egress in 1987 (see Attachment 9). The City was unable to locate an egress agreement with 407 South B Street. This parcel has 6 parking spaces located behind the building that would not be accessible if the lot were to be redeveloped to another use, which is illustrated by the aerial parcel map and photograph included as Attachment 10.

PARCEL DATA, INCLUDING ADDRESS, LOT SIZE AND CURRENT ZONING

The assessor parcel numbers for this site are 034-179-050 and 034-179-060. These parcels have no site address. The lot sizes are 11,064 and 5,442 square feet, respectively.

The current zoning is CBD/R Central Business District with a Residential Overlay and it is located within the CPID, which relates to requirements for off-street parking requirements. The purpose

of the CBD district is to encourage the development and re-use of existing downtown structures as a center for retail, cultural, entertainment, and community service uses. Pedestrian activity should be strongly encouraged at the ground floor level, while upper floor office and residential uses should be encouraged to promote active daytime and nighttime use of the downtown area. Amenities that will enhance the downtown environment for public and public oriented uses shall also be encouraged. Permitted uses include art galleries, offices, parking facilities, retail uses and public transportation facilities, multiple family dwellings when a part of mixed use and other uses deem similar in nature and operation to be compatible with existing and permitted uses allowed and deemed desirable in serving the downtown core and community at large.

ESTIMATE OF THE CURRENT VALUE OF THE PARCEL, INCLUDING ANY APPRAISAL INFORMATION, IF AVAILABLE

In February 2013, Cushman and Wakefield prepared an appraisal that estimates the current market value of the site (see Attachment 7). The appraisal identifies the property as being part of the CPID and states the following:

> *"It is our opinion that due to the constraints of the CPID parking district, that the portion of the subject parcel designated as a CPID parking facility may not be used for other purposes other than parking. Therefore, as parking is the only obvious use, the value of the subject site would be severely diminished as development on the property could not be entertained as a potential use."*

However, the appraisal firm completed its appraisal of the property with the hypothetical condition that the site could be developed to its highest and best use without the requirements to provide parking for the CPID, and concluded its opinion of market value is $750,000.

ESTIMATE OF ANY LEASE, RENTAL, OR OTHER REVENUES GENERATED BY THE PROPERTY AND A DESCRIPTION OF THE CONTRACTUAL REQUIREMENTS FOR DISPOSITION OF THOSE REVENUES AND RESTRICTIONS ON PROPERTY

The site was purchased to provide permanent public parking for the CPID in downtown San Mateo. The site contains 50 public parking spaces and generated approximately $20,000 in parking revenue from on-site meters in 2012. The parking meter revenue is allocated directly to the CPID and required to be used to maintain and operate the public parking supply within the district.

Additionally, an agreement dated April 24, 1987 is in place between the City and the owners of the adjacent property and business (Talbot's Toyland) located at 415 and 445 South B Street to allow egress from the 8-space parking lot behind the store onto and across the City parking lot in order to reach East 4th Street (see Attachment 9). While the agreement does not provide for any compensation to the City, both the City and private property owners agreed to name the other party in their public liability insurance policies.

The site also provides the only access for the 6 parking spaces associated with the privately owned parcel at 407 South B Street. These parking spaces serve the businesses located on the property, including a yogurt shop, hair studio and nail salon, as illustrated in Attachment 10.

ANY HISTORY OF ENVIRONMENTAL CONTAMINATION OR REMEDIATION EFFORTS
None.

DESCRIPTION OF THE PROPERTY'S POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT AND THE ADVANCEMENT OF THE PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY
The current zoning is CBD/R Central Business District with a Residential Overlay. Residential uses are permitted only as part of mixed-use developments above the first floor only. This site is approximately 1,460 feet from the Downtown Caltrain Station. This is slightly less than one-third of a mile, which is generally considered an appropriate distance for transit-oriented development. The site is designated within the Downtown retail core, which allows for a transit-oriented mixed use project containing retail on the ground floor and office and/or residential uses on upper floors. However, the small size of the site would present challenges for a mixed use project. Additionally, the property is located adjacent to the railway tracks and therefore may be impacted if the planned State High Speed Rail project requires any additional right-of-way along the railway line.

The continued use of this property as a parking resource for the CPID advances the long-term objectives of the Successor Agency and the Downtown Specific Plan, and the City of San Mateo in general.

BRIEF HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITIES, INCLUDING THE RENTAL OR LEASE OF PROPERTY
The property was purchased to provide public parking as part of the CPID. The site was developed as a public parking lot, and no consideration has been given to alternative uses. An agreement between the City and the owners of the adjacent property at 445 South B Street to allow egress from their parking lot has been in place since 1987. The property also provides the only access to 6 privately-owned parking spaces for the property at 407 South B Street.

USE OR DISPOSITION OF PROPERTY

City Provision of Public Parking
The City and the former RDA have long recognized that the provision of public parking is key to the economic vibrancy of the City's downtown. Since the 1950s, the provision of public parking has been an important governmental purpose and function of the City of San Mateo, helping to stimulate economic development in the downtown area.

The former RDA worked in concert with the City to provide public parking facilities as a key component of its efforts to cultivate and maintain a thriving downtown. The Redevelopment Plan for the Downtown Redevelopment Project stated one of its major goals was to *"Provide adequate land for parking and open spaces".* In addition, the Redevelopment Plan listed *"Parking Sites/Structures/Repair"* as one of the Proposed Public Work Improvement Projects in Exhibit B to the plan (see Attachment 11).

The provision of off-street public would help the former RDA achieve the Redevelopment Plan goals to stimulate economic development opportunities and encourage commercial rehabilitation and public and private investment.

CPID Formation and Funding

Recognizing the importance of providing public parking in the downtown area, the City Council formed the Central Parking and Improvement District (CPID) in 1954 to address downtown parking related concerns. The CPID was created as a method for financing land acquisition, construction operation and maintenance costs of public parking facilities for downtown businesses and economic activity. Bonds were sold to pay for land acquisition and the construction costs. Property owners within the CPID were assessed an annual CPID assessment.

The CPID issued bonds to pay for land acquisition and facility construction. Through the CPID, assessments were levied on non-residential property within the boundaries to generate revenue to cover the costs of bond debt. Former Redevelopment Agency funds were also used as a supplement to the assessments to pay for additional parking resources for the CPID. The CPID bonds were paid off in 2004 and as a result, the annual assessments on properties within the district ended at that time. However, the parking rights that were conferred on these private properties as a result of the assessments remain with the properties in perpetuity, and as a result are considered separately within the City's Zoning Code (see Attachment 12).

4th and Railroad Avenue Located in CPID

The property is located within the boundaries of the CPID, and within the CPID's Primary Benefit Zone (PBZ), which includes the retail core and most of the City's public parking facilities. It is called the PBZ because the facilities are in close proximity, providing convenience and maximum benefit for those businesses located within the zone. (Refer to Attachment 8, Maps 1 and 2 for the location of the site within CPID and PBZ boundaries.)

CPID Today

The CPID continues in existence today as a special district. All parking revenues generated within the district, including meter fees and in-lieu parking fees, are deposited into the Parking Special Revenue Fund and used by the CPID to operate and maintain the parking supply within the district.

The City's Zoning Code requires for new projects in the CPID to meet minimum parking requirements by providing onsite parking or paying a fee in lieu of providing onsite parking. New projects include new construction, expansion of existing building or established use, and new use within an existing building/structure. All new projects not providing parking onsite must enter into parking agreements with CPID. The in lieu assessment amount is defined in the adopted CPID resolution as equal to $9,000 per parking space (see Attachment 13). Parking in lieu fees generated $225,000 in FY 2014; $63,000 in 2012; $333,000 in 2007; $27,000 in 2006; and $1,125,000 in 2005 (see Attachment 14).

Satisfaction of the Zoning Code parking requirements by payment of the in lieu fee is acknowledged in each agreement and runs with the land. A sample in lieu fee agreement executed in 2014 is included as Attachment 15.

Public Parking as Governmental Use

The property is a governmental purpose asset. The property was purchased with public funds, constructed with public funds, is maintained with meter and assessment revenue and City general fund dollars; is open to and used by the public; and serves as an important public purpose of minimizing circulation problems and resulting greenhouse gas emissions. Just like libraries, parks, public streets, and highways, it is open for use by the public, and operated and maintained by the City. The property was acquired and improved with government funds for public benefit.

A 1944 California Supreme Court case recognizes that public parking lots serve a public purpose:

> *Whittier v. Dixon 24 Cal 2d 644, 667 (1944)*
> *"Respondent contends that public parking places are not public improvements. The Legislature, however, has expressly authorized the acquisition of parking places to serve the public, and the legislation is valid so long as it serves some public purpose. (In re Smith, 143 Cal. 368 [77 P. 180]; County of Los Angeles v. Dodge, 51 Cal.App. 492 [197 P. 403]; Egan v. San Francisco, 165 Cal. 576 [133 P. 294, Ann. Cas. 1915A 754]; Larsen v. San Francisco, 182 Cal. 1 [186 P. 757]; Irish v. Hahn, 208 Cal. 339 [281 P. 385, 66 A.L.R. 1382].) Just as public streets can be used for the parking of motor vehicles, property can be acquired for the same use. Moreover, public parking places relieve congestion and reduce traffic hazards and therefore serve a public purpose. They may be compared to municipal airports, which have been recognized as public improvements. (Krenwinkle v. City of Los Angeles, 4 Cal.2d 611 [51 P.2d 1098]; see 63 A.L.R. 777; 69 A.L.R. 325; 135 A.L.R. 755.)"*

A common approach for cities when trying to create and maintain a vibrant and economically viable office and retail environment, particularly within older central business districts, is to consolidate parking in public structures and surface lots to remain competitive with other shopping and business centers. This removes the burden of providing parking in every development project, and promotes better design and land use, therefore creating pedestrian friendly environments. This consolidated approach prevents downtown from being "over-parked" because it takes into account peak parking usage of different users—retail store employees, office workers and their customers park primarily during the day, while restaurants, lodging and entertainment venues create more parking demand at night.

DOF Approval of Other Cities' Parking Lots Similar to San Mateo

DOF has approved several Successor Agencies' transfer of public parking assets to cities under the government purpose provision, including Napa, San Fernando, Santa Barbara, and Santa Monica. The San Mateo Successor Agency's real property parking asset and parking management system, the CPID, is similar to these other Successor Agencies, and as such, DOF is encouraged to make a side-by-side comparison when reviewing this Plan.

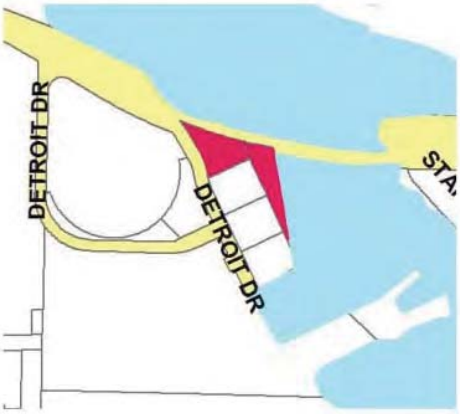
Conclusion and Disposition

This property was purchased to construct and provide a public surface parking lot for the CPID and has been maintained by the CPID since its time of purchase. Due to the inclusion of the lot within the CPID and the integral nature of this lot to the district and to the surrounding properties, the Oversight Board shall direct the Successor Agency to transfer the property to the City of San Mateo for retention for a governmental use.

The City of San Mateo will continue to maintain the property.

Site 5

Detroit Drive





SUMMARY

These two parcels total approximately 48,770 square feet. One of the parcels was acquired by the City in 1960 and the other in 1983. Both properties were conveyed to the former Redevelopment Agency in 1984 for use as the City's Marina Lagoon flood control pump station. These parcels continue to be used for this purpose. These parcels are to be transferred to the City for retention as a governmental use.

DATE OF ACQUISITION, VALUE AT ACQUISITION AND ESTIMATED CURRENT VALUE

The site consists of two parcels, a long triangular parcel that abuts the Marina Lagoon and an inland parcel that abuts Third Avenue and Detroit Drive. The details on acquisition of the first parcel are uncertain, but it was likely purchased by the City in 1960 as part of a larger purchase of shoreline parcels that were jointly purchased for $9,750. The resolution approving the purchase and the Grant Deed for this parcel is included as Attachment 16. The Grant Deed for this parcel is included as Attachment 16. The second parcel was acquired by the City in 1983 for $84,162. The Grant Deed for this parcel is included as Attachment 17. The two parcels were deeded to the former Redevelopment Agency in 1984 as part of the issuance of certificates of participation to finance the construction of the Third Avenue Bridge and pump station.

In 1987, the 1984 certificates of participation were retired through the issuance of re-financing certificates of participation. In the course of this transaction, the parcels were deeded back to the City and then, deeded back to the former Redevelopment Agency and leased to the City. Under the terms of the lease, title to the property was to be deeded back to the City upon retirement of the certificates of participation. These certificates were paid off in 1993 as part of the issuance of refunding revenue bonds by the City of San Mateo Joint Powers Financing Authority. These 1993 bonds were backed by a new lease. However, in 1997, the former

Redevelopment Agency issued new tax allocation bonds, the proceeds of which were used to pay off the 1993 bonds. At that time, the former RDA intended to deed the property back to the City, however it inadvertently did not execute the action to deed the property to the City.

A February 2013, appraisal estimated the current value to be $0 (see Attachment 18 and below).

PURPOSE FOR WHICH PROPERTY WAS ACQUIRED
The properties were acquired to serve as a storm water pump station for the Marina Lagoon. The pump station is constructed on the inland parcel while the triangular parcel, which is tidal marsh land, is used for drainage for the pump station.

PARCEL DATA, INCLUDING ADDRESS, LOT SIZE AND CURRENT ZONING
The assessor parcel numbers for this site are 033-441-010 and 033-441-020. The lot sizes are 24,829 sf and 23,941 sf, respectively. No specific address exists for the site. The current zoning is S (Shoreline). The shoreline district (S) is established to assure that users in the proximity of the San Francisco Bay are appropriate in their relationship to the Bay ecological system, compatible with their general surroundings, and consistent with the state grant of lands to San Mateo. Permitted uses include public parks and recreation facilities, open space for the preservation, maintenance, and enhancement of lands in their natural state, or their restoration, and as habitat for wildlife and private boat facilities in Marina Lagoon.

ESTIMATE OF THE CURRENT VALUE OF THE PARCEL, INCLUDING ANY APPRAISAL INFORMATION, IF AVAILABLE
The recent appraisal conducted by Cushman and Wakefield in February 2013 (see Attachment 18) estimates the market value of this site to be $0, given the site's physical, legal and current public use as flood control facilities, which all but totally occupy the site.

ESTIMATE OF ANY LEASE, RENTAL, OR OTHER REVENUES GENERATED BY THE PROPERTY AND A DESCRIPTION OF THE CONTRACTUAL REQUIREMENTS FOR DISPOSITION OF THOSE REVENUES
None.

ANY HISTORY OF ENVIRONMENTAL CONTAMINATION OR REMEDIATION EFFORTS
None.

DESCRIPTION OF THE PROPERTY'S POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT AND THE ADVANCEMENT OF THE PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY
This site is located near the Waste Water Treatment Plant. Due to the remote location and lack of nearby public transportation services it is not an appropriate site for TOD.

The development of the site achieved redevelopment goals and objectives and also advanced the planning objectives of the City of San Mateo. The continued use of this property for the pump station advances the long-term objectives of the Successor Agency and the City of San Mateo.

BRIEF HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITIES, INCLUDING THE RENTAL OR LEASE OF PROPERTY

There has been no consideration given to alternative uses of these parcels. The site was acquired for the construction of the pump station, and has been continuously used for this purpose.

USE OR DISPOSITION OF PROPERTY

This site serves a governmental purpose as a flood control pump station. Accordingly, the Oversight Board shall direct the Successor Agency to transfer this property to the City of San Mateo for retention for a governmental use.

The City of San Mateo will continue to maintain the property.

PROPERTY TO BE TRANSFERRED TO CITY AND RETAINED FOR FUTURE DEVELOPMENT

- **Site 3: 480 E. 4th Avenue**
- **Site 4: 5th and Railroad Avenue (Worker's Resource Center)**

Site 3

480 E. 4th Avenue





SUMMARY

This parcel, which is 50,573 square feet, was acquired in 1998 for replacement public parking in the short term during the construction of other City parking garages and as a significant opportunity for future long-term redevelopment. The parcel continues to provide public parking on a portion of the site while the remainder is used as the temporary location for the City's downtown fire station. The City and former Redevelopment Agency have undertaken efforts to pursue development of the site either as a stand-alone development site or in conjunction with Site 4. This parcel is to be transferred to the City for retention for future development.

DATE OF ACQUISITION, VALUE AT ACQUISITION AND ESTIMATED CURRENT VALUE

The site was purchased in 1998 through the use of eminent domain by the former Redevelopment Agency for $5,000,000 per the settlement agreement included as Attachment 19. The Grant Deed for the site is included as Attachment 20. A February 2013, appraisal estimated the current value to be $5,100,000 (see Attachment 21).

PURPOSE FOR WHICH PROPERTY WAS ACQUIRED

The site was acquired in 1998 by the former Redevelopment Agency to serve as replacement public parking during the construction of the downtown Transit Center garage and the reconstruction of the Main Street Garage, as described in the January 1998 Administrative Report for the Public Hearing on the Acquisition of the Pedersen Arnold Property at 5th Avenue and Claremont Street for Public Parking (see Attachment 22). At the time of acquisition, the former Redevelopment Agency was primarily interested in providing replacement parking in the immediate future.

The report also stated on page 5:

"The site presents the opportunity for long-term redevelopment by the Redevelopment Agency."

PARCEL DATA, INCLUDING ADDRESS, LOT SIZE AND CURRENT ZONING

The site address is 480 E. 4th Avenue and the assessor parcel number for this site is 034-183-060. The lot size of 50,573 sf.

The current zoning is CBD/S (Central Business District Support). The purpose of the CBD Support District is to encourage commercial uses that both support traditional downtown (CBD) uses as well as serve adjacent residential neighborhoods. It is intended that the commercial uses in this area will serve as a link between the Gateway and CBD. Residential uses will also be encouraged in order to provide housing opportunities for downtown employees, as well as existing and future residents. The CBD/S zoning district allows for a variety of uses including mixed-use, multi-dwelling housing, office, medical offices, hotel, restaurant, retail, parking, and other types of uses. The purpose of the CBD district is to encourage the development and re-use of existing downtown structures as a center for retail, cultural, entertainment, and community service uses. Pedestrian activity should be strongly encouraged at the ground floor level, while upper floor office and residential uses should be encouraged to promote active daytime and nighttime use of the Downtown area. Amenities that will enhance the downtown environment for public and public oriented uses shall also be encouraged.

ESTIMATE OF THE CURRENT VALUE OF THE PARCEL, INCLUDING ANY APPRAISAL INFORMATION, IF AVAILABLE

The recent appraisal conducted by Cushman and Wakefield in February 2013 (see Attachment 21) estimates the market value of this site to be $5,100,000.

ESTIMATE OF ANY LEASE, RENTAL, OR OTHER REVENUES GENERATED BY THE PROPERTY AND A DESCRIPTION OF THE CONTRACTUAL REQUIREMENTS FOR DISPOSITION OF THOSE REVENUES

The site provides 89 downtown parking spaces. The existing parking on the site is not metered and as a result does not provide revenue to the City. A building located on the site when originally acquired generated lease revenue until it was demolished in 2010. The site continues to provide downtown parking. A short term lease from March 2013 through August 2014 was in effect between the City of San Mateo and the Successor Agency to house a temporary fire station on a portion of the site during the construction of permanent fire station and generated a total of $113,400 over the term of the lease. The Successor Agency deposits the revenue into the RPTTF.

ANY HISTORY OF ENVIRONMENTAL CONTAMINATION OR REMEDIATION EFFORTS

Corrective action for the underground storage tanks formerly located on the site was completed per the closure letter from the County of San Mateo Health Services Agency (see Attachment 23).

DESCRIPTION OF THE PROPERTY'S POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT AND THE ADVANCEMENT OF THE PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY

The current zoning is CBD/S (Central Business District Support). The CBD/S zoning district allows for a variety of uses including mixed-use, multi-dwelling housing, office, medical offices, hotel, restaurant, retail, parking, and other types of uses. Residential uses are permitted only as part of mixed-use developments above the first floor only. This site is approximately 1,200 feet from the Downtown Caltrain Station. This is slightly less than one-fourth of a mile, which is generally considered an appropriate distance for transit-oriented development. The maximum permitted density of housing on this site is 50 units per acre (up to 68 units per acre with approval of a Density Bonus), which is a density considered to be transit-supportive. The size of this parcel and the location on an entire City block makes it very feasible for a successful TOD project. However, the parcel is adjacent to the Caltrain train tracks and uncertainty of the potential impact of the proposed high speed rail project and its need for additional right-of-way around the rail line may affect the configuration of the parcel and therefore impacts the timing of possible development of the site.

The City's Downtown Area Specific Plan, adopted in May 2009, lists the development of this site as a priority (see excerpt in Attachment 24). The Downtown Area Specific Plan states on page 16 that this site:

> *"represents a unique opportunity to provide a catalyst for downtown development on the east side of the railroad tracks."*

In addition, the former Redevelopment Agency's Five-Year Implementation Plan for 2011 to 2015 lists the *"Development of the Former Kinkos Site (aka 480 E. 4th Avenue)"* as one of the key goals for the Downtown (see Attachment 25).

The retention of this property for future development advances the long-term objectives of the Successor Agency and the City of San Mateo.

BRIEF HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITIES, INCLUDING THE RENTAL OR LEASE OF PROPERTY

The property had a commercial building located on it at the time of purchase. The former Redevelopment Agency continued the leases with the tenants in that building until the leases expired in 2009. The commercial building was demolished in 2010.

In 2007, the City hired a consultant to examine the highest economic reuse for this site. The report designated condominium use as the preferred use, likely with one level of underground parking and four or five levels of condominiums on top. The former RDA issued a Request for Qualifications (RFQ) in 2009 to solicit proposals for the development of this site (see Attachment 26). The RFQ included an option to allow potential developers to develop this site jointly with the 5th and Railroad parcel (Site 4 in this plan). In response to its RFQ, the former RDA received 13 submittals, which are described in the September 21, 2009 Administrative Report to City Council on the Status of the Agency Owned Site at 480 E. 4th (see Attachment 27). After a review of the proposals, the City Council determined that, due to

the uncertainty of potential right-of-way impact on the site from the proposed high speed rail project adjacent to the property, the site should continue to be used to provide downtown parking for the time-being (see Attachment 28 minutes from the September 21, 2009 City Council meeting).

The Successor Agency executed a lease with the City in March 2013 to lease the portion of the site where the former commercial building once stood to the City for use as a temporary location for the downtown Fire Station while the permanent facility is being constructed. The lease expires in August 2014 and the property will be returned to its prior condition.

Upon approval of the transfer of the property to the City for future development, the City will consider options for the future development of the site and will move forward once the uncertainty of the impact of the high speed rail project is resolved. Several uses are under consideration for the site including mixed-use development and municipal facilities.

USE OR DISPOSITION OF PROPERTY

Retain Property for Project Identified in Approved Redevelopment Plan
As described above, the Implementation Plan identifies development of the site as a key goal for the downtown.

Future development of the site into a mixed-use transit-oriented development project will assist the City with achieving the goals and objectives set forth in the Redevelopment Plan for the Downtown Redevelopment Project (included as Attachment 11). These goals and objectives as stated on page 2 of the Redevelopment Plan include:

"(3) Replan, redesign, and develop undeveloped areas which are stagnant or improperly utilized;

(8) Assembly of land into parcels suitable for modern, integrated development."

Disposition Process
By retaining the property for future development, the City will be able to achieve the former RDA's goals for the site. The City will also be able to ensure that a project is developed in a manner that meets the General Plan goals and the objectives of the City's Downtown Area Specific Plan. In addition, by retaining the property, the City will be able to issue a Request for Proposals (RFP) to solicit projects from developers to build out a mixed-use redevelopment project. The RFP will likely require replacement parking for the public parking spaces currently located on the property either on-site or located nearby. Subsequent to the selection of a developer through the RFP process, a negotiated Disposition and Development Agreement (DDA) will set the terms of the land acquisition between the City and a qualified and approved developer.

Disposition Proceeds

The purchase price to be paid by the developer for the property under the DDA will be not less than the fair reuse value of the property with the covenants, conditions, and development costs authorized pursuant to the DDA, as determined by formal action of the City Council.

As described in the Introduction of this Plan, an agreement with the taxing entities will provide for any net proceeds of sale to be distributed as property taxes to the affected taxing entities. From the disposition proceeds, the City may "net out" and retain an amount to cover its reasonable costs in connection with the disposition process, including marketing costs, attorneys' fees, title insurance premiums, closing costs, and transfer taxes, and any site maintenance and site preparation costs incurred by the City.

Disposition Timeline

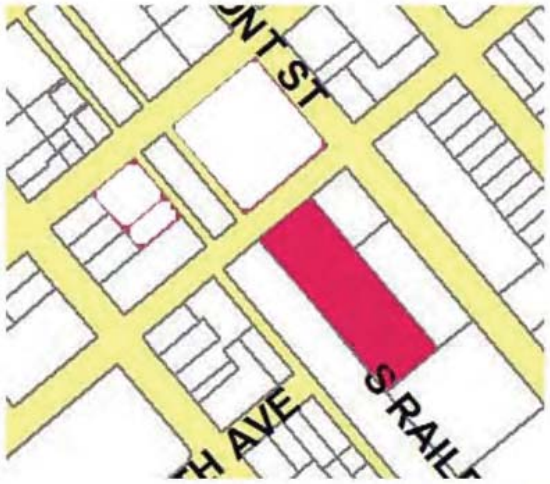
The timing of disposition and development of the property will depend on market conditions and interest of the private real estate development and financing community. In addition, the timing may also be influenced by the uncertainty of the potential impact of the proposed high speed rail project and its potential need for additional right-of-way around the rail line, which could affect the configuration of the parcel and thus impact the timing of possible development of the site.

It is currently anticipated that such disposition and development may occur generally in accordance with the following timeframe:

- DDA Negotiation/Approval: Within five years after LRPMP approval.
- Satisfaction of Conditions/Property Conveyance: Within 1 year after DDA approval.
- Commencement of Construction: Within 6 months after property conveyance.
- Completion of Construction: Within two years after commencement of construction.

Site 4

5th and Railroad Avenue (Worker Resource Center)





SUMMARY

This parcel is approximately 54,472 square feet and was acquired in 1997 for replacement public parking in the short term during the construction of other City parking garages and an opportunity for future long-term redevelopment. A portion of the parcel, approximately 13,598 square feet, is currently leased to the City, and houses the Worker Resource Center. The remainder continues to provide public parking. The City and former Redevelopment Agency have undertaken efforts to pursue development of the site either as a stand-alone development site or in conjunction with Site 3. This parcel is to be transferred to the City for retention for future development.

DATE OF ACQUISITION, VALUE AT ACQUISITION AND ESTIMATED CURRENT VALUE

The site was acquired in 1997 for $899,361. The Grant Deed is included as Attachment 29. Although the property was purchased with redevelopment funds, the title was put in the City's name. In February 2009, the City Council approved a resolution granting the property to the former Redevelopment Agency (see Attachment 30).

The recent appraisal completed by Cushman and Wakefield in February 2013 (Attachment 31) estimates the market value of this site to be $4,900,000.

PURPOSE FOR WHICH PROPERTY WAS ACQUIRED

The site was acquired in 1997 by the former Redevelopment Agency to serve as replacement public parking during the construction of the downtown Transit Center garage, as described in the March 31, 1997 Administrative Report for the Purchase of the Southern Pacific Property (see Attachment 32). At the time of acquisition, the former Redevelopment Agency was

primarily interested in providing replacement parking in the immediate future, however, future development of the site was also considered. The Administrative Report states:

"Use of the site for parking and eventual development will greatly enhance the railroad corridor and assist in the continued economic strengthening of the east side."

PARCEL DATA, INCLUDING ADDRESS, LOT SIZE AND CURRENT ZONING

The assessor parcel number for this site is 033-281-140. The property has no site address. The lot size is 54,472 sf.

The current zoning is CBD/S (Central Business District Support). The purpose of the CBD Support District is to encourage commercial uses that both support traditional downtown (CBD) uses as well as serve adjacent residential neighborhoods. It is intended that the commercial uses in this area will serve as a link between the Gateway and CBD. Residential uses will also be encouraged in order to provide housing opportunities for downtown employees, as well as existing and future residents. The CBD/S zoning district allows for a variety of uses including mixed-use, multi-dwelling housing, office, medical offices, hotel, restaurant, retail, parking, and other types of uses. The purpose of the CBD district is to encourage the development and re-use of existing downtown structures as a center for retail, cultural, entertainment, and community service uses. Pedestrian activity should be strongly encouraged at the ground floor level, while upper floor office and residential uses should be encouraged to promote active daytime and nighttime use of the downtown area. Amenities that will enhance the downtown environment for public and public oriented uses shall also be encouraged.

ESTIMATE OF THE CURRENT VALUE OF THE PARCEL, INCLUDING ANY APPRAISAL INFORMATION, IF AVAILABLE

The recent appraisal conducted by Cushman and Wakefield in February 2013 (see Attachment 31) estimates the market value of this site to be $4,900,000.

ESTIMATE OF ANY LEASE, RENTAL, OR OTHER REVENUES GENERATED BY THE PROPERTY AND A DESCRIPTION OF THE CONTRACTUAL REQUIREMENTS FOR DISPOSITION OF THOSE REVENUES

The site provides downtown parking. The existing parking on the site is not metered and as a result does not provide revenue to the City.

A lease between the City of San Mateo and the Successor Agency to house the Worker Resource Center on a portion of the site has been in effect since June 2012 (see Attachment 33). The annual revenue paid from the City to the Successor Agency for this lease is $57,112. The Successor Agency deposits the revenue into the RPTTF.

ANY HISTORY OF ENVIRONMENTAL CONTAMINATION OR REMEDIATION EFFORTS

None.

DESCRIPTION OF THE PROPERTY'S POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT AND THE ADVANCEMENT OF THE PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY

The current zoning is CBD/S (Central Business District Support). The CBD/S zoning district allows for a variety of uses including mixed-use, multi-dwelling housing, office, medical offices, hotel, restaurant, retail, parking, and other types of uses. Residential uses are permitted only as part of mixed-use developments above the first floor only. This site is approximately 1,490 feet from the Downtown Caltrain Station. This is approximately 0.28 miles, which is generally considered an appropriate distance for transit-oriented development.

The maximum permitted density of housing on this site is 50 units per acre (up to 68 units per acre with approval of a Density Bonus), which is a density considered to be transit-supportive. The size of this parcel makes it very feasible for a successful TOD project. However, the parcel is adjacent to the Caltrain train tracks and uncertainty of the potential impact of the proposed high speed rail project and its need for additional right-of-way around the rail line may affect the configuration of the parcel and therefore impacts the timing of possible development of the site.

The City's Downtown Area Specific Plan adopted in May 2009 (see Attachment 24) addresses the redevelopment of this site. Specifically, page 25 of the Downtown Area Specific states that a policy focus for the South Claremont district of the Downtown is to

> *"Determine a suitable re-use for the city owned site bounded by 5th Avenue, the railroad and South Claremont Street".*

The retention of this property for future development advances the long-term objectives of the Successor Agency and the City of San Mateo.

BRIEF HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITIES, INCLUDING THE RENTAL OR LEASE OF PROPERTY

In 2003, the City approved an agreement with a local non-profit organization, Samaritan House, to operate a Worker Resource Center on a portion of the site in a portable building. The center was created to alleviate the impact of day workers congregating throughout the downtown which create numerous issues including traffic violations, loitering, and trespassing. The center serves as a place for workers and seekers of casual labor to be matched. In addition, other social services otherwise offered by the Samaritan House (health, dental, nutrition, and clothing) are provided to the day laborers, as needed. The Worker Resource Center has continued to operate on the site to this day.

In 2009, the City issued a Request for Qualifications (RFQ) to solicit proposals for the development of this site (see Attachment 26) jointly with the 480 E. 4th Avenue parcel (Site 3 in this LRPMP). In response to its RFQ, the City received 13 submittals, which are described in the September 21, 2009 Administrative Report to City Council on the Status of the Agency Owned Site at 480 E. 4th (see Attachment 27). At least two of the submittals included the development of this site in conjunction with 480 E. 4th Avenue. After a review of the proposals, the City Council determined that, due to the uncertainty of potential right-of-way impact on the site

from the proposed high speed rail project adjacent to the two properties, the site should continue in its current use for the present time.

The Successor Agency executed a lease with the City in June 2012 to lease a portion of the site to the City to house the Worker Resource Center (see Attachment 33). The lease was set to expire in December 2013 but has been extended indefinitely until the disposition of the property under the LRPMP is resolved.

Upon approval of the transfer of the property to the City for future development, the City will consider options for the future development of the site and will move forward once the uncertainty of the impact of the high speed rail project is resolved. Future development of this site could be a mixed-use development that may include a permanent facility for the Worker Resource Center.

USE OR DISPOSITION OF PROPERTY

Retain Property for Project Identified in Approved Redevelopment Plan
As described above, the Downtown Area Specific Plan identifies development of the site as a key goal for the downtown.

Future development of the site into a mixed-use transit-oriented development project will assist the City with achieving the goals and objectives set forth in the Redevelopment Plan for the Downtown Redevelopment Project (included as Attachment 11). These goals and objectives as stated on page 2 of the Redevelopment Plan include:

"(3) Replan, redesign, and develop undeveloped areas which are stagnant or improperly utilized;

(8) Assembly of land into parcels suitable for modern, integrated development."

Disposition Process
By retaining the property for future development, the City will be able to achieve the former RDA's goals for the site. The City will also be able to ensure that a project is developed in a manner that meets the General Plan goals and the objectives of the City's Downtown Area Specific Plan. In addition, by retaining the property, the City will be able to issue a Request for Proposals (RFP) to solicit projects from developers to build out a mixed-use redevelopment project. The RFP will likely require replacement parking for the public parking spaces currently located on the property either on-site or located nearby. Subsequent to the selection of a developer through the RFP process, a negotiated Disposition and Development Agreement (DDA) will set the terms of the land acquisition between the City and a qualified and approved developer.

Disposition Proceeds

The purchase price to be paid by the developer for the property under the DDA will be not less than the fair reuse value of the property with the covenants, conditions, and development costs authorized pursuant to the DDA, as determined by formal action of the City Council.

As described in the Introduction to this Plan, an agreement with the taxing entities will provide for any net proceeds of sale to be distributed as property taxes to the affected taxing entities. From the disposition proceeds, the City may "net out" and retain an amount to cover its reasonable costs in connection with the disposition process, including marketing costs, attorneys' fees, title insurance premiums, closing costs, and transfer taxes, and any site maintenance and site preparation costs incurred by the City.

Disposition Timeline

The timing of disposition and development of the property will depend on market conditions and interest of the private real estate development and financing community. In addition, the timing may also be influenced by the uncertainty of the potential impact of the proposed high speed rail project and its potential need for additional right-of-way around the rail line, which could affect the configuration of the parcel and thus impact the timing of possible development of the site.

It is currently anticipated that such disposition and development may occur generally in accordance with the following timeframe:

- DDA Negotiation/Approval: Within five years after LRPMP approval.
- Satisfaction of Conditions/Property Conveyance: Within one year after DDA approval.
- Commencement of Construction: Within one year after property conveyance.
- Completion of Construction: Within two years after commencement of construction.

ATTACHMENTS

ATTACHMENT 1

Order No.
Escrow No. 400057-24
Loan No.
Order No.

WHEN RECORDED MAIL TO:
City of San Mateo
330 West 20th Avenue
San Mateo, CA 94403

91081867

RECORDED AT REQUEST OF
COMMONWEALTH LAND
TITLE COMPANY
'91 JUN 28 AM 8 00

WARREN SLOCUM RECORDER
SAN MATEO COUNTY
OFFICIAL RECORDS

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MAIL TAX STATEMENTS TO:
same as above

CITY SAN MATEO REAL ESTATE CONVEYANCE TAX

AMOUNT OF TAX DUE $ -0- EXEMPT
Computed on full value of the consideration

DOCUMENTARY TRANSFER TAX $ -0- EXEMPT
Computed on the consideration or value of property conveyed; OR
Computed on the consideration or value less liens or encumbrances remaining at time of sale.
the below undersigned declare
Signature of Declarant or Agent determining tax - Firm Name

the below undersigned declare
Declarant's Signature (or Agent) Title/Office

Governmental entity acquiring title
Tax exempt effective November 10, 1909

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, LES ALEXANDER and JUDY ANNE ALEXANDER, husband and wife

hereby GRANT(S) to CITY OF SAN MATEO REDEVELOPMENT AGENCY

91081867

the real property in the City of San Mateo
County of San Mateo, State of California, described as

Lots 18, 19 and 20 in Block 2 as shown on that certain map entitled "B STREET EXTENSION TRACT, SAN MATEO, CALIFORNIA" filed in the Office of the County Recorder of San Mateo County, State of California on January 6, 1927 in Book 14 of Maps at Pages 76 and 77.

AIN No. 032-323-060
032-323-070

JAN No. 032-032-323-06A
032-032-323-07A

Dated June 24, 1991

Les Alexander

Judy Anne Alexander

STATE OF CALIFORNIA
COUNTY OF San Mateo } ss.

On June 25, 1991

before me, the undersigned, a Notary Public in and for said State, personally appeared

Les Alexander and Judy Anne Alexander

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

WITNESS my hand and official seal.

Signature Lori M. Lapper

OFFICIAL NOTARY SEAL
LORI M LAPPE
Notary Public — California
SAN MATEO COUNTY
My Comm. Expires DEC 28,1994

(This area for official notarial seal)

Form 3166

MAIL TAX STATEMENTS AS DIRECTED ABOVE

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the grant deed dated June 24, 1991 from Les Alexander and Judy Anne Alexander to City of San Mateo Redevelopment Agency, a political corporation and/or governmental agency is hereby accepted by order of the City Council on 6/3/91 and the grantee consents to recordation thereof by its duly authorized officer.

Dated: 6/26/91

Arne L. Croce, City Manager

91081967

STATE OF CALIFORNIA)
COUNTY OF SAN MATEO)

On this 26 day of June, 1991, before me, the undersigned a Notary Public in and for said County and State, personally appeared Arne L. Croce proved to me on the basis of satisfactory evidence or known to me to be the person who executed this instrument as City Manager of the City of San Mateo Redevelopment Agency and acknowledged to me that the City of San Mateo Redevelopment Agency executed it.

WITNESS my hand and official Seal.

Isabel Miranda
Notary Public

(Seal)

OFFICIAL SEAL
Isabel Miranda
NOTARY PUBLIC CALIFORNIA
SAN MATEO COUNTY
My Comm. Expires July 29 1993

GOVT. ENTITY ACQUIRING
TITLE - TAX EXEMPT
EFFECTIVE 11/10/69
COUNTY PARCEL NOS. 032-323-060
032-323-070

D3-91

ATTACHMEN

CUSHMAN & WAKEFIELD®
560 S. WINCHESTER BOULEVARD, SUITE 200
SAN JOSE, CA 95128

February 23, 2013

Ms. Lisa Grote
Community Development Director
City of San Mateo
330 West 20th Street
San Mateo, CA 94403

Re: Appraisal of Real Property
In a Self-Contained Report

North B Street
San Mateo, San Mateo County, CA 94401

C&W File ID: 12-38010-900292-002

Dear Ms. Grote:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in a self-contained report dated February 23, 2013. The effective date of value is February 20, 2013.

This appraisal report has been prepared in accordance with our interpretation of your institution's guidelines and the *Uniform Standards of Professional Appraisal Practice* (USPAP).

A portion of the subject site is designated as a CPID parking facility. However, it is a roadway known as Transit Center Way. It provides access from the Transit Center to North B Street.

It is our understanding that lots designated as CPID parking facilities provide parking to property owners who paid in lieu of parking fees rather than provide for on-site parking in the downtown district. While this is a legal issue and we certainly recommend a legal opinion on this issue, it is our opinion that due to the constraints of the CPID parking district, that the portion of the subject parcel designated as a CPID parking facility may not be used for other purposes other than parking. Therefore, as parking is the only obvious use, the value of the subject site would be severely diminished as development on the property could not be entertained as a potential use.

The value impact of this requirement and the subject's value exclusively as a parking lot can only be evaluated through an in depth parking study of downtown San Mateo. It is beyond the scope of this assignment to complete a parking study and it is not within our capabilities to complete such a study.

The purpose of this appraisal is to estimate the market value of the subject site for potential disposition due to dissolution of the Redevelopment Agency in the City of San Mateo as a result of AB X1 26. Currently, ownership of the subject site is held by the Redevelopment Agency. It is our understanding that the City of San Mateo or a successor agency will take ownership of the subject. We understand that in such cases, properties were to be

sold. However, it is also our understanding, that if they are used for public use, these properties may be excluded from sale. It is our opinion that the current use of the subject is a public use. Therefore, without the hypothetical condition used in this report, the subject site has no value as it serves for public use and would not be transferred.

As such, we have completed our appraisal of the subject property with the hypothetical condition that it can be developed to its highest and best use without the requirements to provide parking for the CPID and that the use can be returned from a public right of way to buildable sites.

Considering the As Is Value without the hypothetical condition, the subject site has no value in exchange as it is used as a public right of way.

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion of Market Value:

Value Conclusions

Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value with Hypothetical Condition	Fee Simple	2/20/2013	$600,000
Market Value (As Is-No Hypothetical)	Fee Simple	2/20/2013	$0

Compiled by Cushman & Wakefield Western, Inc.

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions. The value opinions in this report are qualified by the following extraordinary assumptions and hypothetical conditions.

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

We used the hypothetical condition that there is no impact from the CPID and the subject can be developed to its highest and best use. This appraisal does not employ any further hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

Kenneth E. Matlin, MAI, SRA, ASA
Senior Director
CA Certified General Appraiser
License No. AG002022
ken.matlin@cushwake.com
(408) 572-4140 Office Direct
(408) 434-1554 Fax

ATTACHMENT 3

ADMINISTRATIVE REPORT

AGENDA ITEM # 3

MTG. DATE June 3, 1991

TO: Chairperson Powell and Members of the Redevelopment Agency

APPROVED BY: Barbara Kautz, Comm. Dev. Dir.
Arne Croce, City Manager

DATE: May 28, 1991

SUBMITTED BY: Ralph Austin
Ralph Austin, HED Specialist

SUBJECT: AUTHORIZATION TO PURCHASE THE "DEAD PALM TREE" SITE

RECOMMENDATION

That the Redevelopment Agency authorize staff to purchase the "Dead Palm Tree" site located on North B Street.

BACKGROUND

During the May 13, 1991 City Council Executive Study Session, the Redevelopment Agency authorized staff to negotiate the purchase of the "Dead Palm Tree" site on North B Street. Upon that authorization, staff prepared and delivered a formal purchase offer to the owners, Les and Judy Alexander. The owners have agreed to a purchase price of $373,000 ($50/SF), which is the appraised value per the appraisal commissioned by the City.

The site is important to the City for both long- and short-term purposes. In the long-term, it is vital to providing access from B Street and Baldwin Avenue to the likely future development of the CALTRANS property into a transportation and parking facility. In the short-term, the site will be developed as a surface parking lot (approximately 21 spaces) to alleviate current parking pressures in the North B Street area.

FISCAL IMPACTS

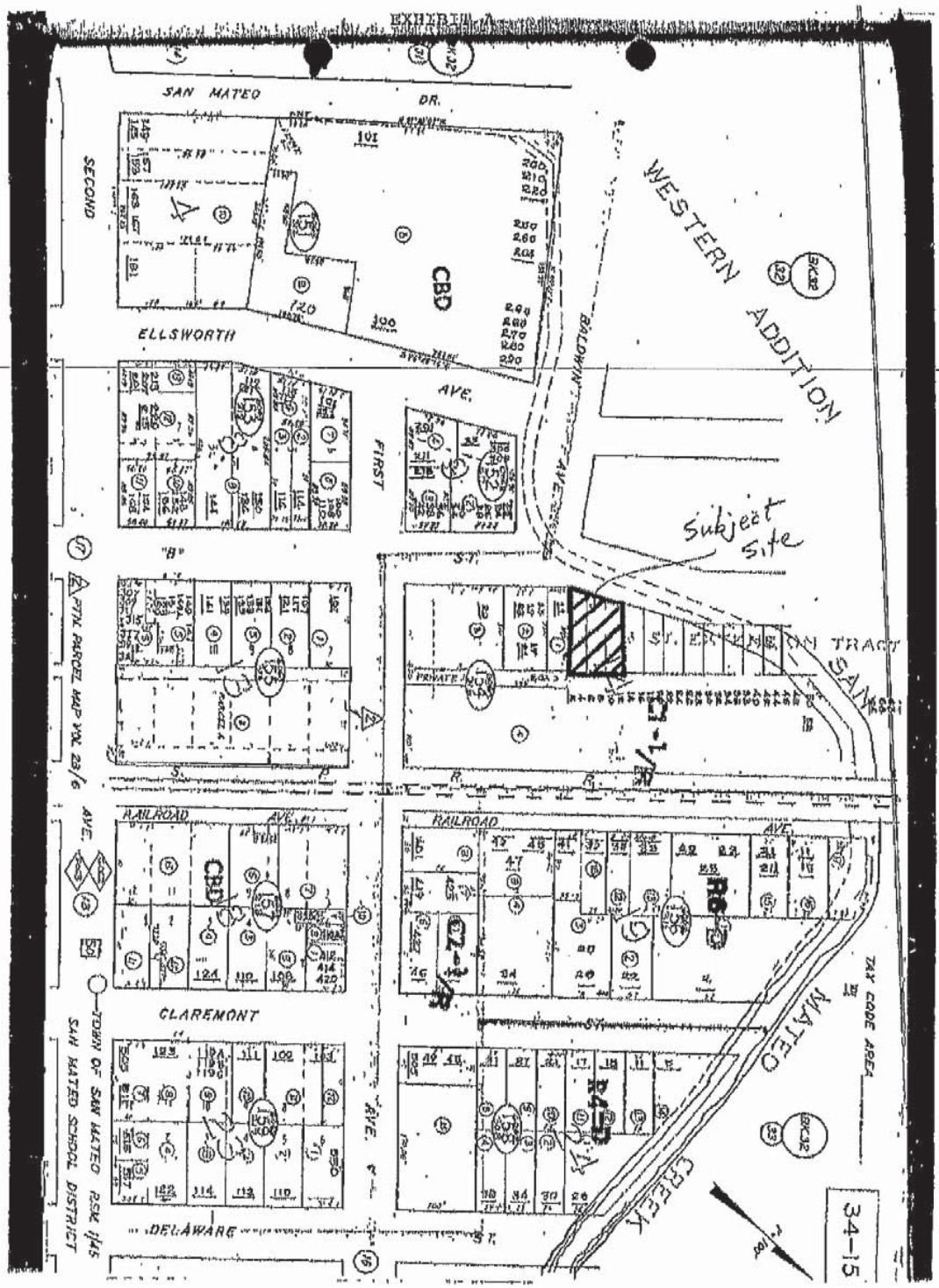
The $373,000 purchase price will be funded from Tax Allocation Bond proceeds targeted specifically for downtown parking site acquisition.

ATTACHMENTS

Exhibit A - Parcel Map

0177d

RECEIVED
MAY 28 2 54 PM '91
OFFICE OF CITY CLERK
CITY HALL
SAN MATEO, CALIF.


EXHIBIT A
SAN MATEO DR.
SECOND
ELLSWORTH AVE.
FIRST
"B"
CBD
WESTERN ADDITION
BALBOA AVE.
subject site
PRIVATE
SAN MATEO TRACT
RAILROAD AVE.
CLAREMONT
DELAWARE ST.
SAN MATEO CREEK
TAX CODE AREA
34-15
TOWN OF SAN MATEO SCHOOL DISTRICT
PTN. PARCEL MAP VOL 23/6

ATTACHMENT 4

This is to certify that the interest in real property conveyed by deed or grant dated November 21, 19 85 from Southern Pacific Transportation Company, a Delaware Corporation, which acquired title as Southern Pacific Railroad Company and Southern Pacific Company to the City of San Mateo, California, a political corporation, and/or Governmental Agency, is hereby accepted by the undersigned officer or agent in behalf of the City Council of said City of San Mateo pursuant to authority conferred by Resolution No. 154 (1977) of the said City Council adopted on August 15, 1977, and recorded October 28, 1977, in Volume 7643 at Page 435, Official Records of San Mateo County, and the grantee consents to recordation thereof by its duly authorized officer.

DATED: November 27, 19 85.

85128380

Doris Christen
DORIS CHRISTEN, CITY CLERK

Govt Entity Acquiring
Title - Tax Exempt
Effective 11-10-69
County Parcel No. 772-012-020
D10-85

RECEIVED
DEC 9 - 1985
SAN MATEO
PUBLIC WORKS DEPT.

Gov. Code Sec. 27281

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

CITY OF SAN MATEO
Department of Public Works
330 West 20th Avenue
SAN MATEO, Ca. 94403
Att. Arch Perry

MAIL TAX STATEMENTS TO

Same As Above

RF ✓
LN ✓
MF ✓
AF ✓
OM ✓

128380

RECORDED AT REQUEST OF
City of San Mateo
Nov 27 4 09 PM '85
MARVIN CHURCH, RECORDER
SAN MATEO COUNTY
OFFICIAL RECORDS

Governmental entity acquiring title.
Tax exempt effective November 10, 1968

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DOCUMENTARY TRANSFER TAX DUE $ NONE
COMPUTED ON FULL VALUE OF PROPERTY CONVEYED.
COMPUTED ON FULL VALUE LESS LIENS/ENCUMBRANCES REMAINING THEREON AT TIME OF SALE
TICOR TITLE INSURANCE

Grant Deed

CONVEYANCE TAX DECLARATION
AMOUNT OF TAX DUE $ NONE
Computed on total value of the consideration
TICOR TITLE INSURANCE

SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation, Grantor,

hereby GRANTS to CITY OF SAN MATEO, a municipal corporation

, Grantee,

that certain real property situated in the County of San Mateo, State of California, and more particularly described in Exhibit "A," attached and hereby made a part hereof.

85128380

Grantor excepts from the property hereby conveyed that portion thereof lying below a depth of 500 feet, measured vertically, from the contour of the surface of said property; however, Grantor, or its successors and assigns, shall not have the right for any purpose whatsoever to enter upon, into or through the surface of said property or any part thereof lying between said surface and 500 feet below said surface.

This grant is made subject to easements, covenants, conditions, reservations and restrictions of record.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed this 21st day of November, 1985.

SOUTHERN PACIFIC TRANSPORTATION COMPANY

By _____
(Title) Vice President-Real Estate

Attest _____
Assistant Secretary

Approved as to form
by General Counsel
March 1, 1981

SN
20 Nov 85

EXHIBIT "A"

Lots 2,3, and 4 of Block 10 as shown upon that certain map as laid out by C.B. Polhemus, recorded in Book 2 of Miscellaneous Records, Page 95, in the Office of the County Recorder of the County of San Mateo, State of California.

85128380

Page 1 of 1

CAT. NO. NN01103-Use with NN01113
TO 528 CA - Part 1 (6-83)

TICOR
TITLE INSURANCE

SAN MATEO COUNTY OFFICES

☐ 333 Marshall Street, Redwood City 94063 (415) 592-7500
☐ 1111 South El Camino Real, San Mateo 94402 (415) 349-1604
☐ 1182 Chestnut Street, Menlo Park 94025 (415) 323-6101
☐ 223 El Camino Real, San Bruno 94066 (415) 583-3991
☐ 1035 E. Hillsdale Blvd., Suite 150, Foster City 94404 (415) 574-5357

PRELIMINARY REPORT

REVISED

IMPORTANT
When replying refer to
Our No. 487932-RWC

Your No.

CITY OF SAN MATEO
320 WEST 20TH AVE
SAN MATEO, CA

ATTN: ARCH PERRY CITY ENGINEER

In response to the above referenced application for a Policy of Title Insurance, **TICOR TITLE INSURANCE COMPANY OF CALIFORNIA** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth on the attached cover. Copies of the Policy forms should be read. They are available from the office which issued this Report.

This Report (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a Policy of Title Insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a Policy of Title Insurance, a Binder or Commitment should be requested.

Dated as of OCTOBER 22, 1985 at 7:30 a.m.

Escrow Officer

MARK SHEPHERD
Title Officer

The form of Policy of Title Insurance contemplated by this Report is:
☐ ALTA Residential Title Insurance Policy - 1979
☐ ALTA Loan Policy - 1970 with ALTA Endorsement Form 1 Coverage (Amended 10-17-70)
☐ CLTA Standard Coverage Policy - 1973
☐ ALTA Owner's Policy Form B - 1970 (Amended 10-17-70)

The estate or interest in the land hereinafter described or referred to covered by this Report is a fee.

Title to said estate or interest at the date hereof is vested in:

SOUTHERN PACIFIC TRANSPORTATION COMPANY, A DELAWARE CORPORATION, WHICH ACQUIRED TITLE AS SOUTHERN PACIFIC RAILROAD COMPANY AND SOUTHERN PACIFIC COMPANY

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions contained in said Policy form would be as follows: (See Attached)

NOTE ONE: TITLE OF THE VESTEE HEREIN WAS ACQUIRED BY DEED RECORDED PRIOR TO SIX MONTHS FROM THE DATE HEREOF.

NOTE TWO: SENATE BILL 1550 (CHAPTER 1004, STATUTES OF 1984) IS EFFECTIVE JANUARY 1, 1985. THIS LAW MANDATES ALL FUNDS BE COLLECTED AND AVAILABLE FOR WITHDRAWAL PRIOR TO DISBURSEMENT. DELAYS IN CLOSING WILL OCCUR IF FUNDING IS BY OTHER THAN BANK WIRE, CASHIER'S CHECK, OR SIMILAR ITEMS DRAWN ON A CALIFORNIA FINANCIAL INSTITUTION. DRAFTS AND CHECKS DRAWN ON OUT-OF-STATE FINANCIAL INSTITUTIONS MAY BE REQUIRED SEPARATE COLLECTION OR MINIMUM STATUTORY PERIOD FOR BANK CLEARINGHOUSE PROCESSING IN LIEU OF NOTICE THAT A PARTICULAR ITEM HAS BEEN PAID.

NOTE THREE: COMMENCING JULY 1, 1985, THE COUNTY RECORDERS WILL REQUIRE A "PRELIMINARY CHANGE OF OWNERSHIP REPORT", SIGNED BY THE TRANSFEREE TO BE ATTACHED TO ALL DOCUMENTS WHICH TRANSFER OWNERSHIP, IF THE REPORT IS NOT ATTACHED TO THE TRANSFER DOCUMENT, THERE WILL BE AN ADDITIONAL $20.00 RECORDING FEE, SAID FEE WILL NOT BE IMPOSED IF THE TRANSFER DOCUMENT IS ACCOMPANIED BY AN AFFIDAVIT THAT THE TRANSFEREE IS NOT A RESIDENT OF CALIFORNIA. OUR BILLINGS WILL BE ADJUSTED TO REFLECT SUCH ADDITIONAL FEES WHEN APPLICABLE.

NOTE FOUR: THE LAND DESCRIBED HEREIN IS SUBJECT TO A CONVEYANCE TAX OF ONE-HALF OF ONE PERCENT (.5%). THE TAX IS COMPUTED ON THE FULL VALUE OF THE LAND WITH NO CREDIT FOR EXISTING LOANS OR BONDS.

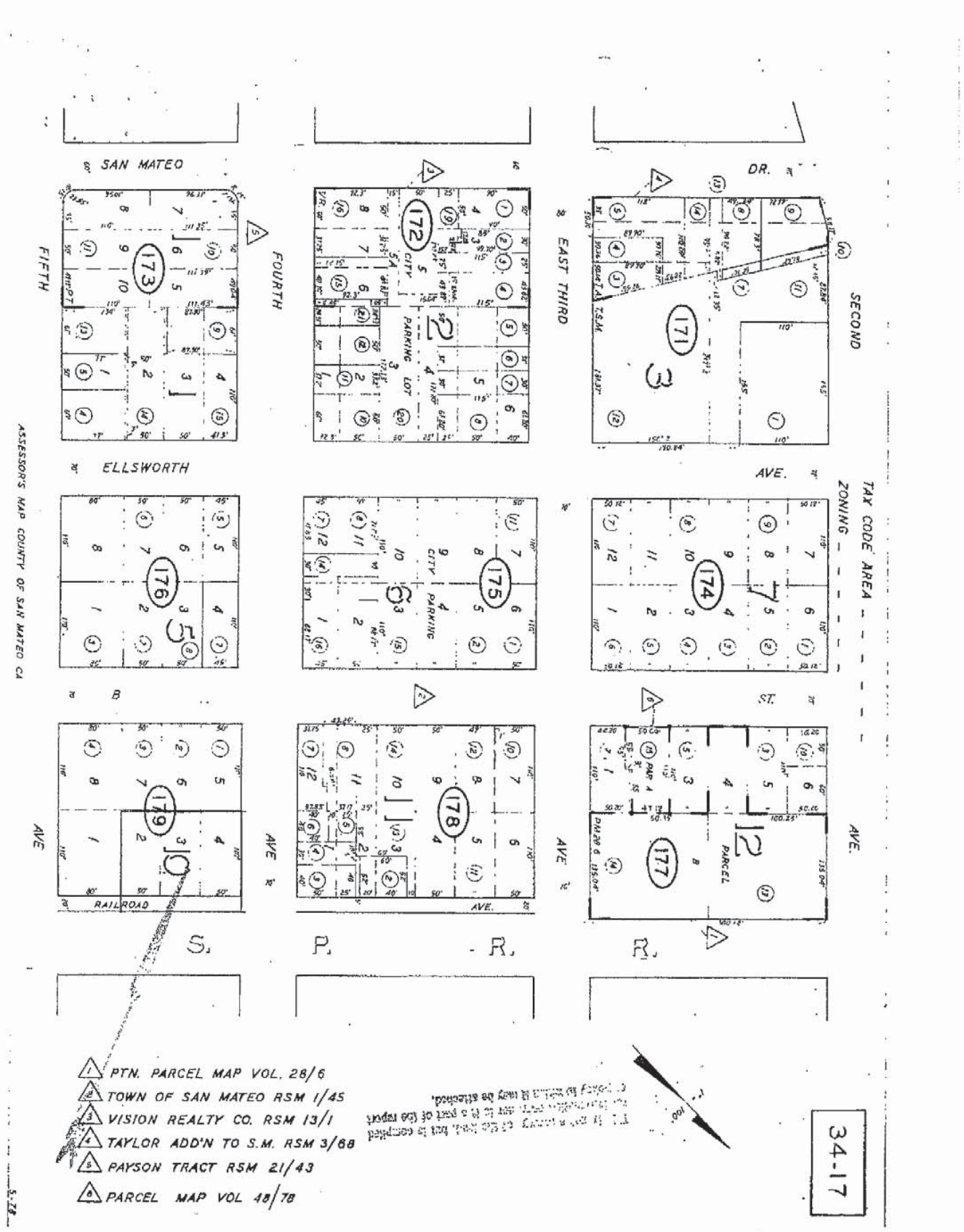
MS/ABM 111985
4 C APPL.
2 C TICOR-RWC, MARIE A. JACOBSON

Schedule C

The land referred to herein is described as follows:

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF SAN MATEO, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 2, 3 AND 4, BLOCK 10, AND THAT PORTION OF RAILROAD AVENUE ADJACENT ON THE NORTHEAST TO BLOCK 10, AS DESIGNATED ON THE MAP ENTITLED "MAP OF THE TOWN OF SAN MATEO, SAN MATEO COUNTY, CAL.", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JANUARY 24, 1863 IN BOOK 2 OF MISCELLANEOUS RECORDS AT PAGE 95, AND A COPY ENTERED IN BOOK 1 OF MAPS AT PAGE 45.


SAN MATEO
DR.
FIFTH
FOURTH
EAST THIRD
SECOND
ELLSWORTH
AVE.
TAX CODE AREA
ZONING
ST.
AVE
RAILROAD
PARKING LOT
CITY
PARCEL
ASSESSOR'S MAP COUNTY OF SAN MATEO CA
PTN. PARCEL MAP VOL. 28/6
TOWN OF SAN MATEO RSM 1/45
VISION REALTY CO. RSM 13/1
TAYLOR ADD'N TO S.M. RSM 3/68
PAYSON TRACT RSM 21/43
PARCEL MAP VOL 48/78
34-17

ATTACHMEN

SAN MATEO CITY REDEVELOPMENT AGENCY

ADMINISTRATIVE REPORT

AGENDA ITEM # 2

MTG. DATE 12/16/85

TO: Mayor and City Council

DATE: December 16, 1985

FROM: Susan Wilson, Housing & Economic Dev. Mgr.

SUBMITTED BY Richard Coleman, Dir. Comm. Dev.

APPROVED BY Richard DeLong, City Manager

SUBJECT: ANNUAL REDEVELOPMENT REPORTS

RECOMMENDATION

Approve and direct staff to submit to the State of California the:

1) Annual State Controllers Report
2) Annual Statement of Indebtedness
3) Annual Work Program
4) Annual Work Progress Report
5) Annual Recommendations for Legislation

BACKGROUND

The State of California Redevelopment Law requires that redevelopment agencies prepare, approve and submit prior to December 31st of each year, the following reports:

1) Annual State Controllers Report - which identifies for each redevelopment project area, the amount of tax increment received and expended for (a) capital projects, (b) debt service, (c) housing and (d) other purposes. The report also has special housing questionnaire section.

2) Annual Statement of Indebtedness - which identifies the expenditure cap for each redevelopment project area and compares the cap to the actual amount of expenditures to date.

3) Annual Work Program - which is a general indication of proposed work planned in each of the redevelopment project areas for FY 85-86.

4) Annual Work Progress Report - which explains in general terms the redevelopment agency's progress towards accomplishing the previous year's work program.

5) Annual Recommendations for Legislation - which identifies current legislative trends and recommendations for FY 85-86.

The aforementioned items meet the state requirements and adhere to the format established by previous year's reports.

FISCAL IMPACT

None.

EXHIBITS - San Mateo City Redevelopment Agency 1985-86 Report

SAW:jm

cc: City Clerk's Office, City Attorney's Office, Finance Dept.

SAN MATEO CITY REDEVELOPMENT AGENCY
1985-86 REPORT

WORK PROGRAM for 1985-86

GENERAL

1. Establishment of Agency policy for the use of tax increments for housing.

DOWNTOWN PROJECT AREA

1. Establishment of Agency goals on the project area improvements.
2. Establishment of Agency policy for the use of tax increment for public improvements.
3. Begin sidewalk and landscaping improvements in the downtown core.
4. Purchase parking sites.

SHORELINE PROJECT AREA

1. Continue installation of the East Third Avenue Widening Project.
2. Continue installation of Marina Lagoon Pumping Station improvements.
3. Continue and complete installation of the Channel Hydraulic Structure at the Marina Lagoon.
4. Begin 3rd and Bayshore Interchange

PRIOR YEAR ACHIEVEMENTS

GENERAL

1. All necessary fiscal and administration proceedures were established and implemented.
2. Agency policy for the use of tax increment for housing was not established. General negotiating guidelines were provided by the Council for use with individual developers. The Redevelopment Agency negotiated housing requirements with Anden Development Company for low and moderate income housing in the Shoreline Redevelopment Project Area and with BAC Associates in the Downtown Redevelopment Project Area.

San Mateo City Redevelopment Agency
1985-86 Report contd.

DOWNTOWN PROJECT AREA

1. Agency policy on the nature of the Downtown Redevelopment process and goals on the project area improvements was accomplished with the adoption of the Downtown Specific Plan. However, the Agency will continue to work in 1985-86 to establish project priorities, financing and time tables for implementation.

   Noteworthy in 1984-85 was the purchase of a parking site on B Street between 4th and 5th Avenues, which reflects the goals of the approved Downtown Specific Plan.

SHORELINE PROJECT AREA

1. The construction on the San Mateo Creek Bridge is complete.

2. The Seal Slough Bridge is completed.

3. The Marina Lagoon Pumping Station Improvements are 20% complete.

4. One (1) Channel Hydraulic structure at Marina Lagoon is completed and two (2) more are scheduled for completion in 1986.

LEGISLATIVE RECOMMENDATIONS

The redevelopment legislature in 1984-85 focused primarily on housing issues. More attention was given to the housing set aside funds requirement by redevelopment agencies (AB 265) and the extent to which redevelopment agency powers assisted low and moderate income persons (AB 2124, SB 134, SB 568, AB 1185). The Community Redevelopment Agencies Association recommends that cities should be on guard for new legislation which further limits local agencies ability to utilize tax-exempt financing, in the form of tax allocation bonds, to implement redevelopment activities.

2/a

ATTACHMENT 6

FEB 2 9 08 [illegible]

OFFICE OF CITY CLERK
CITY HALL
SAN MATEO, CALIF.

RESOLUTION NO. 18 (1989)

APPROVING A GRANT DEED TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO FOR A SURFACE PARKING LOT AT FOURTH AND RAILROAD AVENUES AND APPROVING A LEASEBACK OF SAID LOT FROM THE AGENCY

RESOLVED, by the Council of the City of San Mateo, California, that:

WHEREAS, this City previously received a grant deed to the surface parking lot at Fourth and Railroad Avenues described in Exhibit "A" attached hereto; and

WHEREAS, the lot was incorrectly placed in City's name although funds of the Redevelopyment Agency of the City of San Mateo were used for acquisition; and

WHEREAS, City wishes to correct the grant and at the same time accept a lease back of the lot from the Redevelopment Agency;

NOW, THEREFORE, IT IS HEREBY DETERMINED, that:

1. The City of San Mateo hereby approves a grant of the parking lot, described in Exhibit "A" attached hereto, to the Redevelopment Agency of the City of San Mateo and authorizes the Mayor to execute a Grant Deed. The City Council finds that Redevelopment Agency funds were used to purchase said lot and that title was incorrectly taken in the Agency's name.

2. The City hereby approves a lease of said lot from the Redevelopment Agency, as attached hereto as Exhibit "B".

The City directs the Finance Director to establish a 10-year rental value of the lot based upon the purchase price of $554,509.00. The annual value shall be $55,450.00 and shall be credited by the City to the CPID. For 1989 the loss of revenue from the proposed free service parking spaces put into service in 1989 is $7590.00.

The lot shall be utilized by the CPID which will operate and maintain the lot for the benefit of the Downtown.

Mayor

ATTEST:

Doris Christen
City Clerk

2816G

ORIGINAL

5N
20 NOV 85

EXHIBIT "A"

Lots 2,3, and 4 of Block 10 as shown upon that certain map as laid out by C.B. Polhemus, recorded in Book 2 of Miscellaneous Records, Page 95, in the Office of the County Recorder of the County of San Mateo, State of California.

85128380

LEASE OF FOURTH AND RAILROAD AVENUES
PARKING LOT BETWEEN THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN MATEO AND THE
CITY OF SAN MATEO

THIS LEASE is entered into this 6th day of February, 1989, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO, hereinafter called "Agency", and the CITY OF SAN MATEO, hereinafter called "City".

R E C I T A L S:

WHEREAS, Agency owns a parking lot at Fourth and Railroad Avenues and wishes to lease it to City to operate; and

WHEREAS, Agency has found that such lease is consistent with its Redevelopment Plan and City concludes that the lease is consistent with the objectives of its CPID;

NOW, THEREFORE, It Is Hereby Agreed as follows:

1. PREMISES. The real property described in Exhibit "A", a parking lot at Fourth and Railroad Avenues, is leased to City by Agency.

2. USE. City shall use said premises as a parking lot in accordance with its CPID.

3. TERM. This lease shall be effective until December 31, 2003, and may be extended by agreement of the parties for an additional 15 years upon the same terms and conditions as set forth herein.

4. CONSIDERATION. In consideration for the lease of premises, City agrees to operate said lot and to maintain it in a reasonably prudent and acceptable manner. In the event that City fails to satisfactorily operate said premises, Agency shall give notice to City stating the reasons for City's non-performance. City shall have 90 days to cure and if City fails to cure, Agency may terminate the agreement.

5. CPID. Agency understands that City has a CPID which will receive the benefit of the lot and which shall be responsible to operate the lot. Agency also understands that the CPID, in City's discretion, may receive use of the lot without charge but with the obligation to operate and maintain.

/s/ PAUL J. GUMBINGER, Chairman
Agency

ATTEST: (SEAL) /s/ DORIS CHRISTEN
Secretary

2817G

/s/ PAUL J. GUMBINGER, Mayor
City

ATTEST: (SEAL) /s/ DORIS CHRISTEN
City Clerk

EXHIBIT B

20 Nov 85

EXHIBIT "A"

Lots 2,3, and 4 of Block 10 as shown upon that certain map as laid out by C.B. Polhemus, recorded in Book 2 of Miscellaneous Records, Page 95, in the Office of the County Recorder of the County of San Mateo, State of California.

85128080

* * *

Resolution adopted by the City Council of the City of San Mateo, California, at a regular meeting held on February 6, 1989, by the following vote of the Council members:

AYES: Council Members POWELL, BAKER, RHOADS, MACK and GUMBINGER

NOES: NONE

ABSENT: NONE

ATTACHMENT

CUSHMAN & WAKEFIELD

560 S. WINCHESTER BOULEVARD, SUITE 200
SAN JOSE, CA 95128

February 26, 2013

Ms. Lisa Grote
Community Development Director
City of San Mateo
330 West 20th Street
San Mateo, CA 94403

Re: Appraisal of Real Property
In a Self-Contained Report

E. 4th Ave. & Railroad Ave.
San Mateo, San Mateo County, CA 94401

C&W File ID: 12-38010-900292-004

Dear Ms. Grote:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in a self-contained report dated February 25, 2013. The effective date of value is February 20, 2013.

This appraisal report has been prepared in accordance with our interpretation of your institution's guidelines and the *Uniform Standards of Professional Appraisal Practice* (USPAP).

A portion of the subject site is designated as a CPID parking facility. The portion affected comprises approximately 16,506 square feet. The subject site has an easement affecting the subject site. It runs from the back of the Talbot building to the south across the subject to E. 4th Avenue. This reduces the utility of the subject.

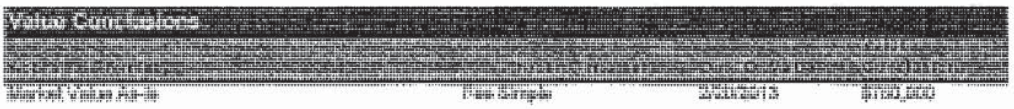
It is our understanding that lots designated as CPID parking facilities provide parking to property owners who paid in lieu of parking fees rather than provide for on-site parking in the downtown district. While this is a legal issue and we certainly recommend a legal opinion on this issue, it is our opinion that due to the constraints of the CPID parking district, that the portion of the subject parcel designated as a CPID parking facility may not be used for other purposes other than parking. Therefore, as parking is the only obvious use, the value of the subject site would be severely diminished as development on the property could not be entertained as a potential use.

The value impact of this requirement and the subject's value exclusively as a parking lot can only be evaluated through an in depth parking study of downtown San Mateo. It is beyond the scope of this assignment to complete a parking study and it is not within our capabilities to complete such a study.

The purpose of this appraisal is to estimate the market value of the subject site for potential disposition due to dissolution of the Redevelopment Agency in the City of San Mateo as a result of AB X1 26. Currently, ownership of the subject site is held by the Redevelopment Agency. It is our understanding that the City of San Mateo or a successor agency will take ownership of the subject. We understand that in such cases, properties were to be sold. However, it is also our understanding, that if they are used for public use, these properties may be excluded from sale. It is our opinion that the current use of the subject is a public use.

As such, we have completed our appraisal of the subject property with the hypothetical condition that it can be developed to its highest and best use without the requirements to provide parking for the CPID.

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion of Market Value:



Compiled by Cushman & Wakefield Western, Inc.

The value opinion in this report is qualified by certain assumptions, limiting conditions, certifications, and definitions. The value opinion in this report is qualified by the following extraordinary assumptions and hypothetical conditions.

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

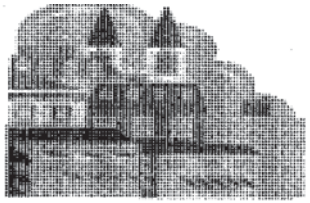
We used the hypothetical condition that there is no impact from the CPID and the subject can be developed to its highest and best use. This appraisal does not employ any further hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

Kenneth E. Matlin, MAI, SRA, ASA
Senior Director
CA Certified General Appraiser
License No. AG002022
ken.matlin@cushwake.com
(408) 572-4140 Office Direct
(408) 434-1554 Fax



ATTACHMENT 8

CENTRAL PARKING AND IMPROVEMENT DISTRICT

City of San Mateo, 330 West 20th Avenue, San Mateo, CA 94403, 415/377-3315

INTRODUCTION

The provision of convenient parking for shoppers and employees is a vital part of maintaining a thriving and competitive downtown. Many downtowns face the traditional problem of being developed prior to the automobile becoming a major factor in daily life and, therefore, lack sufficient parking. Developing and maintaining parking is a necessary and legitimate part of doing business in any downtown area.

In 1954, the City Council formed the Central Parking and Improvement District (CPID) to address downtown parking related concerns. The CPID was created as a method for financing land acquisition and construction of public parking facilities for the benefit of downtown businesses. Bonds were sold to pay for land and the construction of parking facilities.

Property owners within the boundaries of the CPID (see Map 1) repay the bond debt (and other costs related to operation and maintenance of the district) on an annual basis through an assessment collected by the County on the property tax bill.

The CPID presently includes three surface lots and four parking structures providing a total of approximately 1,300 parking spaces (see Map 2 for locations). In addition, there are approximately 1,060 on-street metered spaces for short term parking. Meter revenue funds a majority of the operation and maintenance of the parking facilities.

Within the CPID is an area called the Primary Benefit Zone (PBZ) (see Map 1). This area includes the downtown retail core and most of the City's public parking facilities. It is called a primary benefit zone because the public parking facilities are in close proximity, providing convenience and maximum benefit for those businesses located within the zone.

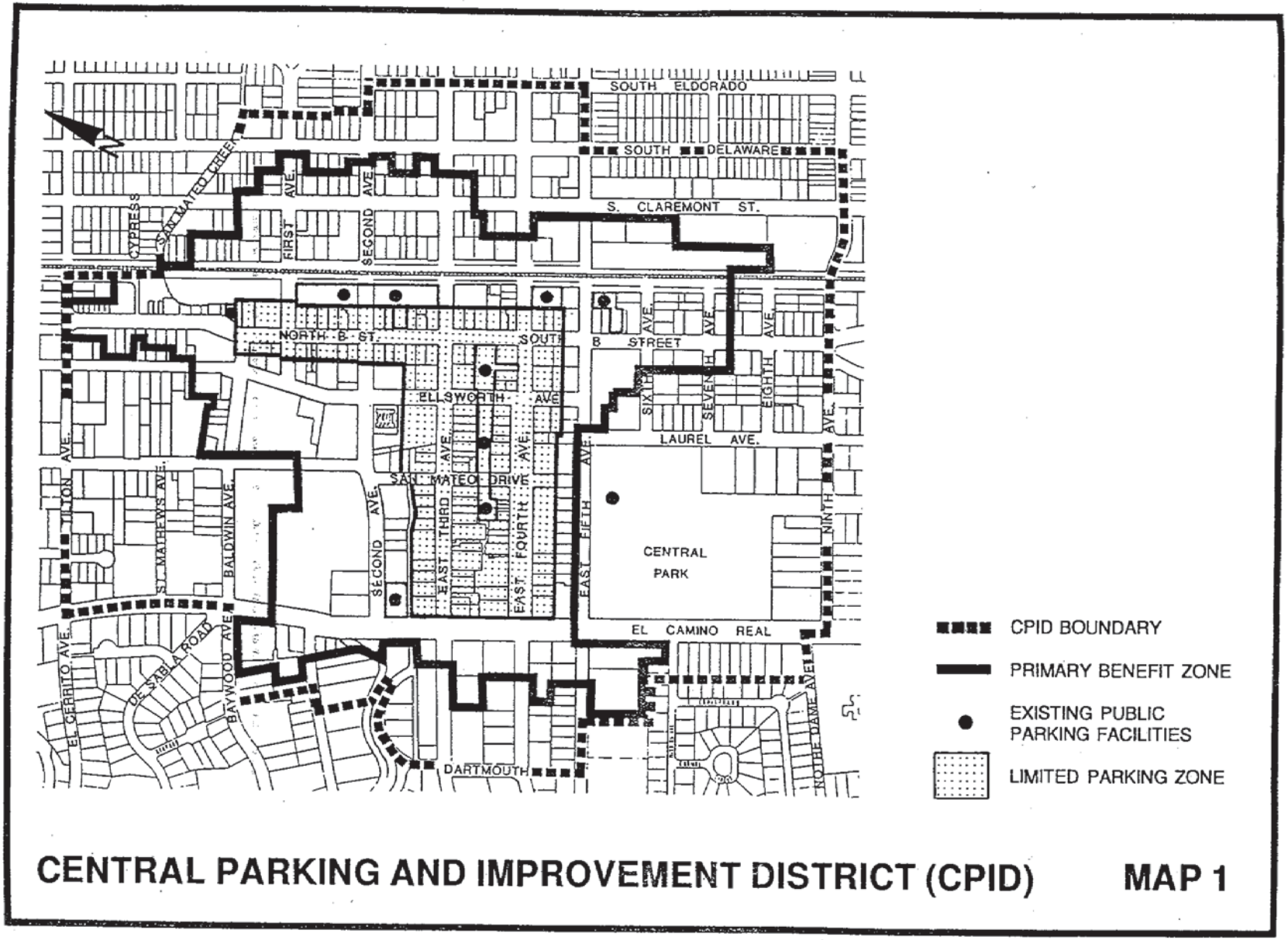
HOW THE CPID WORKS

The CPID is self-supporting. Current policy sets assessments to raise revenue to cover the cost of bond debt, steam cleaning of sidewalks, and a downtown police officer. The remaining district operation and maintenance costs are covered by meter revenue and interest income.

The City of San Mateo administers the CPID. Each year a CPID budget is prepared which includes debt service, administration, operation and maintenance, and security. As part of the budget process, assessment revenue is determined. A CPID Assessment Report is then prepared which shows each non-residential property owner's share of costs to be assessed. (Residential property is exempt from assessments.) The actual assessment varies depending on whether the non-residential property owner is within or outside the PBZ (see related sections below). The Assessment Report is adopted by the City Council after hearings in July of each year. After adoption, the Report is sent to the County for inclusion on property tax bills.

ASSESSMENTS OF NON-RESIDENTIAL PROPERTY WITHIN THE PRIMARY BENEFIT ZONE

Properties developed with only residential uses are exempt from CPID assessments. The owners of non-residential property within the Primary Benefit Zone pay both a minimum uniform assessment and a parking deficiency assessment. The minimum uniform assessment, which raises 25% of the total amount collected, is based on the current assessed land value of the property (improvements are excluded). The parking deficiency assessment, which raises 75% of the total amount collected, is based on the number of deficient parking spaces at the property. Parking deficiencies are defined as the difference between the parking required for the businesses on the property, under the Zoning Code, and the actual parking provided. If all required parking is provided, there will not be a parking deficiency assessment for the property, only the minimum uniform assessment.



CENTRAL PARKING AND IMPROVEMENT DISTRICT (CPID) **MAP 1**

Properties in the Primary Benefit Zone which are located to the east of the railroad tracks pay only half of the amount for parking deficiencies because of the barrier to parking posed by the railroad tracks.

Owners of non-residential property in the PBZ which have vacant building space may receive a vacancy credit for parking requirements. At the beginning of each calendar year, the City sends a Vacancy Claim form to all non-residential property owners in the PBZ. This claim form may be used to report any tenant space which was vacant during the previous calendar year. If more than 10% of space is vacant during the prior year, a credit reducing the parking requirement is given. Credit is based on the amount of parking required for that use and the duration of the vacancy. For example, a one-year vacancy for a 10,000 square foot building requiring payment of 10 deficient parking spaces would have a vacancy credit for nine parking spaces (one parking space or 10% being assessed as a typical vacancy for the year).

The claim form also serves to provide current information on tenant activity in the downtown. Property owners are required to list all tenant changes on the form so the City's records are as accurate as possible.

ASSESSMENTS OF NON-RESIDENTIAL PROPERTY OUTSIDE THE PRIMARY BENEFIT ZONE

The owners of non-residential property outside the Primary Benefit Zone, but within the CPID, pay only the minimum uniform assessment which is based on the assessed value of land. The assessed value of land is based on the most current County Assessor's property tax file. Owners in this category do not pay for parking deficiencies because the properties and their businesses do not receive the benefit of being in close proximity to City parking facilities.

CHANGE OF TENANT(S) OR EXPANSION OF EXISTING BUILDINGS

A change of business tenant(s), or the addition of floor area to an existing building may result in revised parking requirements and therefore a revised CPID assessment. If the reuse or alteration of an existing building results in a net increase of 10 required parking spaces or less, the additional spaces may either be provided on-site or be included as parking deficiencies which can be assessed.

New construction or changes in tenant(s) resulting in an increase of more than 10 required parking spaces is regarded as having a significant impact on the existing downtown parking supply. Because of this impact, a deficiency payment option is not allowed. The property owner is required to either provide the additional spaces, or pay an in-lieu fee which is currently $9,000 per space. In-lieu fee payments are used to help finance continued expansion of parking facilities. A property owner may also choose to enter into an agreement with the City to make monthly payments for the in-lieu fee over a 25-year period at an interest rate of 10%.

It is important to note that in the core of the downtown, the City's policy is to limit surface parking lots along retail frontage areas so they are not broken up by parking lots. Property owners in the Limited Parking Zone (see Map 1) should be aware that businesses in this zone have specific limits on where on-site parking is allowed. The Planning Division can provide detailed information regarding the Limited Parking Zone.

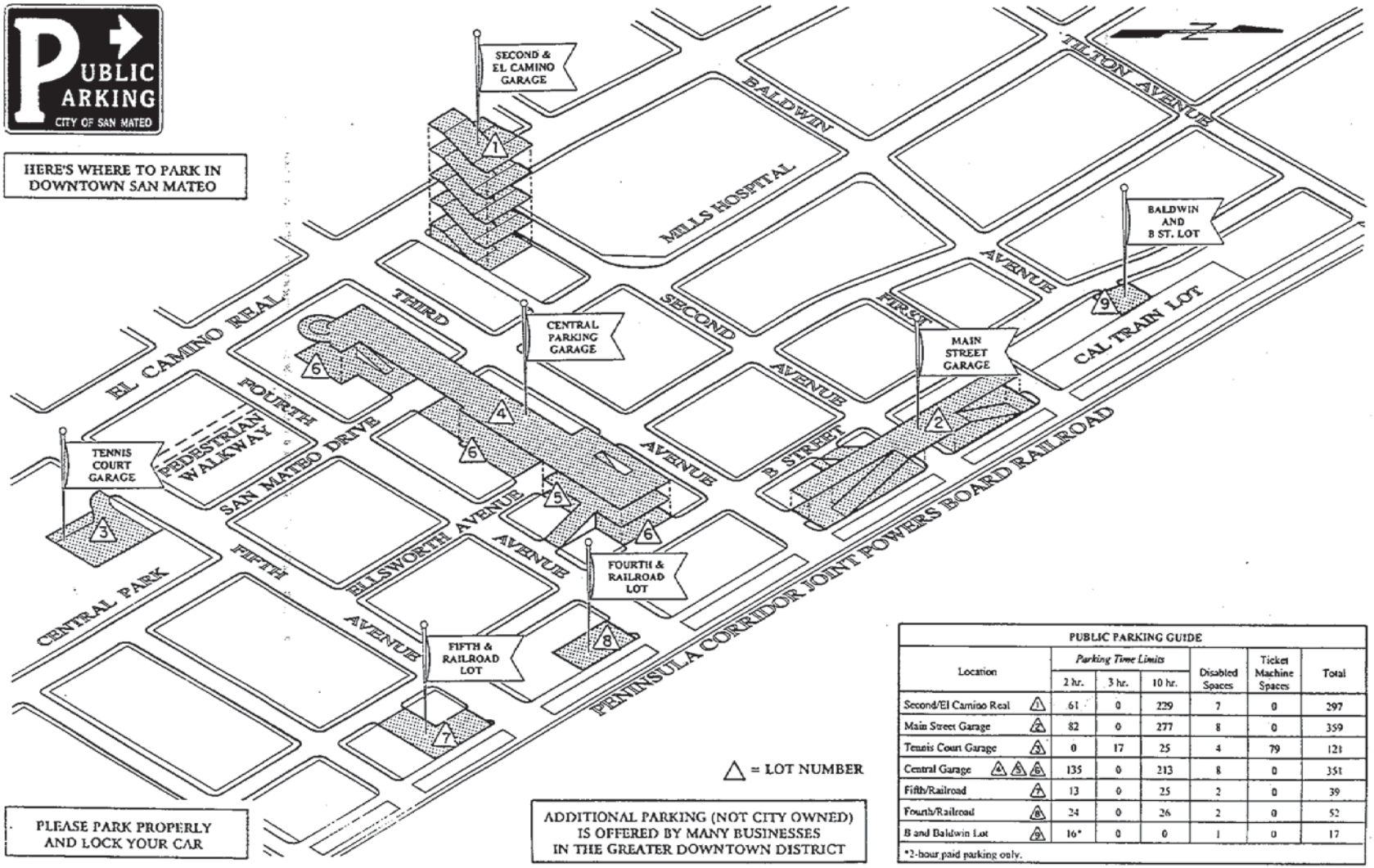
In general, new businesses and businesses which relocate in the CPID are required to complete the City's Business Certificate Application form. This form is submitted to the Finance Department and checked by the Planning Division for zoning compliance and possible changes to the parking requirements for the property. Building owners are ultimately responsible for any parking assessment and should be aware of effects that change of tenant(s) or expansion of existing buildings may have on parking requirements. The Planning Division can provide information to both prospective business owners and property owners with respect to zoning compliance and parking requirements for the property.

NEW BUILDINGS

If existing buildings on a parcel are demolished to provide for new construction, the previous parking deficiency calculation for the property is eliminated. New development is required to provide parking for the new use(s) of the property in relation to current zoning code requirements or pay in-lieu fees. The code allows only a limited amount of parking to be provided on property in the downtown Limited Parking Zone (see Map 1). Potential developers and property owners should check with the Planning Division regarding code requirements in the Limited Parking Zone.

f:\a forms\cpid-gui.95

DOWNTOWN PUBLIC PARKING FACILITIES MAP 2



PUBLIC PARKING GUIDE

Location	Parking Time Limits 2 hr.	3 hr.	10 hr.	Disabled Spaces	Ticket Machine Spaces	Total
Second/El Camino Real △1	61	0	229	7	0	297
Main Street Garage △2	82	0	277	8	0	359
Tennis Court Garage △3	0	17	25	4	79	121
Central Garage △4 △5 △6	135	0	213	8	0	351
Fifth/Railroad △7	13	0	25	2	0	39
Fourth/Railroad △8	24	0	26	2	0	52
B and Baldwin Lot △9	16*	0	0	1	0	17

*2-hour paid parking only.

Planning

ATTACHMENT 9

DEPARTMENT OF PUBLIC WORKS
330 W. Twentieth Avenue
San Mateo, California 94403-1388

TELEPHONE:
DIRECTOR: (415) 377-3315
ENGINEERING & TRAFFIC DIV.: (415) 377-3315
MAINTENANCE DIV.: (415) 377-4630
WATER QUALITY CONTROL PLANT: (415) 377-4690

April 30, 1987

Mr. Gordon A. Moore
445 - South B Street
San Mateo, CA 94401

RE: Agreement In Support Of Encroachment Permit, Talbot's Toys, PA 86-96

Dear Gordon:

Enclosed is a copy of the signed agreement allowing vehicles owned or operated by your customers and employees to exit from the parking lot behind Talbot's Toys onto the City parking lot. If we can be of any further assistance please do not hesitate to call.

Very truly yours,

ROBERT G. BEZZANT
DIRECTOR OF PUBLIC WORKS

Althea Arnold

ALTHEA ARNOLD
ASSOCIATE ENGINEER

AA:1672g

Enclosure

File

AGREEMENT IN SUPPORT OF ENCROACHMENT PERMIT

Joan T. Moore and Gordon A. Moore (hereinafter Moores), on behalf of themselves, their heirs, successors, and assigns, and as owners of that certain real property located at 415 and 445 South B Street, City of San Mateo, County of San Mateo, State of California, and the City of San Mateo (hereinafter City) as owners of that certain real property located at the southwest corner of East Fourth Avenue and Railroad Avenue in the City of San Mateo, County of San Mateo, State of California, hereby agree as follows:

1. The City shall permit the Moores to allow vehicles owned or operated by their customers and employees to exit from the Moores' property described above to reach East Fourth Avenue across the City's property described above, all as generally shown on Exhibit A hereto.

2. The encroachment permit application and the permit itself granted pursuant to this Agreement is hereby incorporated by reference as though set forth in full in this Agreement.

3. Moores agree to name the City, its officers, and employees, on their public liability insurance as it affects the Moores' property described above and to provide a certificate of insurance to that effect before using the permit granted under this Agreement.

4. The City agrees to name the Moores as additional insureds on its public liability insurance policies with respect to its own operation of its property described above and to provide a certificate of insurance to that effect to the Moores.

5. This Agreement may be terminated by either party to the Agreement upon thirty (30) days written notice to the other party.

6. Upon termination, the Moores shall immediately seal the passage between the City's property and the Moores' property. If the passage is not sealed to the satisfaction of the City within fifteen (15) days of the termination of this Agreement, the City is hereby authorized and permitted to enter upon the Moores' property as the City deems necessary to effectuate the sealing of the passage to the satisfaction of the City. Moores agree to hold the City, its officers and employees harmless for and to defend against any and all damages or claims asserted by any person with relation to the sealing of the passage.

7. Notices as provided in this Agreement shall be given as follows:

To City: Director of Public Works
City of San Mateo
330 W. 20th Avenue
San Mateo, CA 94403

To Moores: Gordon A. Moore
445 South B Street
San Mateo, CA 94401

8. Waivers of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

9. No modification, waiver, termination, or amendment of this Agreement is effective unless made in writing signed by the City and Moores.

10. If any term of this Agreement is held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in effect.

11. This Agreement sets forth the entire understanding between the parties.

IN WITNESS WHEREOF, the City and the Moores have executed this Agreement on April 14, 1987.

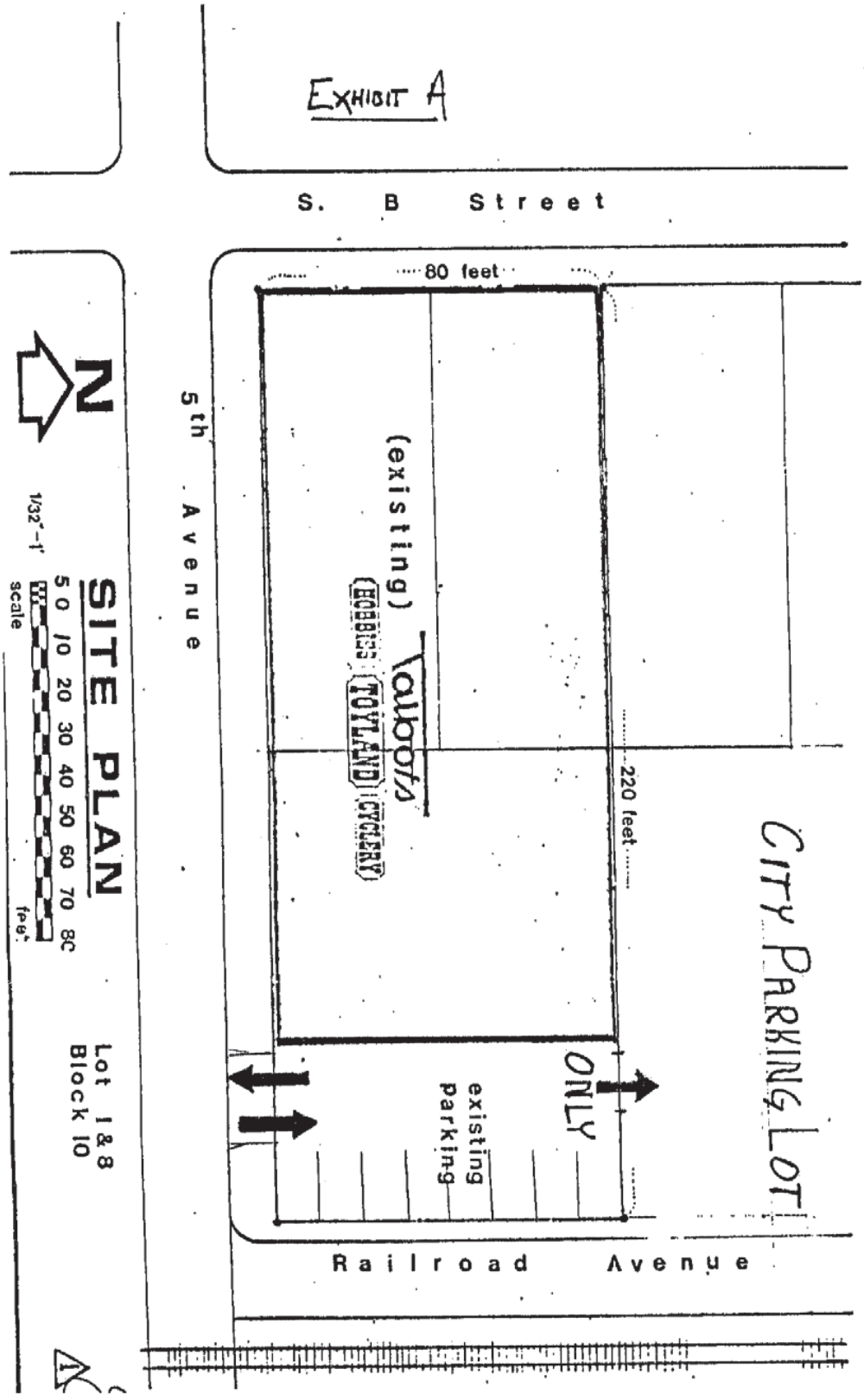
CITY OF SAN MATEO

City Manager

MOORES

Gordon A. Moore

Joan T. Moore


EXHIBIT A
S. B Street
80 feet
5th Avenue
(existing)
Talbot's
HOBBIES TOYLAND CYCERY
220 feet
CITY PARKING LOT
ONLY
existing parking
Railroad Avenue
N
SITE PLAN
1/32"-1' scale
5 0 10 20 30 40 50 60 70 80
feet
Lot 1 & 8
Block 10

ATTACHMENT 10
ILLUSTRATION OF PRIVATE PARKING AT 407 S. B STREET
ACCESSED THROUGH 4TH AND RAILROAD PARKING LOT

Parcel Map of 407 South B Street (APN 034-179-020)



Image of Private Parking at Rear of 407 South B Street



ATTACHMENT 11

REDEVELOPMENT PLAN
FOR THE
SAN MATEO CITY DOWNTOWN REDEVELOPMENT PROJECT

REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO

As amended by the City Council of the City of San Mateo by Ordinance No. 21 on October 21, 1996. Original adoption by Ordinance No. 25 on July 8, 1981, amended by Ordinance No. 1 on January 19, 1994.

REDEVELOPMENT PLAN
FOR THE
SAN MATEO CITY DOWNTOWN REDEVELOPMENT PROJECT

I. [§100] INTRODUCTION

This is the Redevelopment Plan (the "Plan") for the San Mateo City Downtown Redevelopment Project (the "Project") in the City of San Mateo (the "City"), County of San Mateo, State of California, and consists of the Text, the Redevelopment Plan Map (Exhibit "A"), and the Proposed Public Work Improvement Projects (Exhibit "B"). This Redevelopment Plan was prepared by the Redevelopment Agency of the City of San Mateo (the "Agency") pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.), the California Constitution, and all applicable local laws and ordinances. As of the effective date of the ordinance or ordinances approving Amendment No. 1 to the Plan ("Amendment No. 1"), this Plan shall mean the Plan, as amended by Agency Ordinance No. 1994-1 and the ordinance or ordinances approving Amendment No. 1.

The proposed redevelopment of the Project Area as described in this Plan conforms to the current General Plan for the City of San Mateo and to the Downtown Specific Plan.

This Redevelopment Plan is based upon a Preliminary Plan formulated and adopted by the Planning Commission of the City of San Mateo (the "Planning Commission") by Resolution No. 2, adopted on February 9, 1981.

This Plan provides the Agency with powers, duties, and obligations to implement and further the program generally formulated in this Plan for the redevelopment, rehabilitation, and revitalization of the areas within the boundaries of the San Mateo City Downtown Redevelopment Project as shown on the Redevelopment Plan Map (the "Project Area"). This Plan does not present a specific plan or establish priorities for specific projects for the redevelopment, rehabilitation, and revitalization of any area within the Project Area. Instead, this Plan presents a process and a basic framework within which specific development plans will be presented, priorities for specific projects will be established, and specific solutions will be proposed, and by which tools are provided to the Agency to fashion, develop, and proceed with such specific plans, projects, and solutions. This Redevelopment Plan shall provide a means to implement the Downtown Specific Plan.

The purposes of the California Community Redevelopment Law will be attained: (1) through the installation of new or replacement of existing public improvement, facilities and utilities in areas which are currently inadequately served with regard to such improvements, facilities and utilities; (2) by the elimination of areas suffering from economic dislocation as a result of faulty planning; and (3) by protecting and promoting sound development and redevelopment of blighted areas and the general welfare of the citizens of the City by remedying such injurious conditions through the employment of appropriate means. The major goals of this Plan are listed as follows:

(1)Eliminate environmental deficiencies in the Project Area including, among others, deteriorated and inadequate public improvements;

(2)Improve pedestrian and vehicular circulation in the Project Area;

(3)Replan, redesign, and develop undeveloped areas which are stagnant or improperly utilized;

(4)Strengthen retail and other commercial functions in the Project Area;

(5)Strengthen the economic base of the Project Area and the community by installing needed improvements to stimulate new private investment, employment, and economic growth;

(6)Provide adequate land for parking and open spaces;

(7)Establish and implement performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project Area; and

(8)Assembly of land into parcels suitable for modern, integrated development.

II. [§200] DESCRIPTION OF PROJECT AREA

The boundaries of the Project Area are shown on the Redevelopment Plan Map, attached hereto as Exhibit "A" and made a part hereof, and are described as follows:

That certain area in the City of San Mateo, County of San Mateo, State of California, described as follows:

NOTE:For the purpose of this description, the Bayshore Freeway in San Mateo is assumed to be in a general Northerly-Southerly direction.

PROJECT SUBAREA A

(1)Beginning at a point that is the intersection of the Southerly line in Baywood Avenue with the Westerly line of El Camino real; thence,

(2)Northerly along the Westerly line of El Camino Real to the Westerly prolongation of the Northerly line of St. Matthew's Avenue; thence,

(3)Easterly along said line to the Westerly boundary of San Mateo County Assessor's Parcel No. 32-311-220; thence,

(4)Northerly along said Westerly boundary and the Westerly line of Assessor's Parcel No. 32-311-230 to the Northerly line of said Parcel No. 32-311-230; thence,

(5)Easterly along said Northerly line to the Easterly line of Assessor's Parcel No. 32-311-130; thence,

EXHIBIT "B" (Revised 1996)

PROPOSED PUBLIC WORK IMPROVEMENT PROJECTS

DOWNTOWN PROJECT

1. Key Site Purchase/Lease

2. Transit Center

3. Traffic Improvements

4. Utility Conversions for Undergrounding

5. Public Facilities

6. Park Improvements

7. Parking Sites/Structures/Repair

8. Downtown Entry Features

9.Beautification/Streetscape/Landscaping/ Lighting

10. Sewer System Upgrades

NOTE: The listing of projects shall not be deemed limitations on the Agency to carry out and implement the Redevelopment Plan.

i:\housing\masters\redevel\dntwnpln

27.64.100 PARKING ASSESSMENT AND SPECIAL DISTRICTS.

ATTACHMENT 12

27.64.100 PARKING ASSESSMENT AND SPECIAL DISTRICTS.

(a) Downtown Specific Planning Area—Central Parking and Improvement District (CPID).

(1) Minimum Parking Requirements. Where a parcel of real property is located within the Central Parking and Improvement District, new projects to be located on said parcel shall meet the off-street parking requirements as follows:

MINIMUM PARKING STALLS REQUIRED

STALLS PER 1,000 GROSS SQUARE FEET OF FLOOR AREA
EXCEPT WHERE OTHERWISE INDICATED

Use	Employee/Resident	Visitor/Customer	Total
(A) Hotels, excluding accessory restaurants and bars	1 per 5 units	1 per 5 units	2 per 5 units
(B) Indoor Theatres and Cinemas			
Weekly matinees	1 per 50 fixed seats	1 per 5.5 fixed seats	1 per 5 fixed seats
Weekend matinees and evenings	1 per 50 fixed seats	0	1 per 50 fixed seats
(C) Offices			
Financial	1.3	0.8	2.1
General	2.4	0.2	2.6
Medical	3.1	0.2	3.3
(D) Residential uses (within the Retail Core Subarea as defined in the Downtown Specific Plan)			
Studio	1.0 per unit	0.2	1.2 per unit
1 bedroom	1.3 per unit	0.2	1.5 per unit
2 bedrooms	1.5 per unit	0.2	1.7 per unit
3 or more bedrooms	1.8 per unit	0.2	2.0 per unit
(E) Restaurants and bars, excluding fast food restaurants	1.4	2.5	3.9
(F) Retail stores	1.4	0.5	1.9
(G) Services	1.4	0.5	1.9

(H) Other Uses. All uses not specified above shall provide the off-street parking facilities as specified in Sections 27.64.160 through 27.64.270.

(2) New Projects. New projects shall include the following:

(A) New construction of buildings on a vacant or previously-built-upon parcel;

(B) External expansion of existing buildings or established uses including all added floor area that creates need for additional parking;

(C) New use in an existing building or structure with or without substantial internal renovation that results in a requirement for additional parking under the provisions of this chapter.

(3) All new projects that enter into parking agreements with the CPID shall be subject to the assessment defined in current CPID resolutions. New projects as defined in subsections (2)(B) or (C) will be required to provide additional parking in the amount that the parking requirement caused by the expansion or new use exceeds the parking requirement established on June 19, 1986 as follows:

(A) Properties within the Primary Benefit Zone shall provide required parking or pay parking in-lieu fees if the additional parking required exceeds 10 parking spaces; otherwise, a new project under subsection (2)(B) or (C) will cause the project property owner's parking deficiency under the current CPID assessment resolution to be increased by the number of additional parking spaces required by the new use or expansion or the number of existing and required parking spaces eliminated, or both.

(B) Properties outside the Primary Benefit Zone shall provide required parking or pay parking in-lieu fees for any additional parking required as a result of a new project under subsections (2)(B) or (C) or the elimination of existing and required parking spaces, or both.

(4) Limited Parking Zone (LPZ). Restrictions on parking in the limited parking zone in addition to other requirements of this chapter are as follows:

(A) All Uses. New vehicular access to loading facilities, parking lots or structures and buildings is prohibited along street frontages within the limited parking zone. Existing curb cuts along street frontages in the LPZ shall be eliminated, unless the following requirements are met:

(i) Curb cuts are needed for access to parking or loading facilities and do not negatively affect retail continuity or pedestrian safety; and

(ii) A site plan and architectural review for the access is approved.

(B) Residential Uses. Parking shall be provided as follows:

(i) On-site, provided that vehicular access from a street in the limited parking zone is prohibited unless no other access is feasible and no remote parking facility such as leased spaces is available or can be made available within 200 feet;

(ii) On a site outside the limited parking zone; or

(iii) By lease or agreement with the City or CPID when a CPID parking facility is located within 200 feet.

(C) Nonresidential Uses. Parking may be provided on-site in an amount not to exceed the required number of visitor stalls, subject to the approval of a special use permit. On-site parking in excess of the required visitor stalls may be allowed subject to approval of a special use permit where a new project meets one (1) of the following:

(i) The parcel has primary access from a street outside the limited parking zone; or

(ii) The parcel is located on a corner site which has a minimum lot area of 22,000 square feet or one-half the land area of the block in which the use is located, whichever is less.

(5) Parking Expansion Zone. Parking provided in addition to the minimum parking requirements may be leased to the CPID on a long term basis as public parking in accordance with a current CPID resolution.

(6) Employee and Resident Parking.

(A) New projects within the CPID shall provide required employee and resident parking by one (1) or more of the following means:

(i) On-site, if located outside the limited parking zone;

(ii) Off-site through construction or lease of private spaces, subject to approval of a special use permit; or

(iii) By CPID lease, in-lieu fee payment, or parking agreement, as defined by a current CPID resolution, subject to availability.

(B) Any nonresidential use outside the limited parking zone may reduce employee parking in accordance with the following:

(i) Demonstration by the applicant that the amount of floor area per full-time equivalent employee exceeds the following due to unusual circumstances:

Retail/Service	1 per 450 sq. ft.	General Office	1 per 250 sq. ft.
Financial	1 per 540 sq. ft.	Medical Office	1 per 210 sq. ft.
Restaurants	1 per 520 sq. ft.		

A reduction in the employee parking requirement may be granted equal to the percentage difference between the lower employee density demonstrated by the applicant and the employee density standards delineated above.

(7) Visitor and Customer Parking. New projects within the CPID may utilize the spaces provided by the CPID for the visitor and customer parking requirement, subject to assessment as defined by a current CPID resolution and availability of spaces.

(8) Loss of Metered Parking. New projects which result in the loss of on-street metered CPID parking spaces shall compensate the CPID for the loss of metered parking by one (1) of the following:

(A) Provide replacement stalls on-site within 200 feet of a new residential use or within 500 feet of a new non-residential use, to be made available for use by the public;

(B) Compensation to the CPID for the cost of providing replacement parking, in accordance with a current CPID resolution; or

(C) Approval of a special use permit by the Planning Commission, based on the finding that the improvements which necessitate the loss of metered parking spaces improve overall street circulation.

(b) Downtown Specific Planning Area—Outside the Central Parking and Improvement District. Minimum off-street parking requirements for residential and non-residential uses shall be as specified in Sections 27.64.160 through 27.64.260.

(c) 25th Avenue Parking District. Where a parcel of real property is located within the boundaries of the 25th Avenue motor vehicle off-street parking assessment district, a building or structure not to exceed one (1) story in

height may be constructed and maintained on said parcel without provisions for, or maintenance of, off-street parking facilities for all executive and commercial uses. Off-street parking facilities shall be installed and maintained for each story in excess of one (1) story, so that the total number of parking spaces provided for the additional story or stories, shall meet the off-street parking requirements as specified herein.

(d) Hillsdale Station Area. Where a parcel of real property is located within the Hillsdale Station Area Plan boundary, off-street parking is subject to the Station Area Parking Requirements listed in the Plan. In addition, all new development on such properties must prepare a Trip Reduction and Parking Management Plan as detailed in the Hillsdale Station Area Plan, including, but not limited to, Table 6-1, Station Area Parking Requirements. (Ord. 2011-5 § 7; Ord. 2009-7 § 32; Ord. 1993-17 § 1; Ord. 1993-12 § 1; Ord. 1992-15 § 25; Ord. 1990-19 § 1; Ord. 1989-19 § 4; Ord. 1989-10 § 2; Ord. 1987-29 § 5; Ord. 1986-13 § 1; Ord. 1981-27 § 44; Ord. 1979-7 § 11; Ord. 1978-18 § 95; Ord. 1973-8 § 1; Ord. 1969-26 § 2; prior code § 151.03(C))

View the mobile version.

14a

ATTACHMENT 13

RECEIVED
MAR 1 5 03 PM '89
OFFICE OF CITY CLERK
CITY HALL
SAN MATEO, CALIF.

RESOLUTION NO. 29 (1989)

PROVIDING FOR IN-LIEU PAYMENTS FOR PROVISION OF PARKING IN CENTRAL PARKING IMPROVEMENT DISTRICT IN DOWNTOWN SAN MATEO

RESOLVED, by the Council of the City of San Mateo, California, that:

WHEREAS, it is important to provide an efficient and beneficial means of providing parking in the Downtown San Mateo area, and

WHEREAS, the City presently permits the leasing of parking spaces from the Central Parking Improvement District (CPID) to meet a property's parking requirements under the Zoning Code, and

WHEREAS, the Downtown Specific Plan of the City of San Mateo General Plan provides that in-lieu payments are to be an alternative to provision of parking on-site, and

WHEREAS, it appears to be in the best interest of the City, property owners, and the Downtown to also provide for an in-lieu payment system in order to sustain the maximum flexibility, and

WHEREAS, a fee of $9000 per parking space is an in-lieu fee that is reasonably attributable to development projects to which the fee will apply, in that the actual cost of constructing such a parking space would range from $14,000 to $21,000 in 1988 dollars,

NOW, THEREFORE, BE IT RESOLVED:

1. The sum of $9,000 per parking space is established as the in-lieu payment to the Central Parking Improvement District as the amount that will satisfy the requirement for provision of one parking space within the Central Parking Improvement District.

2. Execution of a parking in-lieu agreement and payment of this amount for each required parking space will be accepted by the City in satisfaction of parking space requirements. Any such agreement shall be executed by both the owner of the real property to be benefited by the in-lieu payment process and the tenant whose use is creating the parking requirement.

3. The property owner and tenant shall be entitled to one parking sticker per parking space payment usable in the all-day (5 hours or

ORIGINAL

more) CPID parking spaces during any quarter that the applicable in-lieu payments, if any, are current. The presumption shall be that the tenant is entitled to the parking stickers unless otherwise provided in the parking in-lieu agreement.

4. A person seeking to use this in-lieu fee payment in satisfaction of a parking space requirement may agree in writing with the City to make the payment over a term of years at the annual interest rate of 10.0%.

5. Resolution No. 40 (1979) and Resolution No. 97 (1979) and all subsequent amendments thereto, including but not limited to Resolution No.169 (1979) and Resolution No. 56 (1988), are hereby repealed.

6. It shall be the express policy of the Council that the provision of this in-lieu payment process shall replace the previous parking space lease process, and such leasing shall not be used without further express action by the Council.

7. The City Manager is hereby authorized to execute in-lieu parking payment agreements pursuant to this Resolution.

8. The City Manager is directed to cause all proceeds from such parking in-lieu agreements to be deposited into a special CPID capital improvement fund to assist in funding land acquisition and construction of future parking facilities in the CPID.

Mayor

ATTEST:

Doris Christen
City Clerk

* * *

Resolution adopted by the City Council of the City of San Mateo, California, at a regular meeting held on March 6, 1989, by the following vote of the Council members:

AYES: Council Members POWELL, MACK RHOADS, BAKER and GUMBINGER

NOES: NONE

ABSENT: NONE

ATTACHMENT 14

Account No: R 28-4691-362109 **Title:** CPID PARKING - IN LIEU FEES **Fiscal Year:** 2008

Debit / Credit:	C	**Account Class:**	op Operating (excl fixed chrgs)	**Cash / Inv Code:**	
Status Code:	0	**Report Group 1:**		**Nominal / Real:**	
JC Required:	N	**Report Group 2:**		**Budgeted:**	Y
Standard Acct:	Y	**Account Type:**		**Allotment:**	N

Locked: N
Budget Account:
Year End Estimate: 0.00

Account History

Year	Total Budget	Revenues	Balance
2016	0.00	0.00	0.00
2015	0.00	0.00	0.00
2014	0.00	225,000.00	225,000.00-
2013	0.00	0.00	0.00
2012	0.00	63,000.00	63,000.00-
2011	0.00	0.00	0.00
2010	18,000.00	0.00	18,000.00
2009	0.00	0.00	0.00
2008	45,000.00	0.00	45,000.00
2007	45,000.00	333,000.00	288,000.00-
2006	0.00	27,000.00	27,000.00-
2005	0.00	1,125,000.00	1,125,000.00-

Account Activity

Period	Total Budget	Revenue	Balance
1	45,000.00	0.00	45,000.00
Totals:	45,000.00	0.00	45,000.00

Transaction Detail

Period	Jrnl	Doc Type	Doc Date	Post Date	Group	Reference	Description	Amount	D/C

Budget Adjustments: 0.00 **Activity:** 0.00

ATTACHMENT 15

2014-020569
11:30 am 03/12/14 AG Fee: 39.00
Count of Pages 9
Recorded In Official Records
County of San Mateo
Mark Church
Assessor-County Clerk-Recorder

When Recorded, Mail to:
City Clerk
City of San Mateo
330 West 20th Avenue
San Mateo, CA 94403

Attention: Planning Division
Attn: PA#10-008 Nazareth Terrace Mixed Use/BD#2013-246313

PARKING IN LIEU FEE AGREEMENT
(CENTRAL PARKING IMPROVEMENT DISTRICT (CPID))

THIS AGREEMENT is entered into this Seventh day of March, 2014, by and between the CITY OF SAN MATEO, ("City"), and Mounir Kardosh, the owner(s), ("Property Owner(s)") of real property located at 234 Seventh Avenue (APN: 034-196-010 (Affects Parcels I & II), JPN: 034-19-196-01A and APN: 034-196-020 (Affects Parcels III), JPN: 034-19-196-02A), City of San Mateo, County of San Mateo and as shown in Exhibit A, ("Property"), within the City's Central Parking Improvement District (CPID), as designated on that certain map entitled Central Parking Improvement District Services of the City of San Mateo Downtown Area Plan dated May 18, 2009, as shown in Exhibit B.

RECITALS

WHEREAS, Property Owner(s) wish(es) to use the Property for a use that is required under the City Zoning Code [San Mateo Municipal Code section 27.64.100] to provide parking spaces or alternatively to meet its parking requirements by entering into this agreement for participation in an in lieu fee parking program with the purpose of raising funds to construct additional parking facilities within the downtown, and

WHEREAS, Property Owner(s) wish(es) to enter into this agreement to pay in lieu fees to meet a portion of City's parking requirement applicable to Property Owner's(s') intended use and to thereby benefit the Property by augmenting funding for the construction of additional parking facilities in the downtown area, and

WHEREAS, City is willing to enter into said agreement on the terms and conditions set forth below;

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

1. PAYMENT. Property Owner(s) agree(s) to pay City Two Hundred and Twenty Five Thousand Dollars (USD$225,000) prior to issuance of Property Owner's(s') building permit.

2. SATISFACTION OF PARKING REQUIREMENTS. City acknowledges Property Owner's(s') satisfaction of parking requirements in accordance with Municipal Code section

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27.64.100 by payment to City of San Mateo Central Parking Improvement District of in lieu fees in the amount of Two Hundred Twenty Five Thousand Dollars (USD$225,000) in satisfaction of Zoning Code requirements of Twenty-Five (25) parking spaces at a cost of Nine-Thousand Dollars (USD$9,000) per parking space.

The Property Owner(s) propose to pay in lieu fees for Twenty-Five (25) parking space(s) to satisfy the parking requirements, due to proposed construction of the project, which requires the provision of a total of Fourty-Four (44) parking spaces. The project is proposed to provide Nineteen (19) residential parking spaces on the project site, with the remaining Twenty-Five (25) parking space(s) to be met through payment of a Parking In-Lieu Fee and recordation of this Parking In Lieu Fee Agreement. A detailed Parking Data Sheet is included as Exhibit C, which shows the breakdown of the required parking for this project.

No actual spaces shall be provided by City under this Agreement although Property Owner(s) may separately lease parking stickers or parking permits for use in City owned parking garages.

Satisfaction of Code parking requirements for Twenty-Five (25) spaces by payment of in lieu fees, as acknowledged herein, shall run with the land.

3. ASSIGNMENT AND MARKING OF SPACES. It is understood and agreed that no spaces will be assigned or marked for Property Owner(s) in City parking garages or elsewhere.

4. CHANGE OF USE. The parking requirement referred to herein is based upon the use(s) of the Property described in Building Permit BD#2013-246313. In the event that a change in the use(s) occurs, this agreement must be amended to reflect any modified obligations, if any, or other added in lieu fee compensation warranted by changed parking requirements, but said change of use shall not in itself require a change in other terms of this agreement.

5. CHANGE IN CITY PARKING REQUIREMENTS. In the event of a future decrease in parking requirements applicable to the Property, under no circumstances shall City be required to reimburse in lieu fees already paid to it under this agreement.

6. DEFAULT. Each of the following shall constitute an event of default under this Agreement:

a. Payment Default. Property Owner(s) fail(s) to make any payment when due under this Agreement.

b. Other Defaults. Property Owner(s) fail(s) to comply with or to perform any other term, obligation, covenant, or condition contained in this Agreement.

c. False Statements. Any warranty, representation, or statement made or furnished to City by Property Owner(s) or on Property Owner's(s') behalf under this Agreement is false or misleading in any material respect.

d. Cure Provisions. If any default, other than a default in payment is curable and if Property Owner(s) has(have) not been given a notice of a breach of the same provision of this Agreement within the preceding 12 months, it may be cured, if Property Owner(s), after receiving a written notice from City demanding cure of such default: (1) cure(s) the default within 15 days; or (2) if the cure requires more than 15 days, immediately initiate(s) steps which City deems in City's sole discretion to be sufficient to cure the default and thereby continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

7. CITY'S REMEDIES IN EVENT OF FAILURE TO CURE. City may select any and all legal remedies available in the event of the breach of this agreement, including, but not limited to criminal citations, suit for unpaid charges, and injunction. The prevailing party shall be entitled to attorney's fees and costs.

8. JOINTLY AND SEVERALLY LIABLE. If there is more than one property owner, the property owners are jointly and severally liable under this Agreement.

9. COSTS AND ATTORNEY FEES. Attorney fees in an amount not exceeding $85 per hour per attorney, and in total amount not exceeding $5,000, shall be recoverable as costs (by the filing of a cost bill) by the prevailing party in any action or actions to enforce the provisions of this Agreement. The above $5,000 limit is the total of attorney fees recoverable whether in the trial court, appellate court, or otherwise, and regardless of the number of attorneys, trials, appeals, or actions. It is the intent of this Agreement that neither party shall have to pay the other more than $5,000 for attorney fees arising out of an action, or actions, to enforce this Agreement.

10. NOTICE. All notices herein shall be in writing and delivered in person or by first class mail as follows:

To City:
City of San Mateo
ATTN: Community Development Director
330 West 20th Avenue
San Mateo, CA 94403

To Property Owner(s):
Mounir Kardosh
800 South B Street, Suite #100
San Mateo, CA 94401

11. ASSIGNMENT. Neither this agreement nor the rights hereunder may be assigned or otherwise transferred on a permanent or temporary basis for use on behalf of any real property other than the Property. The terms of this agreement shall be binding on the successors in interest to Property Owner(s).

12. AGREEMENT CONTAINS ALL UNDERSTANDINGS; AMENDMENT. This Agreement represents the entire integrated agreement between City and Property Owner(s) and supersedes all prior negotiations, representations, and agreements, either written or oral.

This document may be amended only by written instrument, signed by both City and Property Owner(s).

13. GOVERNING LAW AND VENUE. This Agreement is governed by the laws of the State of California and, in the event of litigation, venue will be in the County of San Mateo.

IN WITNESS WHEREOF, this Parking In Lieu Fee Agreement has been duly executed by the parties above named to be effective as of Seventh day of March, 2014.

PARTIES' SIGNATURES TO BE NOTARIZED

PROPERTY OWNER(S):

Mounir Kardosh

Date: 3/4/14

CITY OFFICIAL:

Larry Patterson, INTERIM CITY MANAGER

Date: 3-11-14

ATTEST:

Patrice M. Olds, City Clerk

Date: 3-11-14

Approved as to form:

Gabrielle Whelan, Assistant City Attorney

Date: 3/7/14

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JURAT FORM

STATE OF CALIFORNIA)

COUNTY OF San Mateo)

Subscribed and sworn to (or affirmed) before me on this 6 day of March, 20 14 by Nicolas Elsousou,

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

NOTARY PUBLIC SIGNATURE (NOTARIAL SEAL)

NICOLAS ELSOUSOU
Commission # 1914501
Notary Public - California
San Francisco County
My Comm. Expires Nov 26, 2014

OPTIONAL INFORMATION

THIS OPTIONAL INFORMATION SECTION IS NOT REQUIRED BY LAW BUT MAY BE BENEFICIAL TO PERSONS RELYING ON THIS NOTARIZED DOCUMENT.

TITLE OR TYPE OF DOCUMENT _____

DATE OF DOCUMENT _____

When executing a jurat, a notary shall administer an oath of affirmation to the affiant and shall determine, from satisfactory evidence, that the affiant is the person executing the document. The affiant shall sign the document in the presence of the notary.

To order supplies, please contact McGlone Insurance Services, Inc. at (916) 484 0804.

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"EXHIBIT A"

ALL THAT REAL PROPERTY IN QUESTION SITUATED IN THE CITY OF SAN MATEO, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS AND SHOWN IN THE ATTACHED MAP:

PARCEL I:

LOT 1 IN BLOCK 3 AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF HAYWARD ADDITION TO THE CITY OF SAN MATEO, COUNTY OF SAN MATEO, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON NOVEMBER 2, 1904 IN BOOK D OF ORIGINAL MAPS AT PAGE 61 AND COPIED INTO BOOK 3 OF MAPS AT PAGE 43.

PARCEL II:

THE NORTHWESTERLY 15 FEET, FRONT AND REAR MEASUREMENTS OF LOT 2 IN BLOCK 3 AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF HAYWARD ADDITION TO THE CITY OF SAN MATEO, COUNTY OF SAN MATEO, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON NOVEMBER 2, 1904, IN BOOK "D" OF ORIGINAL MAPS AT PAGE 61 AND COPIED INTO BOOK 3 OF MAPS AT PAGE 43.

PARCEL III:

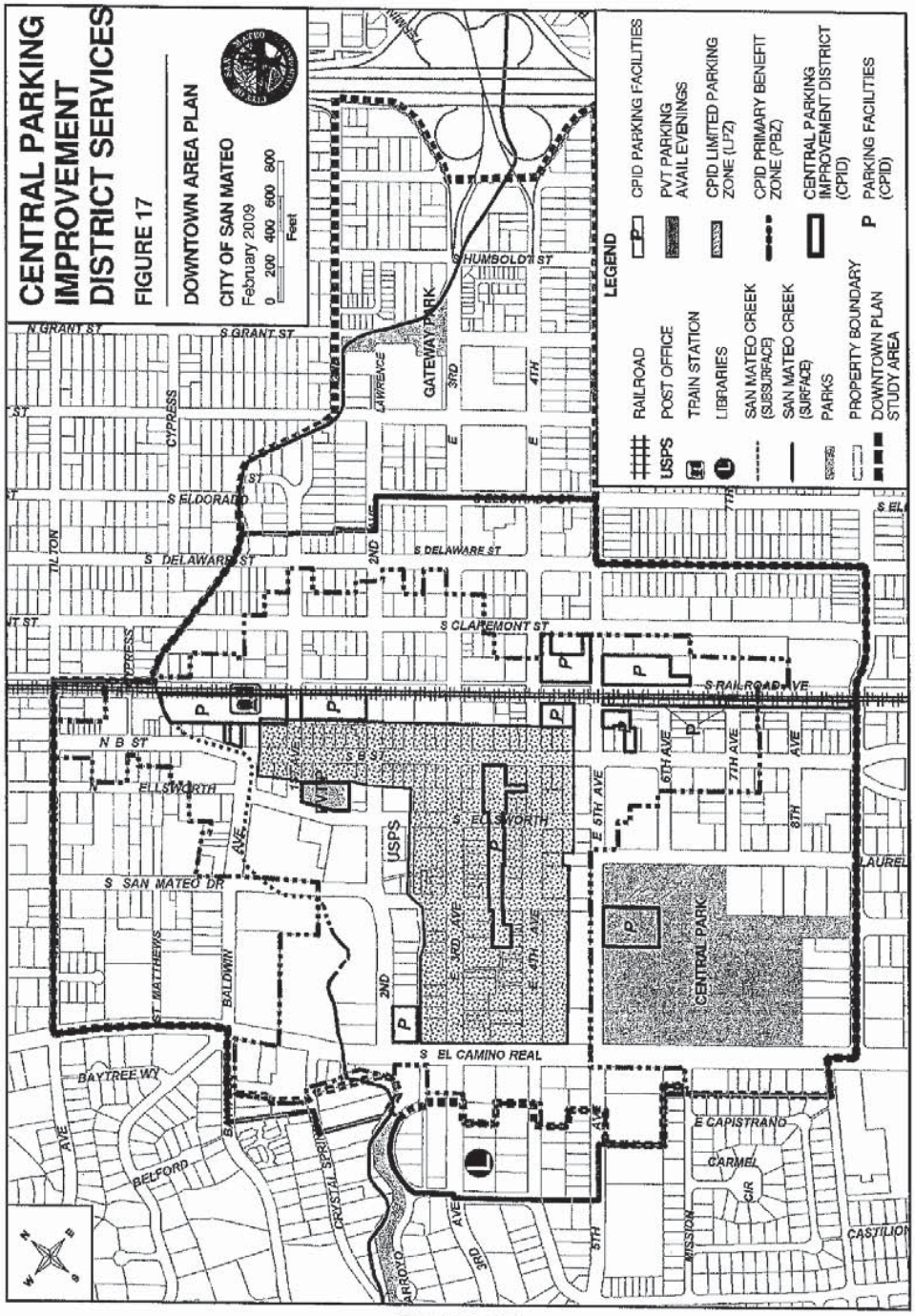
THE SOUTHEASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 2 IN BLOCK 3 AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF HAYWARD ADDITION TO THE CITY OF SAN MATEO, COUNTY OF SAN MATEO, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON NOVEMBER 2, 1904, IN BOOK D OF ORIGINAL MAPS AT PAGE 61 AND COPIED INTO BOOK 3 OF MAPS AT PAGE 43.

APN: 034-196-010 (Affects Parcels I & II), JPN: 034-19-196-01A AND
034-196-020 (Affects Parcels III), JPN: 034-19-196-02A

Location Address: 234 Seventh Avenue, San Mateo, CA

ORIGINAL

"EXHIBIT B"



"EXHIBIT C"

PA#10-008 Nazareth Terrace Mixed Use/BD#2013-246313
Parking In Lieu Fee Agreement

ORIGINAL

-6-

"EXHIBIT C"
PARKING DATA SHEET
[THIS DATA SHEET SHOWS THE DIFFERENCE BETWEEN PLANNING APPLICATION (PA#10-008) AND THE SUBSEQUENT BUILDING PERMIT APPLICATION (BD2013-246313).]

PROJECT SITE INFORMATION: Property is located within the CPID.
(Note: The information below references parking requirements contained in San Mateo Municipal Code (SMMC) 27.64 OFF-STREET PARKING.)

LAND USE CATEGORY (Per SMMC27.64)	***PROPOSED (Per PA10-008)***	**PROPOSED (Per BD2013-246313)**	**PARKING RATIO (Per SMMC 27.64)**	**MINIMUM REQUIRED**
Retail	*3,031 gross floor area*	No change proposed by applicant.	1.9 spaces per 1,000 sq ft of gross floor area	5.76 spaces
General Office	*7,273 gross floor area*	No change proposed by applicant.	2.6 spaces per 1,000 sq ft of gross floor area	18.9 spaces
			Total Commercial Parking Requirement:	**25 spaces**

LAND USE CATEGORY (Per SMMC27.64)	***PROPOSED (Per PA10-008)***	**PROPOSED (Per BD2013-246313)**	**PARKING RATIO (Per SMMC 27.64)**	**MINIMUM REQUIRED**
Residential				
1-Bedroom Units (units that are less than 1,400 sq ft)	*6 units*	2 units	1.8 spaces per unit (1.6 resident stalls & 0.2 visitor stalls)	3.6 spaces
2-Bedroom Units (units that are less than 1,400 sq ft)	*2 units*	2 units	2.0 spaces per unit (1.8 resident stalls & 0.2 visitor stalls)	4 spaces
2-Bedroom Units (units that are 1,400 sq ft or larger)	*0*	2 units	2.2 spaces per unit (2.0 resident stalls & 0.2 visitor stalls)	4.4 spaces
3-Bedroom Units	*3 units*	3 units	2.2 spaces per unit (2.0 resident stalls & 0.2 visitor stalls)	6.6 spaces
Total Units Proposed:	*11 units**	9 units		
			Total Residential Parking Requirement:	**19 spaces**
**Change in units was proposed by applicant during the Building Permit Phase of the project.*				

	PROPOSED (Per PA10-008)	**PROPOSED (Per BD2013-246313)**
Required Parking Spaces Provided On-Site	*22 spaces*	**19 spaces**
Required Parking Spaces To Be Met Through Parking In Lieu Fee Agreement & Payment of In Lieu Fee	*25 spaces*	**25 spaces**
Total Required Parking for the Project:	*47 spaces*	**44 spaces**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California
County of San Mateo

On March 12, 2014 before me, Nicolas Elsousou
Date — Here Insert Name and Title of the Officer

personally appeared Mounir Kardosh
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

NICOLAS ELSOUSOU
Commission # 1914501
Notary Public - California
San Francisco County
My Comm. Expires Nov 26, 2014

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer — Title(s): _____	☐ Corporate Officer — Title(s): _____
☐ Individual	☐ Individual
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact	☐ Attorney in Fact
☐ Trustee	☐ Trustee
☐ Guardian or Conservator	☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer Is Representing: _____	Signer Is Representing: _____
RIGHT THUMBPRINT OF SIGNER — Top of thumb here	RIGHT THUMBPRINT OF SIGNER — Top of thumb here

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Item #5907

Form 402.1
CLTA Standard Coverage Policy Form
Copyright 1960

ATTACHMENT 16

SCHEDULE A

Amount $ 9,750.00 Fee $ 109.00 Policy No. B- 293738
S. M. No. 32468

Effective Date June 17, 1960 at 2:11 o'clock P.M.

INSURED

CITY OF SAN MATEO, A MUNICIPAL CORPORATION.

1. Title to the estate or interest covered by this policy at the date hereof is vested in:

CITY OF SAN MATEO, A MUNICIPAL CORPORATION.

2. The estate or interest in the land described or referred to in this schedule covered by this policy is a fee.

3. The land referred to in this policy is situated in the City of San Mateo, County of San Mateo, State of California, and is described as follows:

Portion of Section 22, Township 4 South, Range 4 West, Mount Diablo Base and Meridian, more particularly described as follows:

BEGINNING at a point on the southerly line of that certain parcel of land described in Deed from E. W. McLellan Co., a California corporation, to E. W. McLellan Co., a limited partnership, dated November 1, 1939 and recorded December 19, 1939 in Book 868 of Official Records of San Mateo County at page 404 (76844-D), said point being also the most southeasterly corner of that certain 4.132 acre tract conveyed to the City of San Mateo from E. W. McLellan Co., a corporation, by Deed dated April 6, 1935 and recorded May 21, 1935 in Book 653 of Official Records of San Mateo County at page 254 (59117-C); thence from said point of beginning easterly along the first mentioned southerly line of E. W. McLellan Co. parcel to the southeasterly corner thereof, said corner being located on the westerly boundary of Parcel 2 as described in Decree Quieting Title issued out of the Superior Court in and for the County of San Mateo on June 20, 1933 in Action No. 20948, Arden Investment Company vs. E. W. McLellan Company, et al, a certified copy of which Decree was recorded June 20, 1933 in Book 603 of Official Records of San Mateo County at page 11 (26439-C); thence northwesterly along last mentioned line North 47° 56' West to an angle point in said line formed by the intersection of the last mentioned course and the subsequent course

SCHEDULE B - Continued

of "North 14° 24' 30" West 396.20 feet"; thence leaving said westerly boundary line of Parcel 2 at said angle point and proceeding southwesterly in a straight line to the most easterly corner of that certain 7 acre, more or less, parcel described in Deed from H. H. Smith and Annie D. Smith, his wife, to Evelyn R. Purser et al, dated and recorded June 14, 1956 in Book 3041 of Official Records of San Mateo County at page 490 (62466-N); thence along the southeasterly line of said parcel South 64° 00' 20" West 214.02 feet to a point in the easterly line of the hereinabove mentioned 4.132 acre tract of land of the City of San Mateo; thence along said easterly line South 0° 18' 40" East 288.92 feet to the point of beginning.

EXCEPTING THEREFROM so much that lies within the lands described in the Grant Deed from E. W. McLellan Co., a corporation, to the City of San Mateo, dated January 2, 1952 and recorded January 29, 1952 in Book 2192 of Official Records of San Mateo County at page 627 (84810-J), described as follows:

BEGINNING at the corner common to Sections 21, 22, 27 and 28, Township 4 South, Range 4 West, M.D.B.&M.; running thence from said point of beginning along the line dividing Sections 21 and 22 North 0° 18' 40" West 1827.54 feet; thence North 89° 32' 20" East 996.28 feet to the true point of beginning; thence from said true point of beginning North 0° 27' 40" West 25.00 feet to a point; thence North 55° 07' 20" East 35.36 feet to a point; thence North 34° 52' 40" West 30.00 feet; thence South 55° 07' 20" West 47.55 feet; thence South 0° 27' 40" East 42.86 feet; thence North 89° 32' 20" East 27.00 feet to the true point of beginning.

15a

RECEIVED

APR 14 5 05 PM '83

OFFICE OF CITY CLERK
CITY HALL
SAN MATEO, CALIF.

ATTACHMENT 17

RESOLUTION NO. 57 (1983)

APPROVING OF AND AUTHORIZING
THE EXECUTION OF AN AGREEMENT TO ACQUIRE
REAL PROPERTY FOR THE EAST THIRD
AVENUE WIDENING PROJECT (PROFFITT)

RESOLVED, by the Council of the City of San Mateo, California, that:

WHEREAS, certain real property which is the subject of the contract attached hereto as exhibit A and described in the grant deed attached hereto as exhibit B, is needed for the East Third Avenue Widening Project; and

WHEREAS, said property has been appraised by a city retained appraiser, Hunt T. Norris, and found to have a value of $83,762, and

WHEREAS, the owner of this property, after consultation with her attorney, has accepted an offer from the City to purchase said property for $84,162, $400 above the City obtained appraised value;

NOW, THEREFORE, IT IS HEREBY DETERMINED and ORDERED, as follows:

1. The City Council approves of the Real Property Contract attached hereto as exhibit A and authorizes its execution to acquire that certain real property described in exhibit B.

2. The City Clerk is directed to submit two copies of duplicate originals of the executed real property contract and a copy of this resolution and the grant deed to Title Insurance and Trust Company via Tony Lopez of the Department of Public Works.

Florence P. Rhoads
Mayor

ATTEST:

Doris Christen
City Clerk

ORIGINAL

CITY OF SAN MATEO, California

April 18, 1983

Project: E. Third Avenue Widening
Norfolk St. To Mariner's
Island Blvd. 90-8509

Deed No.

CITY OF SAN MATEO

REAL PROPERTY CONTRACT

Document No. P-1 in the form of a Grant Deed has been executed and delivered to Tony Lopez, Acquisition Agent for the City of San Mateo, (hereinafter called "City").

In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as follows:

1. The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said document and shall relieve the City of all further obligations or claims on this account, or on account of the location, grade, construction, or operation of the proposed public improvement.

2. The City shall (subject to the approval of the City Council):

   A. Pay all escrow, recording, and title insurance charges, if any, incurred in this transaction and if title insurance is desired by the City the premium charged therefor. TBA 84/62 no T.I.

   B. Pay the sum of $ TBA 63762.50 for the property described in said document to the following title company Title Insurance and Trust Company for the account of the Grantor, Escrow No. 46552E conditioned upon the property vesting in the City free and clear of all liens, leases, encumbrances, easement (recorded and/or unrecorded), assessments, and taxes, except:

   (1) Taxes for the fiscal year in which this escrow closes shall be cleared and paid in the manner required by Section 4986 of the Revenue and Taxation Code, if unpaid at close of escrow.

3. The escrow agent may expend any or all monies payable under this agreement to discharge any obligations which are liens upon the property, including but not limited to those arising from judgments, assessments, delinquent taxes for other than the fiscal year referred to in paragraph 2B (1), or debts secured by deeds of trust or mortgages, together with penalty, if any, for payment in full in advance of maturity, and/or any other incidental costs other than those specified in paragraph 2A hereof to be borne by the City.

4. Grantor warrants that there are no oral or written leases on all or any portion of the property exceeding a period of one month, and the Grantor further agrees to hold the City harmless and reimburse the City for any tenant of Grantor for a period of exceeding one month.

EXHIBIT A

5. It is agreed and confirmed by the parties hereto that, notwithstanding other provisions in this contract, the right of possession and use of the subject property by the City, including the right to remove and dispose of improvements, shall commence on JUNE 1 1983 or the close of escrow controlling this transaction, whichever occurs first, and that the amount shown in paragraph 2B herein includes, but is not limited to, full payment for such possession and use, including damages, if any, from said date.

RECOMMENDED BY:

Tony Lopez
City Right-of-Way Agent

/s/ ROBERT BEZZANT
Director of Public Works

CITY OF SAN MATEO

/s/ FLORENCE P. RHOADS
Mayor

(SEAL) /s/ DORIS CHRISTEN
City Clerk

Bertha M. Rossetti
GRANTOR

AS TRUSTEE

APPROVED AS TO FORM:

/s/ DOUGLAS DANG
City Attorney

NO OBLIGATION OTHER THAN THOSE SET FORTH HEREIN WILL BE RECOGNIZED

RECORDING REQUESTED BY

Ticor Title Insurance
#465528

AND WHEN RECORDED MAIL TO

Name / Street Address / City & State:
City of San Mateo
Department of Public Works
330 West Twentieth Ave.
San Mateo, CA 94403

MAIL TAX STATEMENTS TO

Name / Street Address / City & State:
same as above

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CAT. NO. NN00582
TO 1923 CA (7-82)

Individual Grant Deed

P-1

THIS FORM FURNISHED BY TICOR TITLE INSURERS

ALL | PTN.

The undersigned grantor(s) declare(s):
Documentary transfer tax is $ _____.
( ) computed on full value of property conveyed, or
( ) computed on full value less value of liens and encumbrances remaining at time of sale.
( ) Unincorporated area: (XX) City of San Mateo, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
BERTHA M. PROFFITT

hereby GRANT(S) to
CITY OF SAN MATEO, A MUNICIPAL CORPORATION

the following described real property in the City of San Mateo
County of San Mateo, State of California:

LOT 1, AS DESIGNATED ON THE MAP ENTITLED "SHOREVIEW INDUSTRIAL TRACT SAN MATEO, CAN MATEO COUNTY, CALIFORNIA", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JULY 10, 1964 IN BOOK 60 OF MAPS AT PAGE 39.

Dated: March 15, 1983

STATE OF CALIFORNIA
COUNTY OF SAN MATEO } SS.
On APRIL 6TH, 1983 before me, the undersigned, a Notary Public in and for said State, personally appeared BERTHA M. PROFFITT

personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name subscribed to the within instrument and acknowledged that SHE executed the same.
WITNESS my hand and official seal.

Signature _____

Bertha M. Proffitt
BERTHA M. PROFFITT

Bertha M. Proffitt
BERTHA M. PROFFITT, CO-TRUSTEE

Tom Proffitt
TOM PROFFITT, CO-TRUSTEE

EXHIBIT B

(This area for official notarial seal)

Title Order No. _____ Escrow or Loan No. _____

SAN MATEO - HAYWARD
(E-3RD AVE) BAY BRIDGE
ROAD
RIGHT OF WAY TO BE ACQUIRED
PROFFITT
Future Roadway Easement
15' Drainage and Slope Easement
Drainage Slope Esmt
DETAIL
Scale 1"=100'
441
ORIV
BK-35
Owner | Parcel No. | Total | R/W | D&SE | C.S.E.
NUKE | 033-441-120 | 325,849 | 4,349 | * | 54,210
Mallory | 033-441-100 | 236,090 | 11,788 | 4,369 | ____
Proffitt | 033-441-020 | 21,932 | 21,932 | N/A | ____
D&SE Drainage and Slope Easement
C.S.E. City Street Easement (future)
* Land filled - Slope easement not necessary
** Total take parcel - no slope easement required
APPROVED:
DIR OF PUBLIC WORKS
DATE:
CITY OF SAN MATEO
EAST THIRD AVENUE WIDENING
RIGHT OF WAY ACQUISITION MAP
3-1-787
Scale 1"=200' 10-81
1-87-88 Add Drain. & Slope Esmt, Future Roxy Esmt, Revise totals. 4
1-83 Changed Slope Easement to Drainage and Slope Easement. 8
1-83 Changed Proffitt parcel and area to total take 9
1-82 Changed entry easement to 40'; total C.S.E. area to match 8

33-44

* * *

Resolution adopted by the City Council of the City of San Mateo, California, at a regular meeting held on April 18, 1983, by the following vote of the Council:

AYES: Council Members WAYNE, HOFFMAN, POWELL and RHOADS

NOES: Council Member BAKER

ABSENT: NONE

ATTACHMENT

CUSHMAN & WAKEFIELD®
560 S. WINCHESTER BOULEVARD, SUITE 200
SAN JOSE, CA 95128

February 26, 2013

Ms. Lisa Grote
Community Development Director
City of San Mateo
330 West 20th Street
San Mateo, CA 94403

Re: Appraisal of Real Property
In a Self-Contained Report

Detroit Drive
San Mateo, San Mateo County, CA 94404

C&W File ID: 13-38010-900112-1

Dear Ms. Grote:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in a self-contained report dated February 26, 2013. The effective date of value is February 20, 2013.

This appraisal report has been prepared in accordance with our interpretation of your institution's guidelines and the *Uniform Standards of Professional Appraisal Practice* (USPAP).

The subject property is located at the end of Detroit Drive in the very easterly part of the City. The zoning is S or Shoreline. The subject is a very difficult shape which hinders any potential development. The site is bordered on the north by the slope leading to J. Clinton Hart Drive, to the east by a levee protecting the site from San Francisco Bay lands. In addition, the City of San Mateo sewer treatment plant is nearby. Therefore, we believe that the subject property would be very challenging from a development perspective. We have concluded that the highest and best use is for industrial or contractor storage. However, the site is also encumbered with flood control facilities which is a public use and all but totally occupies the site. Therefore, with the physical, legal and current use, we have determined that the subject property has no value in exchange.

The purpose of this appraisal is to estimate the market value of the subject site for potential disposition due to dissolution of the Redevelopment Agency in the City of San Mateo as a result of AB X1 26. Currently, ownership of the subject site is held by the Redevelopment Agency. It is our understanding that the City of San Mateo or a successor agency will take ownership of the subject. We understand that in such cases, properties are to be sold. However, properties determined to be in public use, are not subject to the mandate. As the subject is determined to be a public use, it does not appear to be subject to AB X1 26..

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion of Market Value:



Compiled by Cushman & Wakefield Western, Inc.

The value opinion in this report is qualified by certain assumptions, limiting conditions, certifications, and definitions. The value opinion in this report is qualified by the following extraordinary assumptions and hypothetical conditions.

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

Kenneth E. Matlin, MAI, SRA, ASA
Senior Director
CA Certified General Appraiser
License No. AG002022
ken.matlin@cushwake.com
(408) 572-4140 Office Direct
(408) 434-1554 Fax

ATTACHMENT

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

PREAMBLE

This SETTLEMENT AGREEMENT AND MUTUAL RELEASES (hereinafter this "Agreement") is entered into this 29th day of July, 1998, in the City of San Mateo, County of San Mateo, California, by and among the CITY OF SAN MATEO, a municipal corporation ("CITY"), REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO, a local agency ("AGENCY"), JACKSON AMADOR ASSOCIATES, a California general partnership and its general partners KENT T. WOODELL and WILLIAM J. BISHOP, KENT T. WOODELL and WILLIAM J. BISHOP as individuals, (collectively "JACKSON AMADOR"), KTW PROPERTIES, INC., a California corporation ("KTW") and MID-PENINSULA BANK, a California banking corporation ("BANK"), all of whom are hereinafter collectively called, "Parties";

RECITALS

I. WHEREAS, the property that is the subject of this Agreement is all of that certain real property commonly known as 400 E. Fourth Avenue, San Mateo, California, being the property bounded by Fourth Avenue, Claremont Street, Fifth Avenue and Railroad Avenue in the City of San Mateo, and is more particularly described in Exhibit A attached hereto including any and all improvements thereon ("Subject Property"); and

II. WHEREAS, on August 29, 1997, JACKSON AMADOR filed a Petition for Writ of Mandate and Complaint for Damages for Violation of Civil Rights and Inverse Condemnation against CITY as defendant bearing San Mateo County Superior Court Action No. 401877 ("First Action"); and

III. WHEREAS, on February 3, 1998, AGENCY filed a Complaint in Eminent Domain against JACKSON AMADOR, KTW PROPERTIES, INC. and MID-PENINSULA BANK and other defendants bearing San Mateo County Superior Court Action No. 403609 ("Direct Condemnation Action"); and

IV. WHEREAS, on May 12, 1998, JACKSON AMADOR filed a Cross-Complaint in the Direct Condemnation Action (No. 403609) against AGENCY and CITY for alleged violation of the Brown Act ("Cross-Complaint"); and

V. WHEREAS, the First Action, the Direct Condemnation Action and the Cross-Complaint will hereinafter collectively be referred to as the "Litigation"; and

VI. WHEREAS, on or about August 8, 1997, JACKSON AMADOR as Landlord entered a lease with Kinko's, Inc., a Delaware corporation ("KINKO'S"), leasing, inter alia, approximately 5,600

square feet of floor area on the Subject Property to KINKO'S as Tenant and on or about September 15, 1997, JACKSON AMADOR as Leasor entered a lease with Aguirre International, a California corporation ("AGUIRRE"), leasing, inter alia, approximately 7,180 square feet of floor area on the Subject Property to AGUIRRE as Lessee. These leases are hereinafter collectively called "Leases"; and

VII. WHEREAS, the Litigation and causes of action alleged therein involve arguable and disputed questions of fact and law; and

VIII. WHEREAS, the Parties desire to resolve all aspects of the Litigation and to release each other from all possible past, present and future liability, known and unknown, in connection with the Subject Property and the Litigation; and

IX. WHEREAS, all Parties desire and intend to release each and every, all and singular, of the Parties from any further or future claims for equitable relief, compensation and/or damages relating to or in any way connected with the Subject Property or the Litigation upon the execution of this Agreement by all Parties and the full and complete payment and performance of other acts to be performed as provided hereunder; and

X. WHEREAS, it is the intention of JACKSON AMADOR and KTW to dismiss, or cause to be dismissed, with prejudice, the First Action and the Cross-Complaint, and it is the intention of JACKSON AMADOR, KTW and BANK to file disclaimers in the Direct Condemnation Action, and to settle all disputes in connection therewith and in connection with the Subject Property with finality and without resort to further or additional litigation;

AGREEMENT

NOW, THEREFORE, in consideration of the terms, conditions and covenants herein set forth, and for other valuable consideration, receipt of which is hereby acknowledged, all of the Parties hereby agree as follows:

1. Preliminary Terms

The Preamble and all Recitals above stated are hereby incorporated by reference as though fully set forth here.

2. Payment

AGENCY shall pay to JACKSON AMADOR, KTW and BANK the total sum of Five Million Dollars ($5,000,000.00). The payment required to be made to JACKSON AMADOR, KTW and BANK will be paid through escrow within thirty (30) days of the complete execution

of this Agreement by all Parties, upon the conveyance by Grant Deed of fee title to the Subject Property to the AGENCY, and the performance of other acts as herein provided. AGENCY intends to make a portion of said payment in at least the amount of $3,500,000 from the deposit made by AGENCY in the Direct Condemnation Action and JACKSON AMADOR, KTW and BANK will cooperate with AGENCY and execute all necessary documents and stipulations to facilitate withdrawal of the deposit by AGENCY.

3. Transfer of Ownership

In consideration of the Five Million Dollars ($5,000,000.00) payment, JACKSON AMADOR, KTW and BANK shall convey fee title, insurable by a CLTA Standard Coverage Policy, to the Subject Property free and clear of any and all liens except those approved by AGENCY prior to close at escrow, including but not limited to, any and all liens created by labor, work, materials or supplies provided to the Subject Property before title is conveyed, and encumbrances, excepting the Leases and such other encumbrances as may be approved by AGENCY prior to close of escrow, by Grant Deed in the form set forth in Exhibit B attached hereto to the AGENCY. This transfer is in lieu of Judgment in Eminent Domain in the Direct Condemnation Action and is made under threat of condemnation.

4. Opening of Escrow

An escrow has been opened to consummate the transfer of the Subject Property according to the terms of this Agreement at the office of First American Title Company at 555 Marshall Street, Redwood City, California, Title Officer Tina Davis, Escrow No. 437489CI. Written escrow instructions in accordance with the terms of the Agreement shall be prepared by the Parties, and the instructions shall be signed by the Parties and delivered to the escrow holder within 15 business days of execution of this Agreement. The Parties shall also deposit with the escrow holder all instruments, documents, and other items (i) identified by this Agreement and in the escrow instructions or (ii) reasonably required by the escrow holder to close the sale on the closing date specified below.

5. Closing Date

The escrow shall be closed on the date the Grant Deed conveying the Subject Property is recorded. Escrow shall close no sooner than July 17, 1998 and, unless the closing date is extended in writing, no later than August 17, 1998. However, if there are any reasonable delays in withdrawing from the deposit made by AGENCY in the Direct Condemnation Action the amount of $3,500,000 referenced in Paragraph 2 by August 17, 1998, the

Parties agree that they will extend the closing date to a reasonable date.

6. Prorations and Credits

The following shall be prorated between the Parties on the basis of a thirty (30) day month as of the date which escrow closes; real property taxes, special assessments, rent from the Leases and other items customarily prorated. AGENCY shall further credit and pay to JACKSON AMADOR's benefit through escrow the $1,700.00 cash bond being held by the CITY for landscape installation on the Subject Property.

7. Closing Costs

AGENCY shall pay escrow and all other closing costs with respect to the transfer of the Subject Property, including but not limited to, escrow fees, title insurance premium, recording fees and transfer tax, if any.

8. Assignment of Leases, Estoppel Certificate and Delivery of Deposits

JACKSON AMADOR shall assign all of their/its right, title and interest in the Leases to AGENCY by forthwith executing and delivering to AGENCY through escrow the Assignment and Assumption of Leases, a copy of which is attached hereto and marked as Exhibit C (the "Assignment"). JACKSON AMADOR shall also use reasonable efforts to obtain and deliver through escrow signed estoppel certificates from KINKO'S and AGUIRRE and shall deliver through escrow all deposits and prepaid rent paid to JACKSON AMADOR pursuant to the Leases and all evidence of insurance and other writings required to be provided to JACKSON AMADOR by KINKO'S and AGUIRRE under the Leases. If the Leases have not been terminated by the acquisition of the Subject Property by the AGENCY, AGENCY shall assume JACKSON AMADOR's obligations under said Leases, as successor Lessor, and in any event JACKSON AMADOR and AGENCY shall execute and deliver the executed Assignment to each other through escrow.

9. No Interference

JACKSON AMADOR, KTW, BANK, KENT T. WOODELL and WILLIAM J. BISHOP and their agents, employees and assigns will not at any time pursue any action, take any action or encourage, participate in or cooperate in any action whatsoever to inhibit or in anyway interfere with the AGENCY's acquisition of the Subject Property, including any leasehold interests in the Subject Property, or the AGENCY's or CITY's use of the Subject Property for any purpose.

10. Separate Responsibility of the Parties

The Parties shall be responsible for their own Litigation Expenses as defined in C.C.P. Section 1235.140, and, except as expressly provided in this Agreement, all other of their attorneys and other fees, costs and expenses.

11. Disclaimers

JACKSON AMADOR, KENT T. WOODELL, WILLIAM J. BISHOP, KTW PROPERTIES, INC. and MID-PENINSULA BANK shall execute and deliver through escrow to AGENCY Disclaimers in the Direct Condemnation Action in the form set forth in Exhibit D attached hereto, thereby disclaiming any further right, title or interest in the Direct Condemnation Action or in the Subject Property, or to any further compensation for the taking of the Subject Property or damages, which Disclaimers may be filed by AGENCY in the Direct Condemnation Action.

12. Dismissals with Prejudice

JACKSON AMADOR shall execute and deliver through escrow to AGENCY and CITY dismissal of the First Action, with prejudice, and dismissal of the Cross-Complaint, with prejudice.

13. General Release

In consideration for the payment made to and by the Parties as set forth in Paragraph 2 above, and in addition to the other covenants set forth herein, all Parties hereto hereby completely release and forever discharge all other and remaining Parties hereto, their past, present and future officers, council persons, board members, directors, shareholders, insureds, attorneys, beneficiaries, agents, servants, representatives, employees, subsidiaries, affiliates, partners, predecessors and successors in interest and assigns, and all other persons, firms or corporations with whom or which any of them have been, are now, or may hereinafter be affiliated, of and from any and all past, present or future claims, causes of action, suits, proceedings, demands, costs, damages, liability, losses of services, expenses and compensation of any nature whatsoever, (collectively "Claims"), whether known or unknown, foreseeable or unforeseeable, absolute or contingent, and whether based on tort, equitable relief, condemnation, inverse condemnation, Civil Rights Act violations, contract or on any other theories of recovery, and whether for equitable, compensatory or punitive damages, which any party hereto now has or which any party hereto may hereinafter accrue or otherwise acquire on account of, or in any way growing out of, or which is the subject of, the Litigation, related proceedings and/or the Subject Property. This Release on the part of all Parties hereto shall be a fully

binding and complete settlement between all Parties hereto, and is intended by the Parties to be construed in its broadest sense and for broadest effect, without exception or reservation whatsoever.

14. "As-Is" Sale

The AGENCY hereby acknowledges and agrees that neither JACKSON AMADOR, nor anyone acting for or on behalf of JACKSON AMADOR, has made any representations, warranties, promises or statements to the AGENCY concerning the condition or any other aspect of the Subject Property, except as otherwise specifically provided in this Agreement. The AGENCY further acknowledges and agrees that the condition of the Subject Property has been independently verified by the AGENCY to its full satisfaction, that the AGENCY will be acquiring the Subject Property based solely upon and in reliance on its own investigations, analyses and conclusions and those of their advisors, and that the AGENCY WILL BE ACQUIRING The Subject Property IN ITS "AS-IS" CONDITION INCLUSIVE OF ALL FAULTS AND DEFECTS, WHETHER KNOWN OR UNKNOWN AS MAY EXIST AS OF THE CLOSE OF ESCROW. Without limiting the scope or generality of the foregoing, as to JACKSON AMADOR and its predecessors in interest the AGENCY expressly assumes the risk that (A) the Subject Property does not or will not comply with any applicable federal, state, or local laws, statutes, ordinances, codes, rules, regulations, orders, permits, licenses, or decrees of any type or kind, or any other governmental requirements; and (B) adverse physical, environmental, financial and legal conditions (including, without limitation, the existence of hazardous materials at the Subject Property) may not be revealed by the AGENCY'S investigation of the Subject Property.

Without limiting the scope or generality of the foregoing, the AGENCY hereby fully and forever waives, and JACKSON AMADOR hereby fully and forever disclaims, all warranties of whatever type or kind with respect to the Subject Property including the present condition or construction of any and all improvements thereon, whether express, implied or otherwise including, without limitation, those of fitness for a particular purpose, tenantability, habitability or use.

Without limiting the scope or generality of the foregoing releases, the AGENCY hereby acknowledges and agrees that the Claims being released by the AGENCY hereunder include, without limitation, any and all Claims that the AGENCY now has or may have or which may arise in the future against JACKSON AMADOR or KTW arising out of, directly or indirectly, or in any way connected with the condition of the buildings and any other improvements on or to the Subject Property and to the extent not already covered by the foregoing, the use, maintenance,

development, construction, ownership or operation of the Subject Property by JACKSON AMADOR or any predecessor(s) in interest in the Subject Property of JACKSON AMADOR.

The AGENCY further acknowledges that any information including, without limitation, any engineering reports, architectural reports, feasibility reports, marketing reports, soils reports, environmental reports, analyses or data, or other similar reports, analyses, data or information of whatever type or kind which the AGENCY has received or may receive from JACKSON AMADOR or its agents or consultants (collectively, the "Property Related Materials") are furnished without warranty of any kind by JACKSON AMADOR and on the express condition that the AGENCY makes their own independent verification of the accuracy, reliability and completeness of such information and that the AGENCY will not rely thereon.

Accordingly, the AGENCY agrees that under no circumstances will it make any claim against, bring any action, cause of action or proceeding against, or assert any liability upon, JACKSON AMADOR, its predecessors in interest (including without limitation the Pederson Family Trust) or its employees and the AGENCY hereby fully and forever releases, acquits and discharges JACKSON AMADOR of and from, any such claims, actions, causes of action, proceedings or liability, whether known or unknown related to the condition of the Subject Property. This waiver of claims and release by the AGENCY expressly does not include non-employees of JACKSON AMADOR who provided labor, work, services, materials or supplies to the Subject Property.

15. Assignment of Claims and Warranties by Others

Effective upon the close of escrow JACKSON AMADOR hereby assigns to the AGENCY all warranties relative to the Subject Property or improvements thereon, whether express, implied or otherwise including, without limitation, those of fitness for a particular purpose, tenantability, habitability, use or for labor, work, services, materials or supplies provided to or for the Subject Property.

16. Waiver of Rights Under Civil Code Section 1542

All rights under Section 1542 of the Civil Code of the State of California are hereby expressly waived by all Parties hereto. Said Section of the Civil Code provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM

MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

17. Mutuality

All Parties hereto hereby expressly and implicitly acknowledge and agree that this document is a mutual settlement and release, and each party for himself, or herself or itself expressly waives any and all claims, cross-claims, demands and causes of action against each other, several and all Parties hereto, and assume the risk of waiving any and all claims for damages which exist as of this date against any and all of the remaining Parties on account of, or in any way growing out, or which is the subject of the Litigation, related proceedings and/or the Subject Property. It is understood and agreed that each Party hereto has accepted payment of the sums herein specified and/or other consideration hereunder, as a full, complete, total and final compromise and settlement of all matters involving disputed issues of law and fact between themselves and the remaining Parties hereto relating to or arising from the Litigation or Subject Property.

18. Miscellaneous Provisions

A. Each signatory to this Agreement represents and warrants that he/she is competent and authorized to enter into this Agreement on behalf of the party for whom he/she purports to sign.

B. Each signatory represents and warrants that prior to entering into this Agreement, he/she/it had the benefit of counsel and that he/she/it has voluntarily executed this Agreement with full knowledge of its significance.

C. In the event that any action is brought by any party to this Agreement against any other party hereto for breach of this Agreement or to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and other expenses and costs reasonably incurred in addition to any other relief to which that party may be entitled.

D. This Agreement constitutes the entire understanding between the Parties with respect to the matters set forth herein, and upon its full execution supersedes any and all prior agreements and arrangements. This Agreement may be modified only by a writing signed by all Parties.

E. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, beneficiaries, executors, administrators, employees, officers,

directors, council members, board members, shareholders, agents, attorneys, insurers, representatives, and assigns.

F. This Agreement shall be interpreted in accordance with and governed in all respects by the laws of the State of California.

G. Venue of any litigation instituted hereunder shall be San Mateo County, California.

H. If any provision or any part of any provision of this Agreement is for any reason held to be invalid, unenforceable or contrary to public policy, law or statute, then the remainder of the Agreement shall not be affected thereby and shall remain valid and fully enforceable.

I. This Agreement is the product of negotiations between the Parties and their respective attorneys. Each of the Parties hereto expressly acknowledges and agrees that this Agreement shall be deemed to have been mutually prepared so that the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

J. This Agreement may be executed in counter-parts, and once executed by all Parties shall constitute an agreement which shall be binding upon all Parties hereto, notwithstanding that the signature of all Parties do not appear on the same page.

K. All promises, covenants, obligations, releases and conditions described in this Agreement shall survive delivery of the Grant Deed and the close of escrow.

19. Further Documents

The Parties agree to forthwith execute all documents necessary to carry out the terms of this Agreement.

20. No Third Party Benefits

This Agreement is solely for the benefit of the Parties to this Agreement and is not intended to benefit any third party except as specifically identified in the Preamble or as a released person in Paragraphs 13 and 14, and no such unidentified third party shall be a third party beneficiary to this Agreement.

21. No Prior Assignment of Claims

Each party hereto acknowledges, represents and warrants that it has not assigned, sold or otherwise transferred any claim being released hereunder.

WHEREFORE, the Parties hereto have executed this Mutual Release and Settlement Agreement as of the date first above written.

ROY C. ABRAMS, APPROVED AS TO FORM ONLY

By Roy C Abrams
ROY C. ABRAMS, CITY ATTORNEY OF THE CITY OF SAN MATEO AND ATTORNEY FOR REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO

TURNER & MULCARE, APPROVED AS TO FORM ONLY

By
RONALD J. MULCARE
ATTORNEYS FOR CITY OF SAN MATEO AND REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO

MILLER, STARR & REGALIA, APPROVED AS TO FORM ONLY

BY
BASIL S. SHIBER
ATTORNEYS FOR KENT T. WOODELL, WILLIAM J. BISHOP, JACKSON AMADOR AND KTW PROPERTIES, INC.

CITY OF SAN MATEO

BY Sue Lempert
ITS: MAYOR

REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO

BY Sue Lempert
ITS: CHAIR

JACKSON AMADOR ASSOCIATES, a California general partnership

BY
ITS: Partner

BY William D. Bishop
ITS: PARTNER

KTWP\36794
217634.3

KTW PROPERTIES, INC., a California corporation

BY _____

ITS _____

KENT T. WOODELL

WILLIAM J. BISHOP

ROBERTSON, LEWIS & DECKARD, APPROVED AS TO FORM ONLY

BY _____
BRUCE W. ROBERTSON
ATTORNEYS FOR MID-PENINSULA BANK

MID-PENINSULA BANK, a California banking corporation

BY _____

ITS: _____

KTWP\36794
217634.3

EXHIBIT A

All that real property situated in the City of San Mateo, County of San Mateo, State of California, as follows:

All of Block 15, as shown on Parcel Map No. 324, filed in the Office of the County Recorder of San Mateo County, State of California, on February 7, 1991 in Book 64 of Parcel Maps at page(s) 52 and 53.

A.P.N. No. 034-183-060

JPN 034 018 183 01 A
034 018 183 02 A
034 018 183 05 A

EXHIBIT A

ATTACHMENT 20

Order No.
Escrow No. 437489CI
Loan No.

WHEN RECORDED MAIL TO:

Redevelopment Agency of the
City of San Mateo
330 West 20th Avenue
San Mateo, CA 94402

OFFICIAL RECORDS OF SAN MATEO COUNTY
ASSESSOR-COUNTY CLERK-RECORDER
WARREN SLOCUM
Recorded at Request of
FIRST AMERICAN TITLE COMPANY
98-129160 08/14/98 08:00
Recording Fee: D FMOHAMMED

DOCUMENTARY TRANSFER TAX $ exempt- Code 6103

____Computed on the consideration or value of property conveyed; OR
____Computed on the consideration or value less liens or encumbrances remaining at time of sale.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

As declared by the undersigned Grantor
Signature of Declarant or Agent determining tax - Firm Name

conveyance to a government agency

GRANT DEED

034 183 060
JPN #

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Jackson-Amador Associates, a California General Partnership

hereby GRANT(S) to

Redevelopment Agency of the City of San Mateo

the real property in the City of **San Mateo**
County of **San Mateo** , State of California, described as

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

98-129160

Dated August 3, 1998

STATE OF CALIFORNIA }ss.
COUNTY OF Aug. 7 San Mateo }

On Aug. 7, 1998 before me,
Tina M. Davis,
personally appeared Kent T. Woodell and William J. Bishop,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.
WITNESS my hand and official seal.

Signature Tina M. Davis

Jackson-Amador Associates, a California General Partnership

By: Kent T. Woodell, general partner

By: William J. Bishop, general partner

MGC1 TINA M. DAVIS Comm. #1133469 NOTARY PUBLIC - CALIFORNIA SAN MATEO COUNTY Comm. Exp. April 11, 2001 MGC1

(This area for official notarial seal)

MAIL TAX STATEMENTS TO:

SAME AS ABOVE

LEGAL DESCRIPTION

All of Block 15, as shown on Parcel Map No. 324, filed in the office of the County Recorder of San Mateo County, State of California, on February 7, 1991 in Book 64 of Parcel Maps at page(s) 52 and 53.

A.P.No.: 034-183-060

JPN 034 018 183 01 A
034 018 183 02 A
034 018 183 05 A

93-129560

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by deed or grant dated August 3, 1998 from Jackson-Amador Associates to the Redevelopment Agency of the City of San Mateo, California, a political corporation, and/or Governmental Agency, is hereby accepted by the undersigned officer or agent in behalf of the Redevelopment Agency of said City of San Mateo pursuant to authority conferred by Resolution No. 154 (1977) of the said City Council adopted on August 15, 1977, and recorded October 28, 1977, in Volume 7643 at Page 435, Official Records of San Mateo County, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: August 3, 1998

NORMA GOMEZ, SECRETARY

D7-98
Govt. Entity
Acquiring Title
Tax Exempt
Effect. 11/10/69
APN: 034 183 060
JPN: 034 018 183 01 A
JPN: 034 018 183 02 A
JPN: 034 018 083 05 A
Govt. Code. Sec. 27281

daily\jksnamdr

Form No. 1402.92
(10/17/92)
ALTA Owners Policy
Schedule A

SCHEDULE A

Policy No. SM-437489

Amount of Insurance $5,000,000.00 Premium $4,750.00

Date of Policy: August 14, 1998 at 8:00 a.m.

1. Name of Insured:

   REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO

2. The estate or interest in the land which is covered by this policy is:

   A FEE

3. Title to the estate or interest in the land is vested in:

   REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO

4. The land referred to in this Policy is situated in the State of California, County of San Mateo, City of San Mateo and is described as follows:

All of Block 15, as shown on Parcel Map No. 324, filed in the office of the County Recorder of San Mateo County, State of California, on February 7, 1991 in Book 64 of Parcel Maps at page(s) 52 and 53.

Form No. 1402.92
(10/17/92)
ALTA Owners Policy
Schedule B

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

3. Easements, claims of easement or encumbrances which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.

5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

7. **General and Special Taxes** for the fiscal year 1998-99, now a lien, amount not yet ascertainable.

8. **The Lien of Supplemental Taxes** assessed pursuant to Chapter 3.5, commencing with Section 75 of the California Revenue and Taxation Code.

9. **NOTICE** of San Mateo City Downtown Redevelopment Project recorded July 10, 1981, Series No. 65717-AS.

10. **PROCEEDINGS** pending in the Superior Court of the State of California in and for the County of San Mateo, Case No. 403609, entitled, "Redevelopment Agency of the City of San Mateo, a Local Agency, Plaintiff(s), vs Jackson Amador Associates, a California general partnership, KTW Properties, Inc., a California corporation, Pederson Arnold Trust Aguirre International, a California corporation, Kinko, Inc., a California corporation, Mid-Peninsula Bank, a California banking corporation, Does I-XXX inclusive; and all persons unknown claiming an interest in the property described in the complaint, Defendant(s)." The object of which is eminent domain for the public purpose of public parking.

Attorneys: Roy C. Abrams (SB# 47369) Dennis Beougher (SB#103388), Redevelopment Agency of The City of San Mateo, 330 West 20th Avenue, San Mateo, CA 94403

Telephone: (650) 377-3305

LIS PENDENS recorded March 3, 1998 under Document No. 98028016 of Official Records of San Mateo County, California.

11. **EASEMENT** over the herein described property, as granted in Deed:

From: Jackson-Amador Associates, a California general partnership

To: Pacific Gas and Electric Company, a California corporation

Dated: April 29, 1998

Recorded: July 1, 1998

Document No.: 98103943 of Official Records of San Mateo County, California.

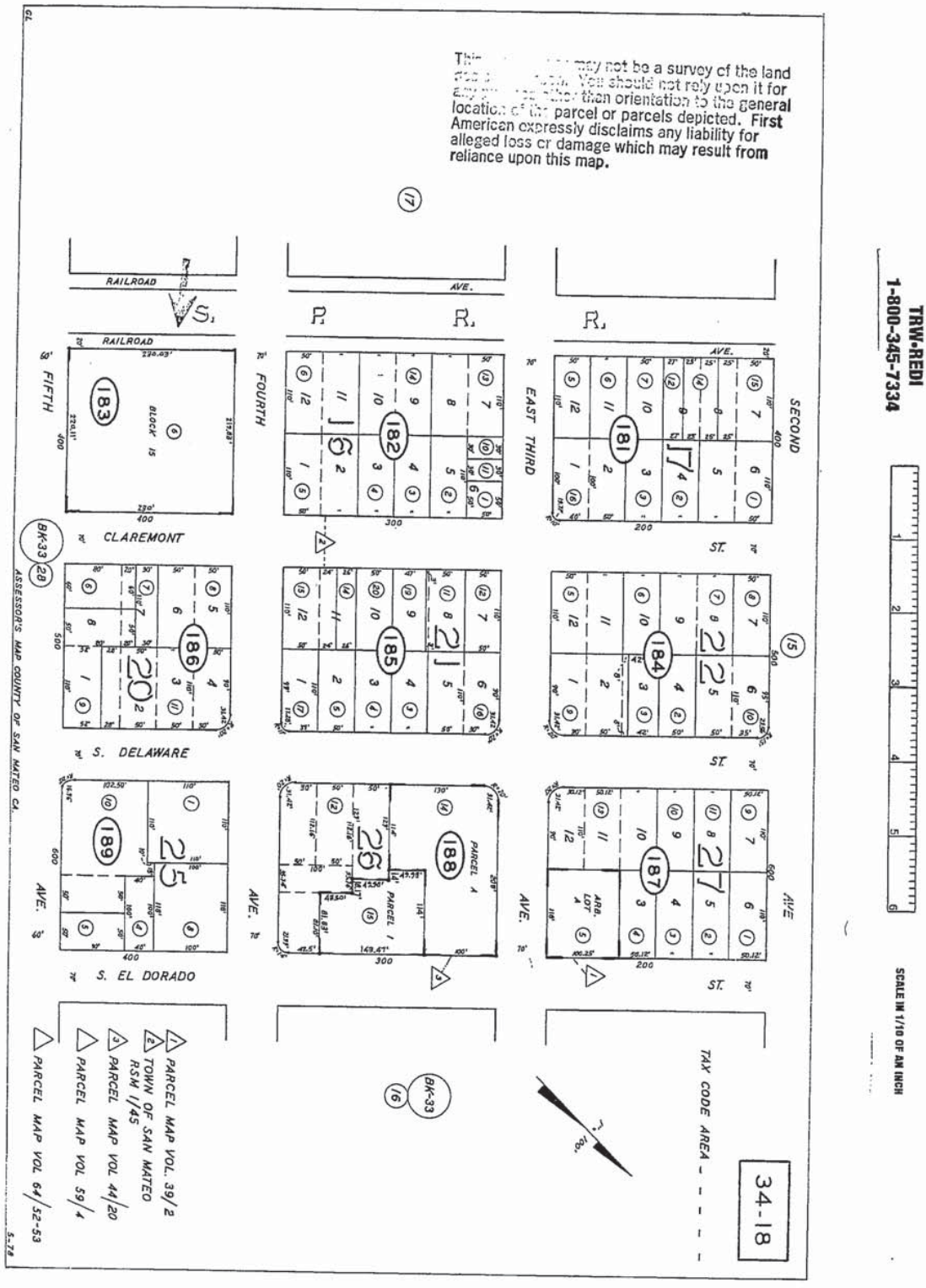
Grants Easement for underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; aboveground marker posts, risers, and service pedestals; underground and aboveground switches, fuses, terminals, and transformers with associated concrete pads; and fixtures and appurtenances necessary to any and all thereof.

Affects 10 foot strip in southern portion of the land.

NOTE: **General and Special Taxes** for the fiscal year 1997-1998, in the amount of $8,520.12 each installment, has been paid in full.

Code Area: 012-023 A.P. No.: 034-183-060

****



Order: 00000437489 TOF: GL SM Bk-Pg 34 - 18 Sht 1 of 1

ATTACHMENT

CUSHMAN & WAKEFIELD®
560 S. WINCHESTER BOULEVARD, SUITE 200
SAN JOSE, CA 95128

February 24, 2013

Ms. Lisa Grote
Community Development Director
City of San Mateo
330 West 20th Street
San Mateo, CA 94403

Re: Appraisal of Real Property
In a Self-Contained Report

480 E. 4th Avenue
San Mateo, San Mateo County, CA 94401

C&W File ID: 13-38010-900112-005

Dear Ms. Grote:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in a self-contained report dated February 24, 2013. The effective date of value is February 20, 2013.

This appraisal report has been prepared in accordance with our interpretation of your institution's guidelines and the *Uniform Standards of Professional Appraisal Practice* (USPAP).

The subject property comprises a full city block bounded by E. 4th Avenue, E. 5th Avenue, Railroad Avenue, and Claremont Street in the San Mateo CBD. The Cal Train rail line runs just west of the subject site.

A portion of the subject site is designated as a CPID parking facility. The portion affected comprises approximately 32,573 square feet. The portion not designated as a CPID parking facility comprises approximately 16,000 square feet and is reportedly the foundation of the former Kinko's store.

It is our understanding that lots designated as CPID parking facilities provide parking to property owners who paid in lieu of parking fees rather than provide for on-site parking in the downtown district. While this is a legal issue and we certainly recommend a legal opinion on this issue, it is our opinion that due to the constraints of the CPID parking district, that the portion of the subject parcel designated as a CPID parking facility may not be used for other purposes other than parking. Therefore, as parking is the only obvious use, the value of the subject site would be severely diminished as development on the property could not be entertained as a potential use.

The value impact of this requirement and the subject's value exclusively as a parking lot can only be evaluated through an in depth parking study of downtown San Mateo. It is beyond the scope of this assignment to complete a parking study and it is not within our capabilities to complete such a study.

CUSHMAN & WAKEFIELD® VALUATION & ADVISORY

The purpose of this appraisal is to estimate the market value of the subject site for potential disposition due to dissolution of the Redevelopment Agency in the City of San Mateo as a result of AB X1 26. Currently, ownership of the subject site is held by the Redevelopment Agency. It is our understanding that the City of San Mateo or a successor agency will take ownership of the subject. We understand that in such cases, properties were to be sold. However, it is also our understanding, that if they are used for public use, these properties may be excluded from sale. It is our opinion that the current use of the subject is a public use.

As such, we have completed our appraisal of the subject property with the hypothetical condition that it can be developed to its highest and best use without the requirements to provide parking for the CPID.

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion of Market Value:

Value Conclusions

Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value As-Is	Fee Simple	2/20/2013	$5,100,000

Compiled by Cushman & Wakefield Western, Inc.

The value opinion in this report is qualified by certain assumptions, limiting conditions, certifications, and definitions. The value opinion in this report is qualified by the following extraordinary assumptions and hypothetical conditions.

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

We used the hypothetical condition that there is no impact from the CPID and the subject can be developed to its highest and best use. This appraisal does not employ any further hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

Kenneth E. Matlin, MAI, SRA, ASA
Senior Director
CA Certified General Appraiser
License No. AG002022
ken.matlin@cushwake.com
(408) 572-4140 Office Direct
(408) 434-1554 Fax

ATTACHMENT 22

AGENDA ITEM # 2

MTG. DATE 2-02-97

ADMINISTRATIVE REPORT

TO: Chair and Redevelopment Agency

APPROVED BY: B.E. Kautz, Comm. Dev. Dir.

DATE: January 21, 1997

SUBMITTED BY: Diana Whitecar, Econ. Dev. & Business Assist. Mgr.

A. Croce, City Manager

SUBJECT: **PUBLIC HEARING ON THE ACQUISITION OF PEDERSEN ARNOLD PROPERTY AT 5TH AVENUE AND CLAREMONT STEET FOR PUBLIC PARKING**

RECOMMENDATION

That the City Council

1) Adopt Resolution No. ___-, approving the Negative Declaration based upon the findings in the Declaration and the Resolution of Necessity, and

2) Adopt Resolution No. ___, a Resolution of Necessity authorizing the commencement of eminent domain proceedings, requesting an Order of Immediate Possession, and acquiring fee simple interest that includes the existing leases for the Pedersen Arnold site at 5th Avenue and Claremont Street, commonly known as 900 East Fourth Avenue.

SUMMARY

The purpose of this report is to describe the importance of adding additional surface parking (Exhibit A) in meeting the City and Agency's redevelopment objectives. Acquisition of an additional public parking site is a necessary component to successful redevelopment and revitalization of the downtown. In particular, additional parking will help further the proposed cinema project on the Main Street Garage site and enable the City to create additional parking for all uses on the east side of downtown and in the B Street and railroad corridors.

BACKGROUND

Parking as a Redevelopment Objective

In significant part, the focus of the City's recent redevelopment plan amendments was to stimulate development in the B Street and railroad corridors. The creation of public parking is included as a potential public redevelopment project in the Downtown Redevelopment Plan. The Downtown Specific Plan contemplates, as a parking policy (CP-12), the demolition of the Main Street Garage if replacement parking can be provided and if a replacement use for the site is identified. In addition, the City adopted recommendations in the Transit Center and Main Street Garage Study (1994), suggesting that the long term benefits to removing the Garage should include the potential redevelopment of prime downtown property, uses which would encourage pedestrian traffic and

economic benefits to downtown. The Study also requires replacement parking if there is any construction on the Main Street Garage site.

In addition to these City objectives, the creation of additional parking has been a high priority for the Downtown San Mateo Association (DSMA). The 1997 – 1998 DSMA Market Plan lists as its first five-year priority "to have additional parking in downtown." More specifically, the 1997 –1998 DSMA goals identify the retention of the Main Street Garage "unless equal or more parking is provided nearby" as the highest priority. The second goal is to retain current levels of parking and "provide new parking facilities … on Main Street, North and South B Street, the Transit Station, east of the railroad tracks…".

Recent Redevelopment Activities

In December 1996 the City Council directed staff to concentrate in the B Street area to energize the private sector with the proposed 1997-redevelopment bonds. At the time it was felt that a cinema could not be accomplished until after 2000. In lieu of this, several development options were considered, such as expansion of the Transit Center Project to include the properties at 1st Avenue and B Street. This would have increased the underground parking and provided an area for a public space or new private development that would create a stronger connection between the Transit Center and B Street. However, this would involve the purchase, probably through eminent domain, of private properties and business relocation.

In mid 1997, several cinema operators contacted the city about the potential for a downtown cinema. These inquiries came from both first run commercial and art and foreign film exhibitors. Staff ultimately received a proposal from Century Cinemas for the Main Street Garage site and from Camera Cinemas, an independent theater exhibitor in San Jose, for rehabilitation of the B Street commercial area of the 101 Ellsworth project. Based on the level of interest from exhibitors, staff recommended on November 10, 1997, that the city proceed with a Request for Proposal for a cinema on the Main Street Garage site to take advantage of the strong movie theater development environment existing today.

As potential cinema development was more seriously considered, a closer look at the parking options was also evaluated. The Transit Center Study indicated that removal of the Main Street Garage needed to be preceded by the identification of replacement parking. Other problems identified during this evaluation were the need to phase various proposals for parking construction given that existing parking may need to be removed temporarily to build new parking. (For instance, the existing 150-space Caltrain site will not be available while the 230-space Transit Center is under construction).

Pedersen Arnold Site

The Pedersen Arnold site has consistently been mentioned as a key site for parking and for the redevelopment of the railroad corridor and the east side of downtown. Ideally, redevelopment of the site could be accomplished on a cooperative basis by the private and public sectors. At a study session in May 1996, the City offered to work with the property owner to evaluate his market studies and to jointly conduct a new market study. Based on conversations with other developers and

commercial brokers, we believed the improving real estate economy could support a more effective development than was being proposed (rehab of the warehouse and development of a fast food, drive-through restaurant). The property owner was not willing to work with us, or share his market studies and did not share the City's vision for the site.

ANALYSIS

Parking Strategy Analysis

The parking analysis that occurred as a result of the recent cinema interest has identified that regardless of whatever development is desired in downtown, whether it is increased retail, entertainment or office/commercial, additional parking needs to be provided. The creation of additional parking would be a catalyst for new development. Below is a review of the identified parking alternatives:

A. Pedersen – Arnold Site

This site creates the opportunity for approximately 100 to 155 parking spaces, depending on whether the existing structure is retained. It places more parking on the east side of the tracks, but close to the core of the downtown. It would likely, over the long-term, focus development towards this area especially if the site remained as a parking facility. This site was the highest priority of the Long Term Parking Committee for parking in mid-1996 when the City Council was considering the purchase of the Southern Pacific site.

B. New Main Street Garage

This preferred alternative would increase long-term permanent parking. Based on a conceptual design by International Parking Design (IPD), one block of the Main Street Garage site could possibly generate 450 parking spaces with some ground floor retail, in a six story parking structure, or about 80 spaces more than the Main Street Garage currently provides on two blocks. Reuse of the Main Street Garage Site adds value to the area by increasing the number of parking spaces, opening up Main Street and 2nd Street and allowing one of the blocks to possibly return to private ownership. However, replacement parking must be provided during construction on the Main Street Garage site. The Pedersen Arnold site would provide this replacement parking.

C. Partlow Site

The Partlow site is located at the northwest corner of San Mateo Drive and Baldwin Avenue. The City considered the purchase of this site in the early 1990's and found that the site had groundwater contamination. The site alone would not create substantial surface parking, but combined with the surrounding properties owned by Mills Peninsula Health Services, it offers much more potential for both surface parking and a potential parking facility.

The City and Mills Peninsula worked together in 1989 to determine if structured parking could be accommodated on the sites they owned, the Partlow site and several other sites at the corner of San Mateo Drive and St. Matthews Street. Conceptual drawings using a 37,000 square foot site determined that 515 spaces could be provided in a 6-story structure. In recent years, Mills Peninsula has continued to express interest in working with the City to develop parking at this site, however, no further action has been taken.

While this site would provide an ideal future parking site, it is too far from the Main Street Garage to provide replacement parking during construction.

D. 1st Avenue and B Street/Transit Center Expansion

This option would allow expansion of the Transit Center underground parking and create the opportunity for additional public space fronting the Transit Center or to reconfigure the existing commercial development. It opens the 1st Avenue and B Street corner and allows for the reconfiguration of public access to the Transit Center. The site is approximately 28,000 square feet and requires purchase of several properties and the relocation of numerous businesses. Staff estimates that the land and relocation costs alone would be quite extensive not including the costs of extending the underground parking garage.

While this site could provide replacement parking for the Main Street Garage, it has a much higher cost per space and would require substantially more relocation that would the Pedersen Arnold site.

E. Watanuki Site

In 1993 the City considered the purchase of the Watanuki property on North B Street, known as the Blue and White Laundry site. At the time the City chose not to pursue acquisition due in part to the high cost and minimal redevelopment opportunity created with the site. The property as part of a parking strategy would yield approximately 60 parking spaces, not as many as could be provided on the Pedersen Arnold site.

F. Fourth Avenue Lot

The 4th Avenue Lot is a City owned property behind Talbot's Toyland and other B Street businesses and between 4th and 5th Avenues. Depending on whether underground parking is provided and if retail is included at the street level, this existing 50-space parking lot could yield between 120 and 180 total spaces. This alternative could not be started until after completion of the Transit Center, due to the removal of its existing parking during construction, and would delay the construction of a cinema.

G. Leasing Private Spaces

Another parking option considered is the leasing of private parking for public use. Leasing private spaces does not provide daytime replacement parking for the loss of the Main Street Garage or other parking and therefore cannot truly be proposed as an alternative.

Preferred Parking Alternative

The Pedersen Arnold site is the preferred alternative for the provision of replacement parking in downtown San Mateo. Although the site presents the opportunity for long-term redevelopment by the Redevelopment Agency, these opportunities are presently speculative. None of the other parking alternatives create the potential that the Pedersen Arnold site offers. Exhibit B illustrates how essential Pedersen Arnold is to the phasing of parking with new construction.

The proposal is to use eminent domain is for the entire site, including the two existing leases. The Kinko's lease is for 9 years with three (3) separate five (5) year options which extend the lease period through a 24th year. The lease with Aguirre International is for an initial five (5)-year period with one option for four (4) years.

Compliance with the General Plan

As fully described in the attached Negative Declaration, the project will be consistent with the City's General Plan, Downtown Specific Plan or Zoning code. The proposed project is consistent with the General Plan Land Use Element goals and policies which call for enhancement of downtown's role as the center of the community as the proposed project will create parking to support downtown uses. The proposed project is consistent with the Downtown Specific Plan that calls for the City to monitor the need for new parking facilities and where warranted, provide additional parking.

A specific design for the parking facility has not yet been developed. However, the City's standards for striping and landscaping will be used as a basis for the design of the parking facility. The 4th Avenue side of the property is designated as Required Retail Frontage, which prohibits parking within 50 feet of the property line designated for Required Retail Frontage and requires that such parking be located behind a building. Should the parking facility as ultimately designed be in conflict with the Required Retail Frontage standards, a Zoning Code Amendment will be prepared and included as part of the planning application for the project as a mitigation measure.

CEQA

This project is for the provision of public parking and a Negative Declaration has been prepared and is attached. Future redevelopment uses are speculative and uncertain. Future environmental review will be conducted if parking is replaced with another use. The Negative Declaration for the project finds that the significant effects of the project noted in the Initial Study have been mitigated by modifications in the project or by the imposition of required mitigation measures listed in the Initial Study, so that the potential adverse effects are reduced to a point where no significant effects will occur.

NEXT STEPS

City staff met with the property owner and his attorney on Monday, January 26, 1998 to make an offer to purchase the property for the fair market appraisal of $3,585,000. Staff will report the outcome of this meeting to the City Council at the Council meeting. If the Council approves the Negative Declaration and the Resolution of Necessity to condemn the property and the existing leases, we will request an Order of Immediate Possession and complete the parking lot for public use.

ATTACHMENTS

Negative Declaration
Resolution of Necessity
Exhibit A: Map of Pedersen Arnold Site
Exhibit B: Construction and Parking Phasing Chart

cc: Kent Woodell, Jackson-Amador Associates
Kinko's
Aguirre International
Finance Director
Public Works Director
Planning Commission
Public Works Commission
Downtown San Mateo Association, San Mateo Chamber of Commerce

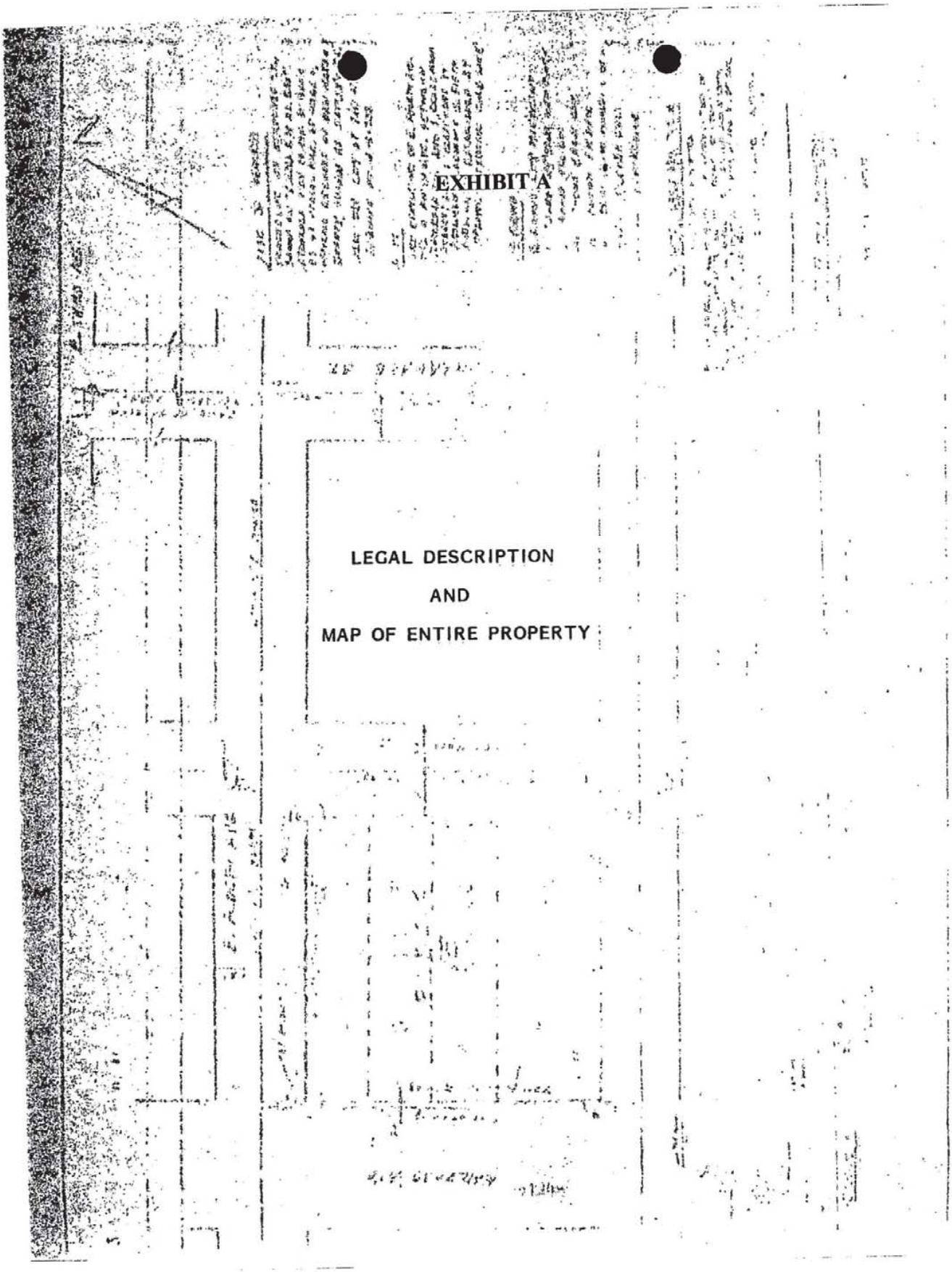


EXHIBIT A

LEGAL DESCRIPTION

AND

MAP OF ENTIRE PROPERTY

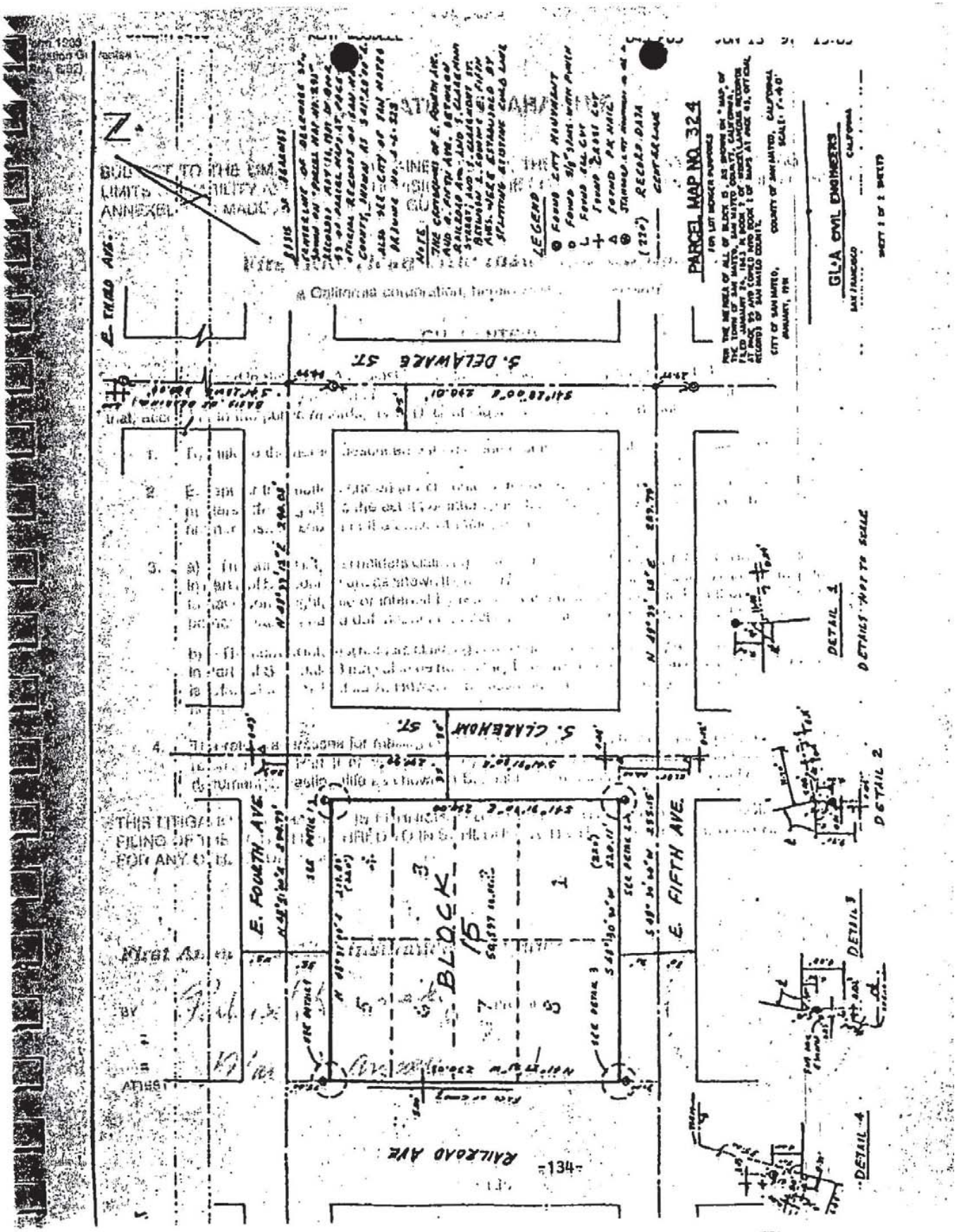

PARCEL MAP NO. 324
GLA CIVIL ENGINEERS
S. DELAWARE ST.
S. CLAREMONT ST.
E. FOURTH AVE.
E. FIFTH AVE.
RAILROAD AVE.
DETAIL 1
DETAIL 2
DETAIL 3
DETAIL 4
BLOCK 15

EXHIBIT B
CONSTRUCTION AND PARKING PHASING
PREFERRED OPTION
(Parking on Pedersen-Arnold and Main Street Garage Sites)

ACTION	WITH PED-ARNOLD		COST		WITHOUT PED-ARNOLD	
Construct parking lot at Fifth and Railroad (December 1997)	+150	+150			+150	+150
Buy Pedersen-Arnold; convert to public surface parking (June 1998)	+100	+250	$5 million			+150
Begin construction of parking at Transit Center (August 1998)	-150	+100			-150	(Even)
Complete construction of Transit Center garage (August 1999)	+230	+330			+230	+230
Tear down Main Street Garage and begin construction of new parking garage and cinema (September 1999)	-370	-40	$7 million		-370	-140
Complete new parking garage and cinema (June 2000)	+450	+410			+450	+310
TOTAL COST $29,300/space			**$12 million**			

Opportunities for Future Additional Parking:

1. Southern Pacific site (lose 150 spaces during construction; at least 450 possible)
2. Pedersen-Arnold site (lose 100 spaces during construction; at least 450 possible)
3. Watanuki site (60 spaces)
4. Fourth and Railroad site (lose 50 spaces during construction; 160 possible)
5. Central Garage (lose 100 spaces during construction; 150 possible)

Advantages of This Scheme:

1. Lower cost/space
2. More spaces available when theater opens
3. Significant opportunity for future redevelopment on Pedersen-Arnold site
4. New parking better located for theater
5. More surplus to construct future parking

HEALTH SERVICES AGENCY

RECEIVED
NOV 26 2002

ATTACHMENT

November 21, 2002

SMCo SITE #110101
APN # 034-193-060

Mr. Benjamin Lai
City of San Mateo
330 West 20th Avenue
San Mateo, CA 94403-1388

SUBJECT: CASE CLOSURE OF SITE #110101; TWO FORMER 4,000-GALLON GASOLINE UNDERGROUND STORAGE TANKS (USTs) AND ONE 250-GALLON UST AT FORMER ARNOLD PEDERSON LUMBER, 400 SOUTH CLAREMONT STREET, SAN MATEO, CALIFORNIA

Dear Mr. Lai:

This letter confirms the completion of site investigation and corrective action for the underground storage tank(s) formerly located at the above-described location. Thank you for your cooperation throughout this investigation. Your willingness and promptness in responding to our inquiries concerning the former underground storage tank(s) are greatly appreciated.

Based on the information in the above-referenced file and with the provision that the information provided to this agency was accurate and representative of site conditions, no further action related to the petroleum release(s) at the site is required.

This notice is issued pursuant to a regulation contained in Section 2721(e) of Title 23 of the California Code of Regulations.

Please contact our office if you have any questions regarding this matter.

Sincerely,

Dean D. Peterson, PE, REHS
Director, Environmental Health

cc: RWQCB
SWRCB

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION
Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Michael D. Nevin • **Health Services Director:** Margaret Taylor
455 County Center • Redwood City, CA 94063 • PHONE 650.363.4305 • TDD 650.573.3206 • FAX 650.363.7882
http://www.smhealth.org

HEALTH SERVICES AGENCY

November 27, 2002

SMCo SITE # 110101
APN # 034-193-060

Charles Abinader
City of San Mateo
Building Department
330 West 20th Avenue
San Mateo, CA 94403

SUBJECT: BUILDING DEPARTMENT NOTIFICATION OF CASE CLOSURE OF SITE #110101; TWO FORMER 4,000-GALLON GASOLINE UNDERGROUND STORAGE TANKS (USTs) AND ONE 250-GALLON UST AT FORMER ARNOLD PEDERSON LUMBER, 400 SOUTH CLAREMONT STREET, SAN MATEO, CALIFORNIA

Dear Mr. Abinader:

The enclosed case closure letter is a result of intensive review by San Mateo County Groundwater Protection Program (GPP) staff with concurrence from the Regional Water Quality Control Board staff. San Mateo GPP staff have determined that the water quality objectives of the San Francisco Bay Regional Water Quality Control Board have been satisfied. However, residual contaminated soil and groundwater remain at the site. Should any change in use of the property or development of the subject site occur which may impact these soils or groundwater, city building departments must notify the Environmental Health Division for approval pursuant to Government Code Section 65850.2. County oversight costs for management of contaminated soil or groundwater will be billed directly to the current property owner.

Should you have questions, you may reach me at (650) 599-1079. Thank you for your cooperation.

Sincerely,

Paresh C. Khatri
Hazardous Materials Specialist
Groundwater Protection Program

Enclosure

cc: Mr. Benjamin Lai, City of San Mateo, 330 West 20th Avenue, San Mateo, CA 94403

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION
Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Michael D. Nevin • **Health Services Director:** Margaret Taylor
455 County Center • Redwood City, CA 94063 • PHONE 650.363.4305 • TDD 650.573.3206 • FAX 650.363.7882
http://www.smhealth.org

SAN MATEO COUNTY CASE CLOSURE SUMMARY
LEAKING UNDERGROUND FUEL STORAGE TANKS PROGRAM

I. AGENCY INFORMATION

455 County Center, Redwood City, CA 94063
County Project Manager: Paresh Khatri
Title: Haz-Mat Specialist
Telephone Number: 650-599-1079

II. CASE INFORMATION

Site Name: Anrnold Pederson Lumber (Former)
Site Address: 400 S. Claremont St.
San Mateo, Ca 94401

LUSTIS Case #: N/A	*Local Case #:* 110101	*RWB CASE #:* 41-0987
Record ID #: 1394	*URF Filing Date:*	*APN:* 034-193-060

Responsible Party Information

Name	*Address*	*Phone #*
Arnold Pederson	220 Castillian Way San Mateo, Ca 94402	

Tank Information

Tank #	*Size in Gallons*	*Contents*	*REMOVED*	*Date*
1	4,000	Gasoline	Yes	1985
2	4,000	Gasoline	Yes	1985
3	250	Gasoline	Yes	10/1/90

III. RELEASE AND SITE CHARACTERIZATION INFORMATION

Cause and Type of Release: *Unknown*
Site Characterization Complete? *Yes*
Date Approved by Oversight Agency: 2/02
Number of Monitoring wells Installed: 2
Proper screened interval? 16-26 ft bgs
Highest GW depth BGS: 8.69
Flow Direction: northeast
Most sensitive GW use: *potential agricultural/municipalsupply as specified in Basin Plan*
Are Drinking Water affected? *No* Aquifer Name:
Is Surface Water Affected? *No* Nearest/Affected SW:
Off-Site Beneficial use Impacts (Location): *None*
Report(s) on File? *Yes* Where is it filed? *SMCo*

Treatment and Disposal of Affected Material

Material	*Amount (Include units)*	*Treatment or disposal*	*Date*
Tanks (2)	4,000-gallons each	Disposal	1985
Tank	250-gallon	Disposal	10/1/90

V. RWQCB Notification

Date Submitted to RWQCB: 7/19/02	*RB Response:* None
RB Staff: Nancy Katyl	*Title*: Engineering Geologist

Comments:
An unknown amount of hydrocarbon impacted soil, as well as impacted groundwater, remains in the subsurface at the site. City of San Mateo Building Department has been notified that should excavation or development of the property be proposed that may encounter impacted soil or groundwater, San Mateo County Environmental Health Division must be notified as required by Government Code Section 65850.2.2.

Dean D. Peterson, Director, Environmental Health

11/21/02
Date

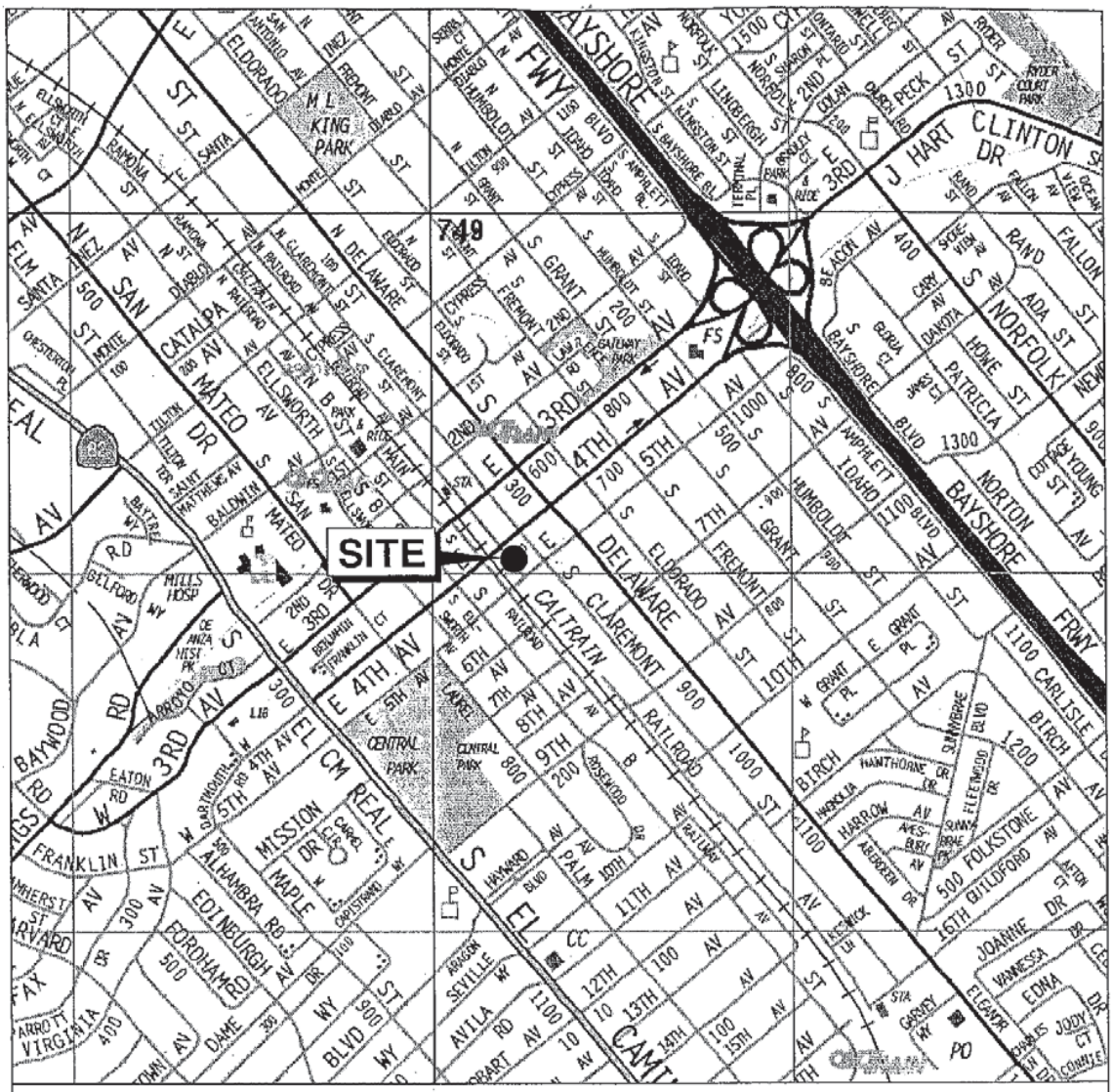
Maximum Documented Contaminant Concentrations - Before and After Cleanup

	SOIL (PPM)		GROUNDWATER (PPB)	
Contaminant	*Before**	*After**	*Before*	*After*
TPH-gasoline	840/ 42	840/ 42	78,000	18,600
TPH-diesel	52**	52**	NA	NA
MtBE	ND	ND	ND	ND
Benzene	2/ 0.091	2/ 0.091	4,100	2,050
Toluene	1.4/ 1.2	1.4/ 1.2	170	<50
Ethylbenzene	10/ 0.74	10/ 0.74	2,000	745
Xylenes	28/ 6.3	28/ 6.3	7,300	751

* First concentration from possibly saturated soil/ Second concentration from unsaturated soil
** Chromatogram does not match typical pattern

IV. CLOSURE

Does completed corrective action protect existing beneficial uses per the Regional Board Basin Plan? *Yes*
Does completed corrective action protect potential beneficial uses per the Regional Board Basin Plan? *Yes*
Does corrective action protect public health for current land use? *Yes*
Site Management Requirements: *See Comments below*
Should corrective action be reviewed if land use changes? *No*
Monitoring Wells to be Decommissioned? *0* Number Decommissioned: Number Retained:
List Enforcement Actions Taken: *None*
List Enforcement Action Rescinded: *None*



Base map: The Thomas Guide
San Mateo County
1999

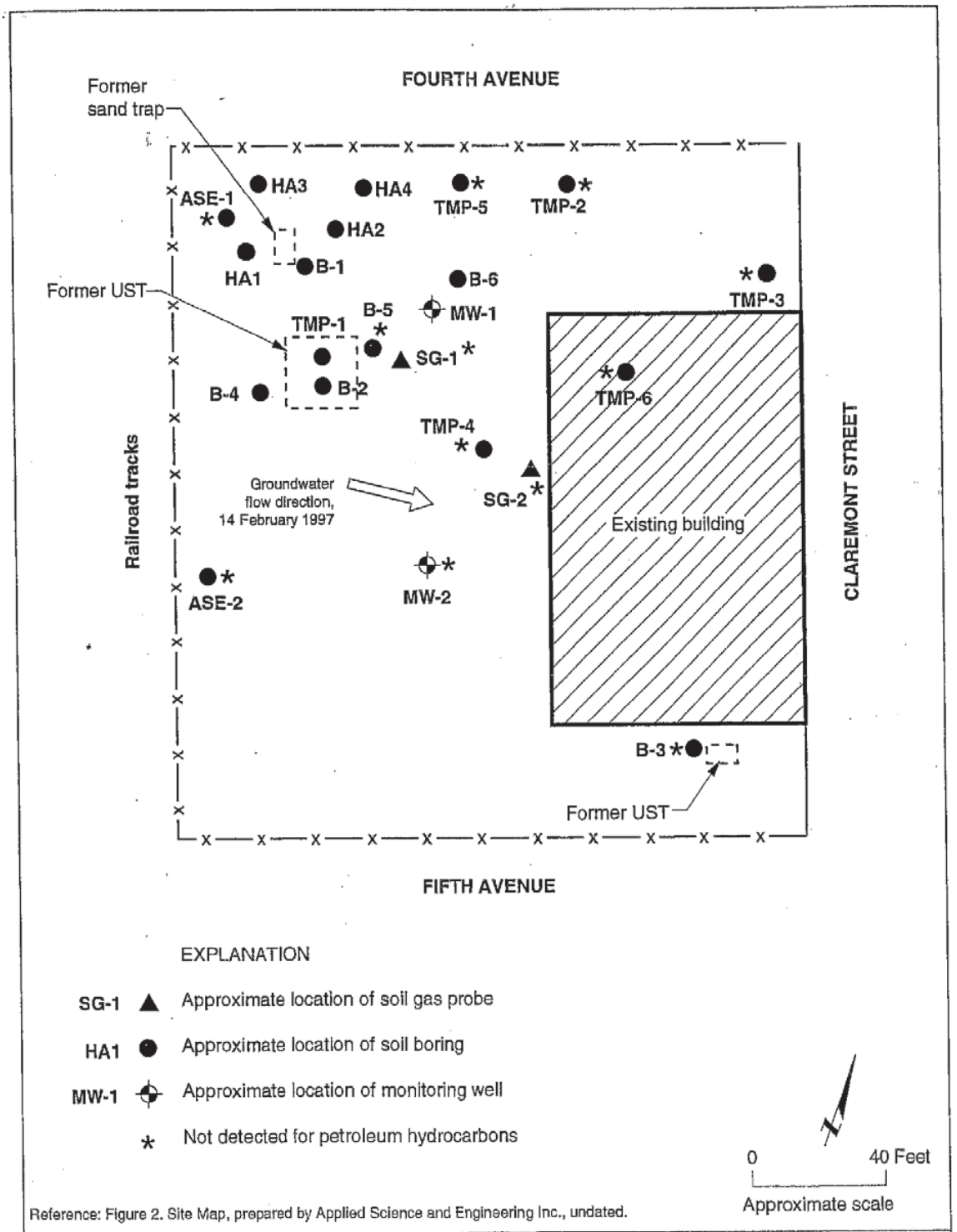
No scale

400 SOUTH CLAREMONT STREET
San Mateo, California

SITE LOCATION MAP

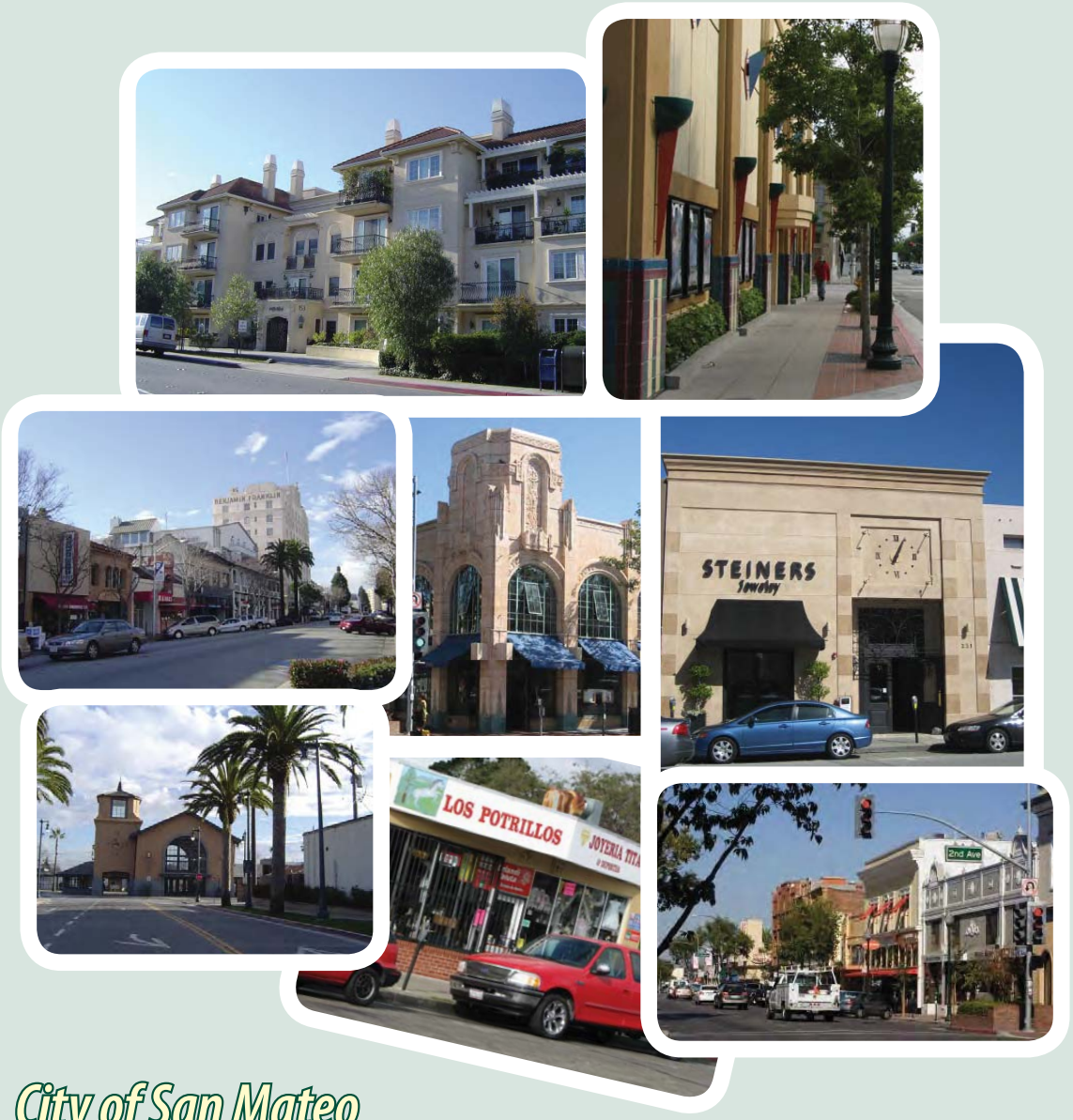
Treadwell&Rollo

Date 08/21/00	Project No. 2481.01	Figure 1



400 SOUTH CLAREMONT STREET San Mateo, California	SAMPLE LOCATIONS
Treadwell&Rollo	Date 08/14/01 | Project No. 2481.01 | Figure 2

ATTACHMENT 24



City of San Mateo

Downtown Area Plan

Approved by City Council on May 18, 2009

PROVIDE FOR NONTRADITIONAL HOUSING OPPORTUNITIES WITHIN THE RETAIL CORE.

There are insufficient housing opportunities catering to a younger demographic, such as those employed by start-up companies and technology firms near the downtown area. More diverse housing types are necessary in downtown to strengthen market support for downtown retail, restaurants, and entertainment businesses. Look at providing housing for households that will utilize downtown businesses and is within proximity to transit station to reduce vehicle trips and vehicle ownership.

Provide flexibility in architectural style to allow for nontraditional housing designs, such as loft spaces. The City will also need to address parking issues for smaller sites, consider allowing overnight parking in City facilities to enable financial feasibility of these projects.

Examples of Mixed-Use Development
Housing/Office Above Ground Floor Retail





Santana Row, San Jose









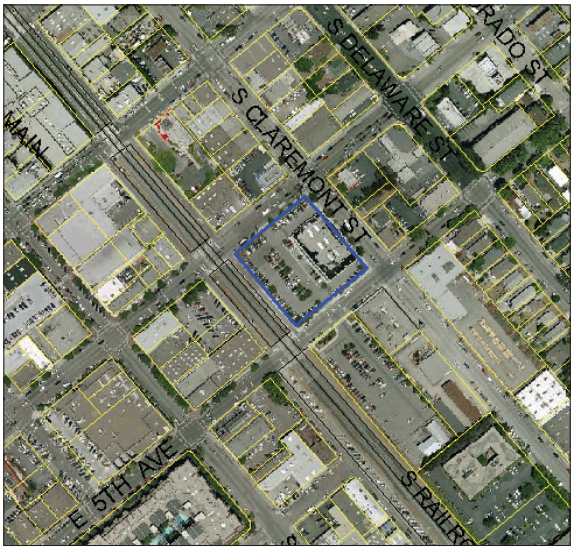
Emeryville

Mountain View

DEVELOPMENT OF THE FORMER KINKO'S SITE.

The City owned property bounded by 4th, 5th, Railroad and Claremont Street represents a unique opportunity to provide a catalyst for downtown development on the east side of the railroad tracks.

Residential use has been examined and analyzed for the site. However, there have been significant changes to the economy since that analysis. As a result, prior to initiating any efforts at redeveloping this site, the City should commission further analysis to determine the most appropriate use for the property. Any proposed development of the site should consider a range of alternatives to address potential right-of-way impact generated by the establishment of High Speed Rail.



Aerial of Former "Kinko's" Site



Central Claremont

Background

This area has a variety of uses. San Mateo Creek is the northern most boundary of this sub-area. The northern portion is designated high density residential, but there are substantial non-conforming auto service and repair uses along Railroad Avenue. 3rd and 4th Avenues act as an entry to the downtown retail core. Uses in this area are predominantly smaller restaurants, fast food restaurants and service uses. The 3rd and 4th Avenue corridor has the potential to link the retail core and Gateway.

The visual appearance of the Claremont area is disordered due to a variety of different types and sizes of buildings occurring at different setbacks, visible storage yards, unscreened parking areas, inconsistent landscape treatments and varying levels of property maintenance. In addition, potential noise and safety impacts of the railroad need to be considered. Future widening of the railroad corridor may eliminate access from Railroad Avenue.

Future Conditions

The northern portion of this sub-area is designated for high density residential use because of its proximity to the relocated train station. The rest of the sub-area's land use is designated as Central Business District Support to serve as a link between the Gateway and Retail Core; however, uses not appropriate for an entry to the Retail Core (such as auto-repair uses) are not permitted. New directions for Central Claremont include:

a. Encourage, but do not require, ground floor retail uses on 3rd and 4th Avenues to link this area with the downtown retail core. Uses that promote pedestrian activity shall also be encouraged.
b. Continue to utilize improvements such as street trees, street lights, and pavement to unify the areas east of the railroad tracks with the Downtown Retail Core. These improvements should be consistent with those used in the Retail Core so as to provide a visual and pedestrian connection between these two areas.
c. Determine an appropriate reuse of the City's 4th Avenue Site (former Kinko's site). Execute sale or lease of this City owned property for a suitable re-use. The City owned property bounded by 4th, 5th, Railroad and Claremont Avenues represents a unique opportunity to provide a catalyst for downtown development on the east side of the railroad tracks. Consider the recommendation of ERA report which designated housing (specifically condominium) use as the preferred use. Consider other alternative uses if economically feasible.

Grant Street Condominums





The Metropolitian

South Claremont

Background

This area includes both sides of the railroad tracks (see map at end of this chapter). Service uses are located on both sides of the tracks and back up to low density residential uses which front onto Delaware Street. The west side of Claremont is made up predominately of offices; however, market analysis indicates a very limited office demand in the future for this area. Potential future widening of the railroad corridor may eliminate access from Railroad Avenue.

Future Conditions

Future land use reflects existing office and auto service uses. These areas are designated Downtown Retail Core Support. The policy focus for this area include:

a. Permit support service uses which support the Downtown, but should not be located in the Retail Core.
b. Continue to utilize improvements such as street trees, street lights, and pavement to unify the areas east of the railroad tracks with the Downtown Retail Core. These improvements should be consistent with those used in the Retail Core so as to provide a visual and pedestrian connection between these two areas.
c. Determine a suitable re-use for the city owned site bounded by 5th Avenue, the railroad and South Claremont Street. Any use should be evaluated as to its ability to fulfill the following functions:

- Help establish the downtown as the city center.
- Support existing downtown retail.
- Provide opportunities for additional parking.
- Capitalize on the site's unique proximity to Downtown San Mateo.

Gateway

Background

The Gateway area extending from U.S. 101 to Claremont Street is the main entry to downtown. The area currently provides a poor entryway and transition to the downtown core area. The approach to the downtown includes several multi-family structures which have been built consistent with Downtown Plan policies. A neighborhood shopping center, recently renovated, and service uses also exist in this area. To the north and south are lower density residential neighborhoods.

The sites located directly next to the freeway have access that is indirect and difficult, requiring passage through residential neighborhoods. Office or hotel uses are inconsistent with this area's lack of access and the proximity to residential neighborhoods.



Humboldt Square

Future Conditions

The multi-family residential character of the area will be maintained and extended to include those blocks directly adjacent to U.S. 101. Gateway design guidelines have been developed to address concerns regarding compatibility between new construction and existing neighborhoods. Requiring that all new development along 3rd and 4th Avenues be built to a consistent building setback line and providing street trees will help to create a more consistent, positive transition from the Gateway to the Downtown Retail Core. Gateway policies include:

a. Continue to designate the northern and southern portions of the Gateway as low density and medium density multi-family residential in order to achieve a transition to adjacent neighborhoods and provide a buffer to high density residentially designated areas.
b. Continue to protect and utilize the open space and natural qualities of San Mateo Creek.
c. Enhance visual and pedestrian connections to the Downtown Retail Core. The City recently improved the areas along 3rd and 4th Avenues in an attempt to link the Gateway and the Downtown Retail Core. Improvements to sidewalks, street trees, and street lights, undergrounding of overhead utilities, and location of utility boxes are all aspects of the pedestrian environment which should be considered.

ATTACHMENT 25

Redevelopment Agency of the City of San Mateo
Downtown and Shoreline Merged Project Area

FIVE-YEAR IMPLEMENTATION PLAN

FOR FY2010/11 THROUGH FY2014/15



DOWNTOWN SAN MATEO'S NEW BRAND



GATEWAY SIGNAGE TO SHORELINE PARK

As Adopted by the Board of the Redevelopment Agency on: April 4, 2011

A. Five-Year Goals and Objectives

The Five-Year Goals and Objectives establish a framework for the Redevelopment Agency's activities and programs for the fiscal years 2010/11 thru 2014/15. The goals and objectives will continue to serve as a guide to the Agency in its efforts to eliminate the physical and economic blighted conditions identified in the Downtown and Shoreline Merged Project Area.

1. Merged Project Area Goals and Objectives

    a. Eliminate environmental deficiencies in the Project Area including, among others, contaminated soil and deteriorated and inadequate public improvements;
    b. Improve pedestrian and vehicular circulation in the Project Area;
    c. Plan, redesign, and develop underdeveloped areas and/or parcels that are stagnant or improperly utilized;
    d. Strengthen retail and other commercial functions in the Project Area;
    e. Strengthen the economic base of the Project Area and the community by installing and/or implementing needed improvements and programs to stimulate private investment, employment, and economic growth;
    f. Provide adequate land for parking and open spaces;
    g. Establish and implement performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project Area;
    h. Assembly of land into parcels suitable for modern, integrated development.
    i. Provide public safety support of residents within the Project Area.

2. Goals for Downtown

    The Downtown Area Plan, which includes the Downtown Redevelopment Project Area, provides specific goals and objectives for the Downtown area. The Downtown Area Plan goals support and reinforce the activities and programs planned by the Agency during the upcoming 5-year Plan period. The City Council and Redevelopment Agency Board may adjust the priorities based on various factors including the status of High Speed Rail development, the City and Agency's financial standing, or further state takeaways or other state actions which may impact the Agency's ability to carry on projects. For example, the development of 480 E. Fourth Ave (aka the former Kinko's site) has been deferred until more is known about the development of High Speed Rail through the downtown area. In the meantime, the deteriorated building has been demolished and new parking will be added to the 4th Avenue Parking Lot. The following priorities are listed in the Downtown Area Plan, which was adopted in May 2009, and are included here for reference:

    a. Establishment of a public plaza.
    b. Provide for nontraditional housing opportunities within the Retail Core.
    c. Development of the former Kinko's site (aka 480 E. 4th Ave)

d. Replacement or reconstruction of Central Park Tennis Court Garage.
e. Fourth Avenue pedestrian improvements.
f. Implement a new financing mechanism for Downtown parking.
g. Support the Downtown San Mateo Association in creation of a Property Based Improvement District for Downtown improvements and maintenance.
h. Support Sustainable Transportation Initiatives.

3. GOALS FOR SHORELINE

The Shoreline Parks Master Plan, which includes portions of the Shoreline Project Area, elaborates and expands upon the goals and objectives for the Shoreline area. These goals both support and reinforce the activities and programs planned by the Agency during the next five years.

a. The establishment of a waterfront development usable by all the people in San Mateo.
b. The establishment of a variety of uses so various needs, interests, and activities will be accommodated.
c. Maintain a safe dike.
d. Provide for adequate flood control.
e. The establishment of protected waterways.
f. The establishment of as much open space as possible.
g. Development at the lowest possible cost to the taxpayer.
h. The reduction of bay fill to an absolute minimum.
i. Establishment of a final boundary to prevent any further development on the bay shore.
j. Guide development of the remaining vacant or underutilized sites to maintain the area's role as a site for high-quality development that supports key industries in the City.

B. FIVE YEAR ESTIMATED REVENUES (FY2010/11 - 2014/15)

This section describes the estimated Agency revenues and the sources of the revenues, expenditures, and the amount of funding expected to be available to implement Agency activities. During the upcoming five year Implementation Plan period, the Agency is anticipated to receive approximately $64 million dollars in gross tax increment revenues. In addition to the tax increment, the Agency also has other sources of revenue, such as interest revenue, that are estimated to provide an additional $1 million dollars to the Agency.

After deducting Affordable Housing Funds, other taxing agencies pass-through payments, the bond debt services, and County and Agency administrative funds, the Agency will have approximately $2.4 million dollars in net revenues over the next five years to use toward the Agency 80% for redevelopment projects and programs, assuming there are no further state takeaways or other unforeseen changes.

Table 4 on page 18 & 19 describes the Agency's projected funds available for each year, as well as, the cumulative amount available during the five-year Implementation Plan. The Agency will leverage these funds whenever possible with other resources from the City, State and federal government.

ATTACHMENT 26

REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO

Request for Qualifications for Site Development
480 East 4th Avenue, San Mateo, CA
Optional Additional Site: 400 East 5th Avenue



RFQ Issue Date: **April 27, 2009**

Proposal Due Date: **Thursday, June 11, 2009 by 5:00 PM**

City of San Mateo
330 West 20th Avenue
San Mateo, CA 94403
www.cityofsanmateo.org

Laura Snideman
Economic Development Manager
lsnideman@cityofsanmateo.org
650-522-7240

REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO

Request for Qualifications for Site Development
480 East 4th Avenue, San Mateo, CA
Optional Additional Site: 400 East 5th Avenue

April 27, 2009

I. Introduction

a. Background

The development of this Redevelopment Agency-owned site represents a unique opportunity to bring new life to one of the larger properties in historic Downtown San Mateo and create a new destination on an entire 1.1 acre block. The Redevelopment Agency of the City of San Mateo (the "Agency") acquired this site in 1998 to temporarily accommodate Downtown parking needs during the construction of a new 12-screen movie theater and 380-space parking garage.

While the primary goal of this RFQ is to select a use for 480 East 4th Avenue, an additional site across the street may also be available should it benefit development of 400 East 4th Avenue. The second site, across the street from the primary site, is an additional 1.2 acres.

The Agency seeks developers who are experienced, creative, and capable of developing this highly visible site.

b. Project Objectives

The Agency is seeking a Statement of Qualification from developers that have the capacity to propose and successfully implement a development for the property that will:

- Provide revenue generation to the Agency and/or economic benefits to the City of San Mateo
- Complement and enhance the existing uses in the Downtown
- Reduce auto-dependence
- Be highly attractive and compatible with the character of the community, both architecturally and functionally
- Utilize environmentally-friendly principles in project design and construction

A variety of uses have been suggested for the site, ranging from for-sale condominiums to a children's museum to an "art house"-style movie theater showing independent, foreign, or other similar films. Creative uses of the site are encouraged although part of the evaluation process will be understanding the potential financial return to the Agency. A long-term ground lease is preferred, but options to purchase the property will also be considered. Ideally, the proposals will include the estimated value of the development to the Agency under both scenarios.

II. Site Information

a. Location

The City of San Mateo is located approximately midway between San Francisco and Palo Alto on the San Francisco Peninsula. Three major highways, Highway 101, Highway 92, and Highway 280 all serve the City. This site is between Highway 101 and El Camino Real (State Route 82). The site is also equidistant, approximately 6 miles, from both the San Francisco International Airport and the San Carlos Airport, a general aviation airport and heliport.

Located in Downtown San Mateo, the site is part of the largest and most vibrant Downtown on the Peninsula. Surrounding uses include the prime restaurant and retail core of the Downtown; residential homes including single-family houses, small apartment complexes, and luxury senior housing; and various commercial uses including warehouse, auto repair, and service businesses. Approximate distance from the site to various points of interest include:

• Highway 101 on/off ramps	6 blocks, 0.4 miles
• Caltrain Station	3 blocks, 0.2 miles
• Movie theater	1.5 blocks, 0.1 mile
• Draeger's gourmet grocery store	1.5 blocks, 0.1 mile
• Central Park (16-acre park)	2 blocks, 0.2 miles
• Highway 92	1.2 miles

Optional site: 400 East 5th Avenue is located across the street from the primary site.

See the attached map.

b. Property characteristics

This site is an entire block of approximately 50,000 square feet (1.1 acres) featuring 220 linear feet on both 4th and 5th Avenues, and approximately 230 linear feet on Claremont and Railroad Avenues. Fourth Avenue is a particularly important auto and pedestrian corridor connecting El Camino Real, the core of the Downtown, residential housing, and Highway 101. The APN is 034-183-060. The site is flat and has all utilities in place. The site also has an existing building of 12,780 sq. ft. that is expected to be replaced by the new development.

Some basic demographics in the surrounding area are shown below:

	1-mile radius	2 mi. radius	3 mi. radius
Total Population	37,373	77,077	123,666
Households	14,515	31,172	50,572
Household Size	2.53	2.44	2.42
Owners (%)	47.6	53.1	54.9
Renters (%)	48.7	43.7	41.8
Household Income	$78,977	$86,662	$94,819
Age	38	39.4	39.7
Tapestry Segment (Rank 1)	Trendsetters	Urban Chic	Urban Chic
Tapestry Segment (Rank 2)	Urban Chic	Trendsetters	Trendsetters
Tapestry Segment (Rank 3)	Pacific Heights	Pacific Heights	Laptops & Lattes

Optional site: 400 East 5th Avenue, APN 033-281-140, is approximately 54,566 sq. ft. or 1.25 acres. It is rectangular in shape, has approximately 130 feet of frontage on 5th Avenue, and abuts the railroad right of way. It has been deemed a strong candidate for a public parking garage during various planning processes. Temporary buildings on site currently house a Worker Resource Center, funded by the City of San Mateo and operated by Samaritan House.
http://www.samaritanhouse.com/new/programs/worker_resources.shtml

c. Zoning & Land Use

- General Zoning & Allowable Uses – Both properties are zoned CBD/S (Central Business District Support). The CBD/S zoning district allows for a variety of uses including mixed-use, multi-dwelling housing, office, medical offices, hotel, restaurant, retail, parking, and other types of uses. More information is available by accessing the San Mateo zoning code online at: http://www.cityofsanmateo.org/index.asp?NID=794

- Downtown Plan Requirements – Both sites lie within the study area for the Downtown Specific Plan adopted in 1993. However, a new Downtown Area plan is under consideration and compatibility with the proposed plan is desired. Information regarding the update effort is available online at http://www.cityofsanmateo.org/index.asp?nid=1113. In particular, please note that the existing Downtown Specific Plan (dated 1993) and zoning code established a requirement for ground floor retail for all new developments on the East 4th Ave side of the property. However, staff is recommending eliminating this requirement as part of the update of the Downtown Plan. The new Downtown Plan is scheduled for City Council review in Summer 2009.

- Housing Requirements & Density Bonus – Should housing be proposed, a minimum of 15% of the units shall be below market rate units. Information on the City of San Mateo inclusionary zoning requirements and general program parameters may be found at

http://www.cityofsanmateo.org/DocumentView.asp?DID=1359. In addition, a Density Bonus Ordinance has been proposed and the draft version is available at http://www.cityofsanmateo.org/DocumentView.asp?DID=4181.

- Parking requirements – Both properties are located in the downtown parking district. Required parking for new developments will be based on the proposed uses. Refer to zoning code table 27.64.100 for minimum parking requirements. http://www.cityofsanmateo.org/index.asp?NID=806 Public parking in excess of these requirements is encouraged and could be an opportunity for a public-private partnership. Ninety-five public spaces are currently provided on 480 East 4th Avenue and 73 spaces are available at 400 E 5th Avenue. (An additional 85 spaces are currently not available due to the temporary Worker Resource Center structures.)

- Green Building & Energy Efficiency Requirements – The City of San Mateo recently adopted voluntary green building guidelines that follow the U.S. Green Building Council's (USGBC) LEED Silver guidelines for municipal and commercial buildings and Build It Green's Green Pont Rated (GPR) guidelines for multi-family developments. Information regarding the City's Green Building efforts and resources are available on-line at http://www.cityofsanmateo.org/index.asp?NID=1417. The City Council agreed to consider a recommendation for mandatory green building requirements, possibly sometime in or after July 2009.

- Both sites are within the Downtown Project Area of the Redevelopment Agency.

d. Environmental & Geological Characteristics
Issues that will need further study and discussion as the project moves forward include:

- High-speed rail – The bond measure passed by California voters in November 2008 begins the implementation of the decision to build a high-speed train connection between San Francisco and Los Angeles via the San Francisco Peninsula, including through San Mateo. A further decision has been made to use the existing Caltrain corridor. The sites available for development abut the existing train corridor. However, the specific impact, if any, from high speed rail on the sites is unknown at this time. At a minimum, design consideration needs to be made for noise and vibration from the *existing* use of the train corridor, with possible additional consideration for future high-speed rail. On April 6, 2009, the City Council held a grade-separation footprint study session regarding the train in Downtown. The staff report for that meeting may be found at http://www.cityofsanmateo.org/DocumentView.asp?DID=4761. During that study session, City Council expressed a preference to accommodate high speed rail in a depressed alignment and possible tunnel through the Downtown, in part to minimize the impact on properties along the rail corridor. However, the feasibility and cost of this option has not yet been evaluated. Two recent articles in the San Mateo Daily Journal on the topic are available for review through the following two links:
http://www.smdailyjournal.com/article_preview.php?type=lnews&id=108346

http://www.smdailyjournal.com/article_preview.php?type=lnews&id=108182
Additional information and policies may be found in the draft Downtown Area Plan through this link: http://www.cityofsanmateo.org/index.asp?nid=1113

- Soils report – Several requests for information related to possible soil contamination have been received over the past year. The primary site is across the street from an auto repair facility and located diagonally across an intersection is a gas station. Neither site has undergone any recent soils testing and no monitoring wells are on either property.

- Ground water – There is generally a high ground water table in and around the Downtown which may impact construction and design, for instance when building more than one level of underground parking.

- CEQA review – Any proposed development will be subject to analysis under the California Environmental Quality Act (CEQA) at the appropriate time.

III. Submission Information

a. Opportunities for Additional Information
In addition to the references for additional information provided elsewhere in this document, there will be two opportunities to ask clarifying questions regarding this RFQ. Participating in either or both is encouraged but is at your discretion.

- Site visit: A site visit will be conducted on Tuesday, May 12 at 10:00 AM. Please meet at 480 E 4th Avenue on the northeast corner of the property near 4th Avenue and Claremont. Business cards from attendees will be collected during the site visit.

- Conference call: A conference call will be held on Thursday, May 21 at 2:00 PM. To obtain call-in instructions, please contact Joan Diskin at jdiskin@cityofsanmateo.org.

Questions submitted in writing *prior* to either of these meetings are greatly appreciated. Please submit your questions to Joan Diskin at jdiskin@cityofsanmateo.org. The responses will be addressed to all participants at the site visit or on the call.

b. Content
A complete package must be submitted in order to be considered. Submit FIVE (5) copies of the package AND one (1) electronic copy on a CD. Elements to be included are:

- *Cover letter:* A cover letter highlighting the qualifications of the developer or development team as related to this project and the proposed use of the site.

- *Vision and approach for the project*: A narrative description outlining the developer's understanding of the project and general vision, including proposed

use, for the project. The vision statement should address the question, "Why is your company interested in this site and where would you like to take it?" Development specifics such as exact square footage by use, renderings, and so on are *not* required.

- *Financial Benefit to the Redevelopment Agency and/or City:* An initial estimate of the financial benefits to the Redevelopment Agency and/or City. An estimated range of financial compensation is acceptable. A pro-forma is *not* required.

- *Relevant projects:* Descriptions of relevant projects completed by the developer. Please limit descriptions of relevant projects to a maximum of five examples. Additional projects may be listed in bullet form with the project name and location.

- *Team resumes*: A resume of no more than one page for each proposed team member.

- *Financial capacity:* A narrative describing the developer's financial strength including the ability to conduct any necessary predevelopment studies and undergo an entitlement process and sources of equity and credit used on other projects.

- *References:* At least three current references including complete contact information for those who have personal knowledge of the developer's ability to manage and successfully complete similar projects.

c. Submission Date and Location
Responses are due by **5:00 PM on Thursday, June 11, 2009**. Submit them to:

Laura Snideman
Economic Development Manager
City of San Mateo
330 West 20th Avenue
San Mateo, CA 94403

IV. Selection Process

a. Selection Process
Proposals will be evaluated and ranked by qualified personnel selected by the Agency. Those developers receiving the highest ranking are likely to be invited for an interview. The Agency may, at its discretion, request that a developer modify or supplement their submission with additional information. The Agency intends to identify a developer with which to enter into an exclusive negotiating agreement for development of the property.

b. Evaluation Criteria
Proposals may be evaluated based upon, but not limited to, the following criteria:

- The developer's experience in completing high-caliber development projects of similar scope, complexity, and magnitude
- The developer's experience in partnering with a redevelopment agency and community on redevelopment projects
- The proposed use of the site(s), its compatibility with the Agency's objectives, and its suitability to the surrounding area
- The professional qualifications and experience of the key personnel assigned to the project
- The developer's financial capability to undertake and successfully complete proposed projects
- The potential financial benefit to the Redevelopment Agency and/or City of San Mateo
- References
- Oral interview

c. Tentative Project Schedule

• June 11, 2009	Responses due
• July – August 2009	Initial evaluation (including interviews) conducted
• September 2009	Recommend to the Redevelopment Agency Board a developer with which to enter exclusive negotiations
• October – December 2009	Conduct Development and Disposition Agreement (DDA) negotiations
• January 2010	Recommend a DDA for approval by the Redevelopment Agency Board

V. Disclaimers

The Agency assumes no responsibility for delays caused by delivery service. Postmarking by the due date will not substitute for actual receipt.

All costs incurred during proposal preparation or in any way associated with the consultant's preparations, submission, presentation, or oral interview shall be the sole responsibility of the consultant.

Consultants are liable for all errors or omissions contained in their proposals.

The Agency retains sole authority and discretion to evaluate submissions in response to this RFQ and may enter into negotiations with the developer the Agency deems to have made the most responsive proposal.

Receipt of proposals in response to this RFQ does not obligate the Agency in any way to engage any developer and the Agency reserves the right to reject any or all proposals,

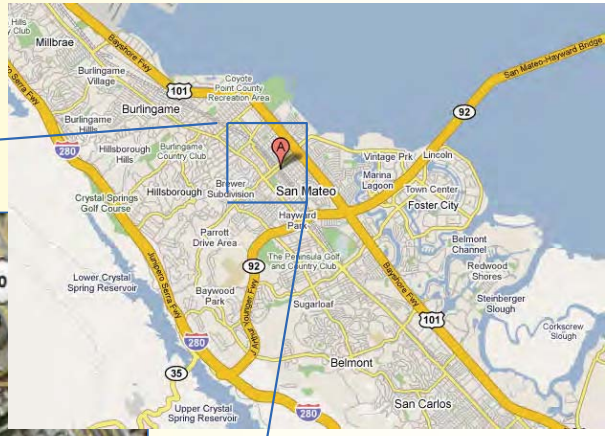
wholly or in part, at any time, without penalty. The Agency shall retain the right to abandon the selection process at any time prior to the actual execution of a contract with a consultant, and the Agency shall bear no financial or other responsibility in the event of such abandonment. The Agency reserves the right to negotiate all final terms and conditions of any agreements entered into.

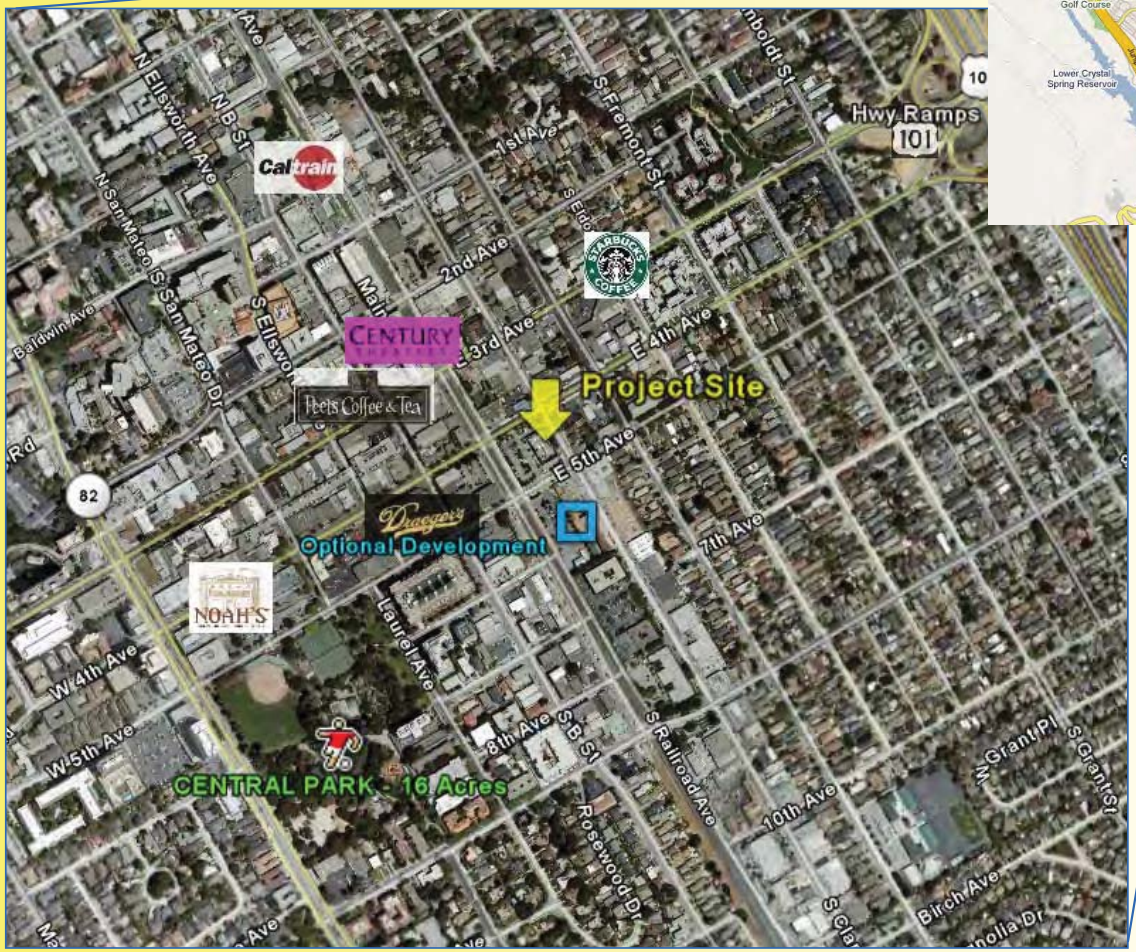
If at any point the first-ranked developer declines to proceed, the Agency may, at its discretion, enter into a new ENRA or other agreement with the second-ranked developer, and so on.

The Agency will acquire the rights to all studies prepared under an agreement with the Agency for the site.

480 East Fourth Avenue

Development Opportunity





ADMINISTRATIVE REPORT

ATTACHMENT 27

Item No: SS2
Meeting Date. September 21, 2009

To: Redevelopment Agency
Honorable Mayor and City Council

Date: September 8, 2009

By:

Robert Beyer
Director of Community Development

Susan M. Loftus,
City Manager

Subject: **Status of Agency Owned site at 480 E. 4th Avenue (Kinkos)**

RECOMMENDATION

It is recommended that the Redevelopment Agency Board/City Council provide direction to staff on the questions raised below through providing answers to the following questions:

- Are the projects being proposed for further consideration through the RFP process representative of the types of projects meeting the goals for the redevelopment of the site?
- Is there support for moving forward with the RFP process as recommended by staff.

BACKGROUND

In February, a City Council Study Session was held to discuss Downtown programs and services, including the Redevelopment Agency owned property located at 480 E. 4th Avenue (former Kinko's site). It was recognized during the meeting that there was not a consensus on the Council as to the best and highest use for reuse of the site. It was decided that staff should determine if there was interest from the private sector in the development of the site. Staff would be issuing a Request for Qualifications (RFQ) to ascertain interest in the potential redevelopment of the site. The goal is to find the highest and best use for the site. This goal to be measured by: 1)return to the agency for its original investment in the property,2) the most added value of new development to the downtown in terms of increased tax increment/property taxes and sales tax, if applicable, providing needed housing and retail in the downtown. The 124 parking spaces on the site need to be replaced.

In late March staff released a Request for Qualifications for the redevelopment of the site. The purpose for the RFQ was to determine whether there was interest in developing the site in this economic climate and what might be the best use which would add value to the property and the downtown. It was further determined, that as an option, interest would be assessed in the potential development of the 5th and Railroad property as well.

Past discussion had included the possible development of this site for parking in conjunction with development of the Kinko's site.

ANALYSIS

The goal of this process was to determine if there is a qualified developer that can bring a project forward which would meet the Redevelopment Agency objectives for the site. These are:

- Adding economic value to the Downtown
- Redeveloping the site with a new building and parking
- Maximizing the financial return to the Agency
- Maximizing the development of the site
- Reducing auto dependence
- Utilizing environmentally-friendly principles in project design and construction
- Adding architecture and design features which, enhances the aesthetic quality of Downtown
- Existing parking on site must be replaced as part of the project.

The Agency received thirteen (13) responses to the RFQ. The list of specific proposers is attached as Exhibit A. The responses were broken into the following categories:

Project Type	Developer
Market Rate Housing	Avalon Bay Communities Legacy Partners Sares/Regis The Olson Company Urban Housing Group Wood Partners
Affordable/Below Market Rate Housing/Mixed Use Rental	Douglas Ross Const./Mid Peninsula Housing Coalition Place
Market Rate Family Housing	Community Housing Developers
Mixed Use Affordable Senior Housing	KDF Communities
Restaurant	Hokkaido Corp.
Child and Youth Activity Center	Ellsworth Management Group
Art Museum	Peninsula Art Museum

The next step in the process is to send out a Request for Proposals (RFP) to eight firms for a very specific development proposal based on the information provided in the response to the RFQ. These developers have projects which are worth further review. It is possible that all of the parties will not respond to the RFP. One contributing factor is that the Agency ~~is not going to~~ does not have funding to subsidize ~~any BMR or~~ below market rate units for the project.

A couple of the proposals have indicated some interest in developing the 5th and Railroad site. This might include development with parking. Both developments anticipate that this could be a public private partnership with the Agency for the public parking. This could be beneficial to the

Agency and the City as there are 280 public parking spaces on both sites which should be replaced.

- It is recommended that RFQ's be sent to the following development teams

  Avalon Bay Communities
  Legacy partners
  Sares/Regis
  The Olson Company
  Urban Housing Group
  Wood Partners
  Douglas Ross Construction/Mid Peninsula Housing Coalition
  Place

- RFQ's which were not recommended for further consideration are:

Three proposals are being rejected because they do not include a new project, but rather the reuse of the existing building on the site. These proposals are not consistent with the redevelopment and reuse of the site as has been discussed as providing the highest and best use for the property and the downtown. These responses include:

  Japanese Restaurant
  Child and Youth Activity Center
  Art Museum

- One proposal included traditional family housing, which does not meet the objective of having increased density housing in the Downtown.

  Community Housing Developers

- The Proposal for mixed use senior housing also does not meet the type of new housing desired for the Downtown.

  KDF Communities

There is some uncertainty about the impact that a potential high speed rail might have on a project at this location. There have been recent setbacks to the project and it is difficult to determine at this time the true impact on the site until the alignment is determined and the type of facility, whether at grade, above grade or in a tunnel under ground. The General Plan, under consideration and the approved Downtown Area Plan provide guidance for dealing with this issue as a project for the site moves forward.

RFQ Summary - 480 E. 4th Ave (400 E. 4th Ave)

Exhibit A

	Nature of Proposal	Includes 5th & Railroad Site	LEED Certified?	Public Parking Proposed (or willing to discuss with City)	Nature of Transaction	Financial Impact	Expectations of Agency
Avalon Bay Communities	High density residential community of 260 apts. In a 5 story structure	Yes	Not stated	No	Purchase	Land purchase price of approx. $5,260,000; increased property and sales tax revenue	Proposal exceeds the density that current zoning allows. Project to be constructed with no prevailing wage requirement. Preference is to purchase property.
Community Housing Developers	77 family housing units	Possibly (dependant on negotiations with City)	Possibly	Not stated	Long term lease from City/possible purchase	Fee's of $1,250,000 based on $18 million hard cost; Land purchase of $2-3MM/acre; $1s.f. lease on a 55 year land lease	Long term lease from City; due diligence may significantly alter plan/process; to discuss capabilities and ideas in more detail.
Douglas Rose Construction & Mid-Peninsula Housing Coalition	Mixed Use/Income multi-family rental housing (140 units) w/ground floor retail and public parking. (42% BMR)	Yes	Yes	Yes	2 separate long term ground leases	DRC or affiliate enters into a ground lease with RDA@ $1 year with a term of 99 years plus 25% of net cash flow at the 5th Avenue site and 75 years and 25% of net cash flow after and equity return of 8% at 4th Ave. site. (approx. $700K ground lease payments for 4th Avenue site and $150K+ parking)	Lenders/investors will require a full subordination of the ground lease to financing deeds of trust. DRC will be requesting financial assistance from RDA to help cover cost of public parking spaces with no soft costs included. Alternatively, MPHC & DRC are willing to form a separate legal entity affiliated with both organizations that would serve as the lessee under the ground lease.

RFQ Summary - 480 E. 4th Ave (400 E. 4th Ave)

Exhibit A

	Nature of Proposal	Includes 5th & Railroad Site	LEED Certified?	Public Parking Proposed (or willing to discuss with City)	Nature of Transaction	Financial Impact	Expectations of Agency
Ellsworth Management Group	Child and Youth Activity Center 12,780 sf	No	No	No	Short term (7 yr) lease plus two 5 year	There patrons represent increased numbers of retail consumers in the Downtown	Lessor to deliver the premises with the roof, mechanical, electrical, fire sprinklers, plumbing and lighting systems in working condition & comply with ADA and city codes. Otherwise, the premises will be leased in "as is" condition & the Lessee shall make all approved improvements to the premises & get rent credit for the mentioned expense. Lessor to pay a lease commission equal to 5.0% of total lease consideration for the first seven years of the lease terms
Hokkaido Corporation	Japanese Restaurant	No	Not stated	No	Short term (10yr) rent plus two 7 year options with First Right of Refusal	Sales tax revenue, long term rent revenue (approx $2/sq. ft. plus 3%/yr increase starting year 3	Landlord shall maintain and repair all of the structural elements of the building, including roof structure, exterior wall structures and foundation. Provide $20/sf Tenant Improvement to help tenant build therapy rooms and upgrade restrooms. (Minimum of $750,000 to $1,000,000 investment). $6/sf commission will be paid within 30 days after signing and receiving all lease documents
KDF Communities	Mixed Use Senior Affordable Housing (74 units) w/4,0000 s.f. of commercial retail space (100% BMR)	No	Yes	No	Unclear	more retail shoppers Downtown	Separate legal parcel created for the retail space and owner to pay property taxes. Local or state financing to cover funding gap in both a 9% and 4% tax structure. Optionally, RDA funds to cover gap.

RFQ Summary - 480 E. 4th Ave (400 E. 4th Ave)

Exhibit A

	Nature of Proposal	Includes 5th & Railroad Site	LEED Certified?	Public Parking Proposed (or willing to discuss with City)	Nature of Transaction	Financial Impact	Expectations of Agency
Legacy Partners	Four story residential apartments with subterranean parking (15% BMR)	Yes	Not stated	Not stated	Ground lease and real 8% IRR with terms to be determined once size & scope have been established	Market rate lease to Agency based on residential land use	
Peninsula Art Museum	Peninsula Art Museum and Peninsula Art Institute offering workshops, classes	Yes	Not stated	Not stated	Long term lease	Employment, tax revenue, educational and community benefits; strengthened retail support	Proposes $1/year land lease for 99 years with understanding that Museum may come to the City for permission to add to the facility. Museum to use up to $500,000 to repair and rehabilitate the 480 Fourth Ave building, including skylights. Operating costs to be covered by income
Place	Mixed Use including housing artists living/working space, retail, office, public green space (approx. 80% BMR)	Yes	Yes	Not stated	Public/Private Partnership	PLACE to raise $70+ million in development costs. Once project complete, no further funding required. $200-$500K/yr shared E-waste revenue	Would seek City's assistance in raising between $1.75 and $2.75 million in preconstruction funds
Sares/Regis	Luxury multi-family rental housing and ground floor commercial uses	Yes	Not stated	Willing to discuss	Purchase	$2,000,000-$10,000,000 at closing of land; $100,000 - $200,000 increase in property tax revenue	

RFQ Summary - 480 E. 4th Ave (400 E. 4th Ave)

Exhibit A

	Nature of Proposal	Includes 5th & Railroad Site	LEED Certified?	Public Parking Proposed (or willing to discuss with City)	Nature of Transaction	Financial Impact	Expectations of Agency
The Olson Company	32-40 three story, at grade townhomes with 2 car garages (15% BMR)	Possibly (could expand 480 E 4th vision, dependent on Financial Benefit)	Yes	No	Purchase	Property & sales tax income; retail support	Wishes to purchase property with no assistance requested from RDA
Urban Housing Group	106 unit apartment community (15% BMR)	Yes	Not stated	Yes (3-4 story garage)	Public/Private Partnership	$3.0-$3.5MM in municipal fees; $250-$300K annually in property tax; strengthened retail support	Lead effort for design, entitlements, financing, construction and operations of apartment community and propose to manage and deliver (through design/bu[illegible] process) 3 story parking garage, with U[illegible] making a "contribution" of up to $1MM towards the estimated cost of $8.5 - $9.5 MM dollars
Wood Partners	74 apartment units & 3 story stand alone parking structure (20% BMR)	Yes	Yes	152 public parking spaces out of 300 space garage	Purchase	Property tax revenue & option of operating a public parking garage	Possible contribution of funding by the City of San Mateo for the construction of the parking garage

ATTACHMENT 28

CITY COUNCIL OF THE CITY OF SAN MATEO
REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO
COUNTY OF SAN MATEO

Minutes of the Special Meeting of September 21, 2009

Prior to the Special Meeting, the City Attorney publicly announced the Council would be going into closed session at 4:15 p.m. in Conference Room C, City Hall, to consider the item designated for closed session on their agenda as follows: Conference with Real Property Negotiations pursuant Government Code Section 54956.8: Acquisition of Parcel at 1011 East Fourth Avenue. Agency Negotiator: Robert Beyer, Community Development Director; Under Negotiation: price and terms of payment.

The Special Meeting was called to order by Mayor Brandt Grotte at 4:30 p.m. Those present were Council Members Jan Epstein, John Lee, Jack Matthews, Fred Hansson, and Brandt Grotte.

1. Status Report on Redevelopment Agency and State Takeaways

Community Development Director Robert Beyer offered a report on Redevelopment Agency finances which were impacted by recent State budget actions, and he reviewed staff's recommendations for reallocation of funds.

Council members raised questions, offered comments and expressed support of staff's recommendations.

2. Status of Agency Owned Site at 480 East Fourth Avenue (Kinkos)

Prior to consideration of the item and due to the proximity of his office to the site in question, Council Member Jack Matthews left the dais and participated as a member of the audience.

Community Development Director Robert Beyer reviewed the Request for Qualifications process for redevelopment of the site, and noted thirteen responses had been received.

Members of the public spoke to the item.

The Council raised questions, expressed concerns and following discussion, expressed a desire to have the existing structure on the site demolished to allow for parking as an interim use while the impacts from the high speed rail were identified.

The Mayor called a recess at 5:59 p.m. and the meeting reconvened at 6:09 p.m.

3. Proposed Development Agreement Term Sheet for Hines Development at Concar and Delaware

Community Development Director Robert Beyer acknowledged members of the project team and introduced Lisa Louis, representing HINES, who offered a presentation regarding the proposed development.

Mr. Beyer and Public Works Director Larry Patterson responded to questions and noted the proposed project met the criteria established for consideration of a development agreement.

Members of the public spoke to the item.

Council Members offered comments and noted they did not believe the proposed public benefits fell under the category of "extraordinary." They requested the item come back with suggestions from the developer and staff which would include the Council's comments and reflect more synergy with other projects in the area.

4. High Speed Rail – CalTrain Policy Makers Group Discussion

Due to the hour, consideration of this item was postponed.

There being no further business to come before the City Council, Mayor Grotte adjourned the special meeting at the hour of 6:50 p.m.

Norma Gomez, City Clerk and
Clerk of the City Council

9/21/09 -1

RECORDING REQUESTED BY:
FIRST AMERICAN TITLE INS. CO.

ATTACHMENT 29

AFTER RECORDING MAIL TO:

CITY OF SAN MATEO
ATTN: CITY CLERK
330 W. 20TH STREET
SAN MATEO CA 94403

WE HEREBY CERTIFY THIS TO BE A TRUE
AND CORRECT COPY OF THE ORIGINAL
RECORDED IN VOL. N/A O.R. N/A
DOCUMENT NO. 97123890 9/26/97
SAN MATEO CO. RECORDS
FIRST AMERICAN TITLE INS. CO.
BY 97123890

Escrow # 420600A

County transfer tax $ 0 Grantee ecempt
City of San Mateo transfer tax $0 Grantee Excmpt
Complimentary Recording Requested Pursuant to Government Code Section 27383

CORPORATION GRANT DEED

CORPORATION GRANT DEED

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **RAISER DEVELOPMENT COMPANY, LLC**, a limited liability company, ("Grantor"), does hereby GRANT to **THE CITY OF SAN MATEO**, a municipal corporation, ("Grantee"), that certain real property situated in the City of San Mateo, County of San Mateo, State of California, and more particularly described in the Exhibit "A" attached and hereby made a part hereof, the ("Property").

Grantor excepts from the Property all minerals and mineral rights, interests, and royalties, including, without limiting, the generality thereof, oil, gas and other hydrocarbon substances, as well as metallic or other solid minerals, in and under the Property.

Grantee acknowledges that Southern Pacific Transportation Company ("SPTC") is operating (and will continue to operate) a railroad upon its adjoining property, and recognizes that such operation may create some noises and vibrations affecting the Property. Grantee accepts the Property subject to such noises and vibrations, and hereby covenants to release Grantor and SPTC from all liability, cost and expense resulting therefrom. This covenant shall run with the Property, and shall be binding upon the successors and assigns of Grantee.

Grantee, by signing below, expressly acknowledges that Grantee is buying the Property in an "AS IS" condition and that Grantee has relied upon its own independent investigation of the physical condition of the Property. Grantee hereby releases and indemnifies Grantor and Grantor's shareholders, officers, directors, agents and employees from all responsibility and liability regarding the condition (including, but not limited to, the physical condition or presence of hazardous materials), valuation or utility of the Property.

This Grant is made subject to all covenants, conditions, restrictions, exceptions, easements, rights-of-way, rights-of-access, agreements, reservations, encumbrances, liens and other matters as the same may be of record; any matters which would be disclosed by survey, investigation or inquiry; and any tax, assessment or other governmental lien against the Property.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed in duplicate this 25TH day of SEPTEMBER, 1997.

GRANTOR

RAISER DEVELOPMENT COMPANY, LLC

By: Phillip H. Raiser
Phillip H. Raiser
Title: Manager

Attest: _____

Title: _____

Grantee hereby accepts this deed and agrees for itself, its successors and assigns, to be bound by the conditions and covenants set forth herein and to perform all obligations of Grantee set forth herein.

Dated this 25TH day of SEPTEMBER, 19 97.

THE CITY OF SAN MATEO

By: Gary Yates

Title: GARY YATES, CHAIR

This is to certify that the interest in real property conveyed by deed or grant dated SEPTEMBER 25, 1997 from Raiser Development Company, LLC to the City of San Mateo, California, a political corporation, and/or Governmental Agency, is hereby accepted by the undersigned officer or agent in behalf of the City Council of said City of San Mateo pursuant to authority conferred by Resolution No. 154 (1977) of the said City Council adopted on August 15, 1977, and recorded October 28, 1977, in Volume 7643 at Page 435, Official Records of San Mateo County, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: September 26, 1997

NORMA GOMEZ, CITY CLERK

D 4-97
Govt. Entity
Acquiring Title
Tax Exempt
Effect. 11/10/69
Co. Par.: No. Parcel 1, Parcel Map 356

Govt. Code. Sec. 27281

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ADMINISTRATIVE REPORT

ATTACHMENT 30

Meeting Date: Sept 21, 2009
Item No. 2 & 7

To: Honorable Mayor and City Council and Redevelopment Agency Board of Directors

Laura Snideman, EDBA Manager
(650) 522-7240

Date: September 17, 2009

Robert Beyer
Community Development Director
(650) 522-7200

By: Sandra Russell

Sandra Russell
Redevelopment Specialist
Phone: (650) 522-7243
Email: srussell@cityofsanmateo.org

Susan Loftus, City Manager/RDA Executive Director
(650) 522-7000

Subject: **Transfer ownership of the property at Fifth and Railroad (400 East 5th Avenue, APN 033-281-140)**

RECOMMENDATION

1. That the City Council authorize the Mayor to execute a grant deed to transfer ownership of the property located at Fifth and Railroad from the City of San Mateo to the Redevelopment Agency of the City of San Mateo and authorize staff to record the grant deed.
2. That the Redevelopment Agency Board of Directors accept the title for ownership of the Fifth and Railroad Parcel.

(City Council action must precede RDA action)

BACKGROUND

The property located on Fifth Avenue at Railroad (400 East 5th Avenue, APN 033-281-140), often referred to as the Southern Pacific property, was purchased in 1997. County records currently show the City of San Mateo as the owner. However, staff believes this is an administrative error and the correct owner should be the Redevelopment Agency of the City of San Mateo (RDA).

ANALYSIS

The Administrative Report, prepared for the City Council/RDA April 22, 1997 meeting, recommended approval of the Redevelopment Agency to purchase the property, approve a one-year loan from the City

to the RDA to purchase the property and authorize staff to enter into an agreement for soils investigation. At the same meeting, an agreement between the City and the RDA was approved authorizing the loan by the City and accepting the funds by the RDA for the purchase by the RDA of the Southern Pacific site (Resolution No. 35 (1997) and RDA Resolution No. 4 (1997)). The RDA paid back the loan to the City in November 1997 in accordance with the loan agreement.

The April 23, 1997 Minute Order #69A-97, in the matter of Approval of Purchase - Southern Pacific Property indicates that the Redevelopment Agency Members concurred with staff recommendations to approve the purchase of the Southern Pacific property, make a loan with the City to the Redevelopment Agency and authorize staff to enter into an agreement for soils investigation. Although it is unclear if it was a typographical error or another reason, on the same Minute Order, RDA Resolution No. 3 (1997) was adopted, approving an agreement between the City and Raiser Development Company for the purchase of the parcel. At the same time RDA Resolution No. 4 (1997) accepting an advance from the City to the RDA to purchase the Southern Pacific property was also adopted. It is unclear why Redevelopment Agency Resolution No. 3 (1997) approved and authorized an agreement between the City and Raiser Development Company for the purchase of the property when also authorizing and accepting an advance from the City for the RDA to purchase the property.

Resolution No. 98 (1997) approved an agreement between the City and Andreini Bros., Inc., for parking lot improvements on the site, which included (#3) "A condition precedent to the effective date of this resolution shall be the vesting of title to the property in the Redevelopment Agency of the City of San Mateo."

Based on the available information, it is the opinion of staff that the Redevelopment Agency was intended to be the owner of the parcel and action should be taken to transfer title to the property to the Redevelopment Agency. The execution of the attached grant deed and its subsequent recordation will transfer ownership to the Redevelopment Agency.

BUDGET IMPACT

There is no budget impact.

CEQA

In accordance with CEQA Guidelines section 15061(b)(3), deeding the parcel from the City of San Mateo to the San Mateo Redevelopment Agency is not an action subject to CEQA, in that it can be seen with certainty that there is no possibility that this activity will have a significant impact on the environment.

7a

CITY OF SAN MATEO
RESOLUTION NO. 150 (2009)

AUTHORIZING THE EXECUTION OF A GRANT DEED TO TRANSFER OWNERSHIP OF PROPERTY FROM THE CITY OF SAN MATEO TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN MATEO, AND THE RECORDING OF THE GRANT DEED WITH THE COUNTY OF SAN MATEO
(400 East Fifth Avenue, "Southern Pacific Property"; APN 033-281-140)

WHEREAS, the property located at 400 East Fifth Avenue (the Property) was purchased in 1997, and the recorded grant deed indicates the City of San Mateo (City) accepted the grant deed; and

WHEREAS, staff has researched the purchase and believes that the grant deed showing the City as the owner was mistakenly recorded and that the grant deed should, in fact, have listed the Redevelopment Agency of the City of San Mateo (Agency) based on the following facts:

1. The Administrative Report prepared for the April 22, 1997, meeting recommended approval of the Agency purchase of the Property and approval of a one-year loan from the City to the Agency. (Reference: City Resolution No. 35 (1997) and Agency resolution No. 4 (1997), and April 23, 1997 Minute Order #69A-97);

2. Records indicate that the Agency paid back the loan in November 1997, in accordance with the loan agreement;

3. The City and Andreini Brothers, Inc., entered into an agreement for parking lot improvements on the site, which included: (#3) "a condition precedent to the effective date of this resolution shall be the vesting of title to the property in the Redevelopment Agency of the City of San Mateo." (Reference: City Resolution No. 98 (1997)); and

WHEREAS, based on the research outlined above and more fully detailed in the accompanying Administrative Report, City staff recommends that the City Council authorize the execution of a grant deed to transfer ownership of the Property from the City to the Agency;

NOW, THEREFORE, THE SAN MATEO CITY COUNCIL HEREBY RESOLVES and ORDERS that:

1. The Mayor is authorized to execute a grant deed, in substantially similar form to that attached as Exhibit A to this Resolution, to transfer ownership of the property located at 400 East Fifth Avenue (APN 033-281-140) from the City of San Mateo to the Redevelopment Agency of the City of San Mateo.

2. City staff is authorized to assist with recordation of the grant deed with the County of San Mateo.

ATTEST:

(SEAL) /s/NORMA GOMEZ
NORMA GOMEZ, CITY CLERK

/s/BRANDT GROTTE
BRANDT GROTTE, MAYOR

Q:\cityatty\Agenda-Current\400 East Fifth Ave. Transfer.doc

* * *

Resolution adopted by the City Council of the City of San Mateo, California, at a regular meeting held on September 21, 2009, by the following vote of the Council:

AYES: Council Members EPSTEIN, LEE, MATTHEWS, HANSSON and GROTTE

NOES: NONE

ABSENT: NONE

(SEAL) /s/ NORMA GOMEZ, City Clerk

ATTACHMENT

CUSHMAN & WAKEFIELD

560 S. WINCHESTER BOULEVARD, SUITE 200
SAN JOSE, CA 95128

February 24, 2013

Ms. Lisa Grote
Community Development Director
City of San Mateo
330 West 20th Street
San Mateo, CA 94403

Re: Appraisal of Real Property
In a Self-Contained Report

E. 5th Avenue and Railroad Avenue
San Mateo, San Mateo County, CA 94401

C&W File ID: 13-38010-900112-003

Dear Ms. Grote:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in a self-contained report dated February 24, 2013. The effective date of value is February 20, 2013.

This appraisal report has been prepared in accordance with our interpretation of your institution's guidelines and the *Uniform Standards of Professional Appraisal Practice* (USPAP).

The subject site is designated as a CPID parking facility. The entire parcel is used for this purpose except several small temporary buildings used for the Worker Resource Center. This use is only interim.

It is our understanding that lots designated as CPID parking facilities provide parking to property owners who paid in lieu of parking fees rather than provide for on-site parking in the downtown district. While this is a legal issue and we certainly recommend a legal opinion on this issue, it is our opinion that due to the constraints of the CPID parking district, that the portion of the subject parcel designated as a CPID parking facility may not be used for other purposes other than parking. Therefore, as parking is the only obvious use, the value of the subject site would be severely diminished as development on the property could not be entertained as a potential use.

The value impact of this requirement and the subject's value exclusively as a parking lot can only be evaluated through an in depth parking study of downtown San Mateo. It is beyond the scope of this assignment to complete a parking study and it is not within our capabilities to complete such a study.

The purpose of this appraisal is to estimate the market value of the subject site for potential disposition due to dissolution of the Redevelopment Agency in the City of San Mateo as a result of AB X1 26. Currently, ownership of the subject site is held by the Redevelopment Agency. It is our understanding that the City of San Mateo or a successor agency will take ownership of the subject. We understand that in such cases, properties were to be

sold. However, it is also our understanding, that if they are used for public use, these properties may be excluded from sale. It is our opinion that the current use of the subject is a public use.

As such, we have completed our appraisal of the subject property with the hypothetical condition that it can be developed to its highest and best use without the requirements to provide parking for the CPID.

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion of Market Value:

Value Conclusions

[illegible]	[illegible]	[illegible]	[illegible]

Compiled by Cushman & Wakefield Western, Inc.

The value opinion in this report is qualified by certain assumptions, limiting conditions, certifications, and definitions. The value opinion in this report is qualified by the following extraordinary assumptions and hypothetical conditions.

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

We used the hypothetical condition that there is no impact from the CPID and the subject can be developed to its highest and best use. This appraisal does not employ any further hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

Kenneth E. Matlin, MAI, SRA, ASA
Senior Director
CA Certified General Appraiser
License No. AG002022
ken.matlin@cushwake.com
(408) 572-4140 Office Direct
(408) 434-1554 Fax

ATTACHMENT 32
AGENDA ITEM # 24
MTG. DATE 4-22-97

ADMINISTRATIVE REPORT

TO: Mayor and Redevelopment Agency

APPROVED BY: B.E. Kautz, Comm. Dev. Dir.

DATE: March 31, 1997

SUBMITTED BY: Diana Whitecar
Diana Whitecar, Econ. Dev. & Business Assist. Mgr.

A. Croce, City Manager

SUBJECT: **Purchase of the Southern Pacific Property**

RECOMMENDATION

That the Redevelopment Agency adopt 1)Resolution No. ___approving the purchase of the property located South of Fifth Avenue and east of the railroad right-of-way, known as the Southern Pacific property, from Raiser Development Company, LLC, for an amount not to exceed $925,000; 2) Resolution No. ___ approving a one year loan of $925,000 from the City to the Redevelopment Agency for the purchase; and, 3)Resolution No.___authorizing staff to enter into an agreement with Subsurface Consultants, Inc. for an amount not to exceed $30,200 for soils investigation and geotechnical analysis; and direct staff to initiate design of a parking lot for use of the site.

BACKGROUND

In the late spring of 1996, Southern Pacific Transportation Company (SP) approached The Raiser Corporation (Raiser) on the possible purchase of the above described property. Raiser then offered the property to the City and requested that Raiser act as the intermediary. On July 22, 1996, the Council directed staff to work with Raiser to negotiate the purchase of the above described property and, if negotiations were successful, to loan funds designated for the Fire Master Plan to the Redevelopment Agency to purchase the site. Since that time, both staff and Raiser have worked with Southern Pacific and have reached consensus on the purchase of the property. The purchase proposal is described below.

ANALYSIS

The Site

This 1.2 acre site (see attached map) is one of the largest vacant sites in the downtown redevelopment area and has been considered for a variety of uses over the past several years. These uses included parking, a new library and offices. It could also be used for temporary parking during construction of the Transit Center and possibly for downtown employee parking.

The site is located on the east side of the railroad and south of Fifth Avenue and has been perceived as separated from the traditional downtown business community by the railroad tracks. Use of the site for parking and eventual development will greatly enhance the railroad corridor and assist in the continued economic strengthening of the east side.

Another potential use of the site is for the administrative offices of the San Mateo Foster City Elementary School District and a satellite facility for the College of San Mateo as agreed to with the adoption of the Downtown and Shoreline Redevelopment Plan Amendments. This agreement calls for the redevelopment agency to contribute $2.3 million plus land/lease towards these facilities.

Purchase Conditions

Purchase Price and Site Delivery

The purchase price is $17.00 a square foot for the lot and an additional $8.50 a square foot for a right-of way easement for a total of $899,361. The easement extends from the center of the railroad track into approximately twelve and one-half feet of the parcel and SP retains the right to use as needed. When the idea of purchasing this site was presented to the City Council in mid-July, staff estimated the property cost between $18 to $20 a square foot.

Anticipated closing costs are approximately $10,000 to $15,000. The Agency will fund the initial deposit of $50,000 that is included in and will be applied towards the purchase price.

The Agency will have ninety days from the time Southern Pacific executes the contract to complete due diligence with escrow closing 120 days later. Anticipating SP's execution of the contract by the end of March and a clean soils report, purchase can be completed by late September, 1997. A parking lot could be available for use by early November, 1997.

The property is leased by San Mateo Lumber Company and apparently subleased to the Highway 101 sound wall contractor for vehicle and materials storage. There is also a minimal amount of lumber stored on the site. Southern Pacific has advised San Mateo Lumber Company to vacate the site. If purchase of the site is approved by the Agency, staff will so advise the Lumber Company in writing and request that the lumber be removed within ninety days.

Soils Analysis

Staff is also requesting that the Agency direct staff to enter into an agreement with Subsurface Consultants, Inc. for soils investigation and possible geotechnical analysis of the site. The purchase contract indicates that the site is being sold "as is" and Southern Pacific requires indemnification from any contamination that may be found on the site. Preliminary analysis indicates that the property has only been used for loading and unloading and not for storage of fuel tanks. The analysis performed by Subsurface Consultants will include a full Phase I analysis as well as an extended Phase II analysis. This extended work includes 8 borings rather than the standard three as well as increased laboratory analysis to reduce the possibility of finding undetected pockets of contamination after the analysis is complete and purchase finalized.

Development Costs

Staff also recommends that work begin immediately on the design of the site for a parking lot. In anticipation of the purchase contract, staff prepared a contract with a local landscape architect, Callander Associates, to develop plans for Site Plan and Architectural review. Staff recommends that the immediate use of the site be for an interim parking lot. Preliminary designs indicate that 112 to 128 parking spaces can be located on the site. Using the site for interim parking addresses the loss of parking the Transit Center construction will create, as well as providing for employee parking for downtown merchants. This site is acknowledged as an interim site as it is purchased with redevelopment funds and will serve in the long term as a redevelopment site. Staff recognizes that future development of the site will very likely need to incorporate public parking.

Initiating the interim parking lot design will expedite construction documents needed for the public bid process. This work will be done in phases and will not exceed $25,000 for preliminary design, SPAR approval and construction documentation. Staff anticipates that construction of an interim parking lot, with appropriate landscaping and lighting, will cost approximately $300,000.

In addition, staff will work with an architect to prepare a feasibility analysis for the potential development of the site. This will determine the flexibility of the site to accommodate combined office, commercial and parking opportunities. No more than $10,000 for outside services will be expended prior to the due diligence being completed.

BUDGET IMPACT

The best source of a temporary "bridge" funding for purchase of the site appears to be a loan of $925,000 from the City's Fire Master Plan account (CIP Project 0662) to the Redevelopment Agency. A new Redevelopment Agency project, Southern Pacific Property Purchase/Raiser Development Company, CIP Project 0624, will be established for this transaction. The account has approximately $1.3 million available and will be reimbursed for the loan from the tax increment bond proceeds, anticipated to be available in June, 1997. Sufficient funds will remain in the account for current Fire Department purposes.

The loan will carry an interest rate determined by the annual average interest rate on the City's portfolio. Interest due the City on the loan would be funded by earnings due the Redevelopment Agency out of the annual distribution of interest each year.

CEQA REVIEW

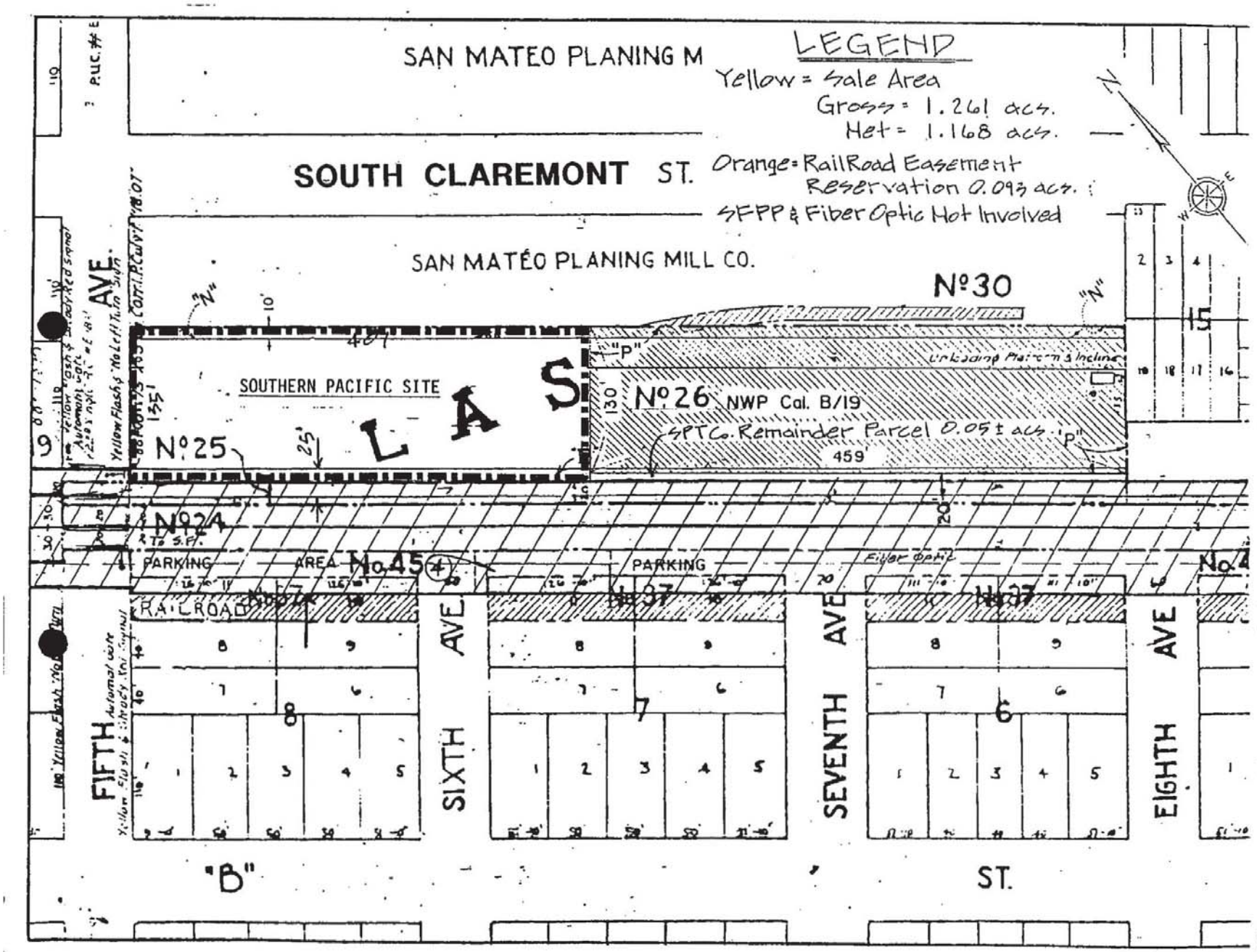
The impact of providing additional CPID parking facility locations was assessed in the Downtown Specific Plan EIR, which was certified by the City Council in June 1993. Downtown Specific Plan policy CP-9, Public Parking Facilities, calls for the "development of new public off-street parking facilities". As the design details of the new parking lot are developed, a Negative Declaration to assess the site specific environmental impacts will be prepared and processed with the SPAR application.

CONCLUSION

The purchase of the SP site from Raiser presents the Agency/City with the opportunity to purchase a significant property in the downtown at a price that is more favorable than previously seen. It can solve short-term needs for interim parking while the Transit Center is under construction as well as provide employee parking for downtown businesses. If the Redevelopment Agency approves the recommendations, work will begin immediately on the due diligence, including soils investigation and parking lot design. If due diligence generates favorable results, then the purchase will be finalized and the parking lot construction documents put to public bid.

EXHIBIT: Site Map

cc: Finance Director
Fire Chief
Public Works Director
City Engineer, Chief of Planning, Associate Engineer
Philip Raiser, Raiser Development Company, LLC
Downtown San Mateo Association
Long Term CPID Committee
Planning Commission
Public Works Commission


SAN MATEO PLANING M
LEGEND
Yellow = Sale Area
Gross = 1.261 acs.
Net = 1.168 acs.
SOUTH CLAREMONT ST.
Orange = RailRoad Easement
Reservation 0.093 acs.
SFPP & Fiber Optic Not Involved
SAN MATEO PLANING MILL CO.
No 30
SOUTHERN PACIFIC SITE
No 25
No 26 NWP Cal. B/19
SPTCo. Remainder Parcel 0.05 ± acs.
459'
No 24
PARKING
AREA No 45
PARKING
RAILROAD
FIFTH AVE
SIXTH AVE
SEVENTH AVE
EIGHTH AVE
"B" ST.

ATTACHMENT 33

LEASE

The City of San Mateo acting as Successor Agency to the San Mateo Redevelopment Agency, a California corporation, hereinafter called "Landlord", and City of San Mateo, a California municipal corporation, hereinafter called "Tenant," mutually agree as follows:

RECITALS

A. Landlord is the owner of a parcel of land located in the City of San Mateo, State of California, and commonly known as 400 East Fifth Avenue (APN 033-281-140) as shown on Exhibit A attached hereto (the "Property").

B. Tenant wishes to lease from Landlord a 13,598 sq. ft. portion of the Property as shown on Exhibit A (the "Premises") for use as a Worker Resource Center.

C. Tenant is willing to lease the Property from Landlord and Landlord is willing to lease such Property to Tenant pursuant to the provisions stated in this lease (the "Lease").

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. LEASED PROPERTY

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord for the term, at the rent and upon the covenants and conditions hereinafter set forth, the Premises, along with ingress and egress and all other rights appurtenant thereto.

2. TERM

(a) The term of this Lease ("Term") shall be for eighteen (18) months, commencing on July 1, 2012 (the "Commencement Date"), and extending to December 31, 2013 (the "Expiration Date"), unless extended or sooner terminated according to this Lease.

(b) Tenant may terminate this Lease with or without cause upon thirty (30) days prior written notice.

3. HOLDOVER

Unless Landlord gives Tenant thirty (30) days' prior written notice to the contrary,

Tenant may continue to occupy the Premises after the expiration of the Term at the same monthly rental rate and upon the same terms and conditions as are contained in this Lease. Such holdover tenancy may be terminated by either party hereto at any time upon thirty (30) days' prior written notice to the other.

4. RENT

Tenant shall pay rent for the Premises ("Rent") at the rental rate of $4,759.30 per month. Rent is due on the first day of each month.

5. DEFAULT BY TENANT

Should Tenant fail to pay any Rent due or any other sum required to be paid by Tenant to Landlord hereunder for a period of fifteen (15) days after written notice thereof by Landlord to Tenant (other than for cause, including, but not limited to, Landlord's default or breach), or should Tenant default in the performance of any other covenants or conditions of this Lease on Tenant's part to be kept or performed (other than for cause, including, but not limited to, Landlord's default or breach) and the cure of such default is not commenced within thirty (30) days after receipt of written notice by Tenant from Landlord specifying the nature of such alleged default and thereafter such default is not cured with diligence, Landlord shall have the right to terminate this Lease (and Tenant's right to possession of the Premises pursuant to this Lease) by written notice of termination to Tenant, in which event, Tenant shall, within thirty (30) days after receipt of such notice, quit and peacefully surrender possession of the Premises to Landlord, and Landlord shall have the right to recover from Tenant, upon Landlord's proof by a preponderance of the evidence, (i) the worth at the time of award of the unpaid rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that could have been reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all damages, if any, proximately caused by Tenant's failure to perform Tenant's obligations under this Lease and which, in the ordinary course of things, would be likely to result therefrom. The "worth at the time of award" referred to herein shall be computed in accordance with the provisions of Section 1951.2 of the California Civil Code.

6. USE OF THE PREMISES

Tenant shall have the right during its tenancy hereunder to use the Premises for a Worker Resource Center. Tenant shall not use the Premises in any way which will conflict with any law, statute, ordinance or governmental rule or regulation affecting the condition, use or occupancy of the Premises. Tenant shall not cause or maintain any nuisance in, on or about the Premises. Tenant shall not commit any waste in or upon the Premises.

7. CONDITION OF THE PROPERTY

Landlord makes no representations or warranties regarding the condition of the Premises and Tenant agrees to lease the Premises in its as-is condition.

8. SERVICES AND FACILITIES

Tenant shall furnish and pay for all utility services used by it in the Premises.

9. REPAIRS AND MAINTENANCE

Tenant shall at all times (at no cost to Landlord), repair and maintain the Premises in good order, operating condition and state of repair.

10. CONDEMNATION

(a) In the event the entire Premises shall be taken by exercise of the power of eminent domain by any public or quasi-public authority, this Lease shall terminate upon the date of such taking.

(b) In the event a portion of the Premises shall be so taken, and if, in the judgment of Tenant, the remainder of the Premises is thereby rendered unsuitable for Tenant's requirements, then Tenant shall have the right, upon written notice to Landlord within sixty (60) days after Tenant's receipt of Landlord's notice that the Premises have been so taken, to terminate this Lease effective upon the date of such taking. In the event of any such partial taking, if this Lease shall not have been terminated as provided above, this Lease shall continue with respect to the remainder of the Premises, except that from the date of such taking, the Rent shall be reduced by an amount that is in the same ratio as the total number of square feet in the Premises taken bears to the total number of square feet in the Premises immediately prior to the taking. In such event, Landlord shall perform such work as shall be necessary to restore the remainder of the Premises, properly enclosed, with all necessary facilities for the continued occupancy thereof by Tenant.

(c) In the case of either a total or partial taking, Landlord shall be entitled to the entire condemnation award, except for any portion thereof attributable to Tenant's improvements made to the Premises that Tenant has a right to remove but elects not to remove, or reasonable removal and relocation costs if Tenant elects to remove its improvements or to Tenant's trade fixtures or other personal property of Tenant or awarded for damages sustained by Tenant as a result of such taking or attributable to the interest of Tenant in this Lease.

11. PEACEABLE AND QUIET POSSESSION

Landlord hereby covenants that Landlord has good right to lease the Premises

for the Term of this Lease and that Tenant, upon paying the Rent and performing and observing the other covenants to be performed and kept by it as provided in this Lease, shall have the peaceable and quiet possession of the Premises during its tenancy hereof.

12. ENTRY BY LANDLORD

Tenant shall, after reasonable notice from Landlord, permit Landlord and its agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same at reasonable hours. Landlord shall conduct all its activities as in a manner that will cause the least possible inconvenience, annoyance or interference with Tenant's use of the Premises.

13. TAXES AND ASSESSMENTS

Tenant shall pay, prior to delinquency, all personal property taxes and license fees levied, assessed or imposed upon Tenant's personal property located on the Premises. Landlord shall pay, prior to delinquency (without pass-through to Tenant), all real property taxes and assessments with respect to the Premises, including, without limitation, all charges and fees in the nature of assessments for improvement, fire, school or other assessment districts.

14. INDEMNIFICATION

With the exception that the following provisions of this Paragraph shall in no event be construed to require indemnification by either Tenant or Landlord in excess of that permitted under the public policy of the State of California:

(a) Tenant shall indemnify and hold harmless Landlord from any liability for injury to or death of any person, including any employee of Tenant, or damage to any property, including any property of Tenant, occurring on the Premises, except such injury, death or damage as is caused by, or arises out of or is in any way connected with the following: (i) Landlord's acts or omissions or willful misconduct, (ii) violation of law by Landlord or Landlord's employees, agents or contractors, (iii) Landlord's breach of any obligation hereunder, or (iv) any condition of the Premises pre-existing the date of this Lease. Tenant agrees to defend Landlord against any such claims.

(b) Landlord shall indemnify and hold harmless Tenant and its affiliates from any liability for injury to or death of any person, including without limitation any employee of Tenant or its affiliates, or damage to any property, including without limitation any property of Tenant or its affiliates, occurring on the Premises, or caused by, arising out of or in any way connected with the following: (i) Landlord's acts or omissions or willful misconduct, (ii) violation of law by Landlord or Landlord's employees, agents or contractors, (iii) Landlord's breach of any obligation hereunder, or (iv) any condition of the Premises pre-existing the date of this Lease. Landlord agrees to defend Tenant against any such claims.

15. INSURANCE

Tenant shall procure and cause any contractor to procure the insurance obligations set forth on Exhibit B attached hereto. Tenant is self-insured and may satisfy this requirement by providing evidence of self-insurance in the amounts shown in Exhibit B.

16. SURRENDER OF PROPERTY

Tenant, at the expiration of its tenancy hereunder, shall surrender the Premises in as good condition as reasonable use shall permit, with the exception of ordinary wear and tear.

17. HAZARDOUS MATERIALS

(a) Tenant acknowledges that Landlord has delivered to Tenant all reports regarding Hazardous Materials on or near the Premises which have been prepared and of which Landlord (after thorough investigation) is aware.

(b) Tenant shall indemnify and hold Landlord harmless from and against any and all claims, losses, proceedings, damages, causes of action, liabilities, costs or expenses (including attorneys' fees) arising as a result of any above-surface Hazardous Materials (i) exposed as a result of Tenant's activities on the Premises. Tenant will defend Landlord against any such claims. Tenant agrees to comply with all Hazardous Materials laws.

(c) For purposes of this Lease, the term "Hazardous Materials" shall include, but not be limited to, any flammable, corrosive or ignitable material, any explosives, or petroleum byproducts, any radioactive materials, waste or substances or any toxic substances and other substances defined as "hazardous substances", "hazardous wastes", "extremely hazardous wastes", "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 USC Section 9601, et seq.; the Toxic Substances Control Act, 15USC Section 2601, et seq.; the Hazardous Materials Transportation Act, 49USC Section 1801 et seq.; the Resource Conservation and Recovery Act, 42USC Section 6901 et seq.; and/or in the regulations, compliance and guidance documents promulgated pursuant to such laws and any similar state or local law.

(d) Landlord's and Tenant's duties under this Paragraph 18 shall survive the expiration or earlier termination of this Lease.

(e) Notwithstanding any provision to the contrary set forth herein, Tenant shall indemnify, defend (at Landlord's sole option and election) and hold Landlord harmless from and against all claims, expenses, liabilities, fees, fines, penalties and damages (including but not limited to reasonable attorney's fees) asserted by Tenant, Tenant's Personnel and employees or their families, personal representatives, heirs or administrators of Tenant's

Personnel which arise from or relate to (i) conditions, risks or liabilities disclosed by Landlord to Tenant in any writing, this Lease or in another agreement if such other agreement is executed by both Landlord and Tenant, or (ii) conditions or risks of which Tenant has, or should have knowledge. "Tenant's Personnel" shall mean any employees, agents, permitted invitees and subcontractors hired or engaged by Tenant to perform services for Tenant. In no event shall any Tenant Personnel be considered to be employees of Landlord.

18. NOTICES OR DEMANDS

Except as otherwise provided herein, all notices or demands herein provided to be given or made, or which may be given or made by either party to the other, shall be deemed to have been duly given and made when made in writing and deposited in the United States mail, postage prepaid, and sent certified mail, return receipt requested, and addressed as follows:

To Tenant:

City of San Mateo
ATTN: Susan M. Loftus
330 West 20th Avenue
San Mateo, CA 94403

To Landlord:

City of San Mateo Acting as Successor Agency to the San Mateo Redevelopment Agency
ATTN: Susan M. Loftus
330 West 20th Avenue
San Mateo, CA 94403

The address to which notices or demands may be given or made by either party may be changed by written notice given by such party to the other pursuant to this Paragraph.

19. BROKERS

Tenant and Landlord hereby represent and warrant to each other that there are no other brokerage commissions or fees payable in connection with this Lease.

20. CAPTIONS - HEADINGS

The captions of the paragraphs of this Lease are for convenience only and are not a part of this Lease and shall have no effect upon the construction and interpretation of this Lease.

21. SEVERABILITY

If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

22. ENTIRE AGREEMENT

This Lease along with any exhibits and attachments hereto constitutes the entire agreement between Landlord and Tenant relative to the Premises and this Lease and the exhibits and attachments may be altered, amended or revoked only by an instrument in writing signed by both Landlord and Tenant. Landlord and Tenant agree hereby that all prior or contemporaneous oral agreements between and among themselves and their agents and representatives relative to the leasing of the Premises are merged in or revoked by this Lease.

23. SUCCESSORS AND ASSIGNS

This Lease shall inure to the benefit of and be binding upon the respective heirs, administrators, executors, successors and assigns of the parties hereto.

24. TIME OF ESSENCE

Time is of the essence of each provision of this Lease.

26. WAIVERS

The waiver by either party of any breach or violation of any term, covenant, or condition of this Lease shall not be deemed to be a waiver of such term, covenant, condition, ordinance, or law, or of any subsequent breach or violation of the same or of any other term, covenant, condition, ordinance, or law. The subsequent acceptance by either party of any fee or other money which may become due hereunder shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, covenant, or condition of this Lease or of any applicable law or ordinance.

27. COSTS AND ATTORNEY FEES

Attorney fees in an amount not exceeding $85 per hour per attorney, and in total amount not exceeding $5,000, shall be recoverable as costs (by the filing of a cost bill) by the prevailing party in any action or actions to enforce the provisions of this Lease. The above $5,000 limit is the total of attorney fees recoverable whether in trial court, appellate court, or otherwise, and regardless of the number of attorneys, trials, appeals, or actions. It is the intent of this Lease that neither party shall have to pay the other more than $5,000 for attorney fees arising out of an action, or actions, to enforce the provisions of this Lease.

28. MEDIATION

Should any dispute arise out of this Lease, either party may request that it be submitted to mediation. The parties shall meet in mediation within 30 days of a request. The mediator shall be agreed to by the mediating parties; in the absence of an

agreement, the parties shall each submit one name from mediators listed by either the American Arbitration Association, the California State Board of Mediation and Conciliation, or other agreed-upon service. The mediator shall be selected by a "blindfolded" process. The cost of mediation shall be borne equally by the parties. Neither party shall be deemed the prevailing party. No party shall be permitted to file a legal action without first meeting in mediation and making a good faith attempt to reach a mediated settlement. The mediation process, once commenced by a meeting with the mediator, shall last until agreement is reached by the parties but not more than 60 days, unless the maximum time is extended by the parties.

29. GOVERNING LAW AND VENUE

This Lease is governed by the laws of the State of California and, in the event of litigation, venue will be in the County of San Mateo.

Dated: 6/22, 2012.

TENANT:	LANDLORD:
CITY OF SAN MATEO	CITY OF SAN MATEO ACTING AS SUCCESSOR AGENCY TO THE SAN MATEO REDEVELOPMENT AGENCY
a Municipal Corporation	a Municipal Corporation
By:	By:
Name(print): Susan Loftus	Name(print): Susan Loftus
Its: City Manager	Its: City Manager

Exhibit A
Premises

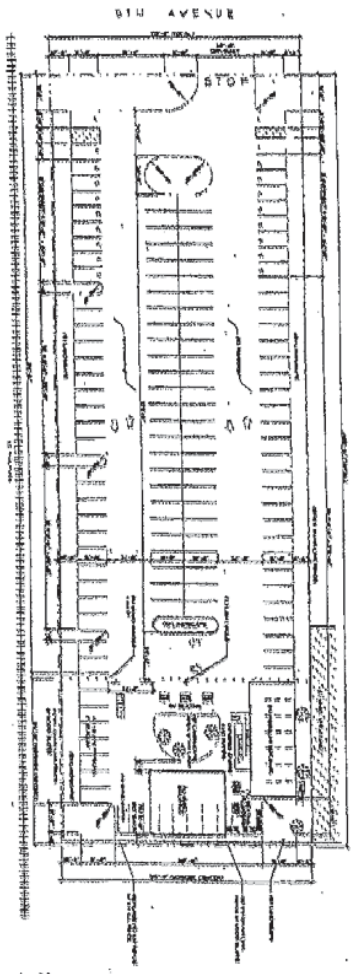


Exhibit B
Insurance Requirements

During the term of this Lease, Tenant shall maintain insurance, the kinds and in the amounts specified with insurers of recognized responsibility, licensed to do business in the State(s) where the work is being performed, and having either; an A.M. Best rating of A8, a Standard & Poor's rating of AA, or a Moody's rating of Aa2. If any work provided for or to be performed under this Lease is subcontracted, Tenant shall require the subcontractor(s) to maintain and furnish him with insurance equivalent to that which is required of Tenant.

GENERAL INSURANCE REQUIREMENTS APPLICABLE TO TENANT AND CONTRACTORS AND SUBCONTRACTORS

A. Comprehensive or Commercial General ("CGL") Insurance

Tenant shall maintain Comprehensive or Commercial General Liability insurance with the following minimum limits:

Bodily Injury	$1,000,000 each occurrence $1,000,000 aggregate where applicable
Property Damage	$1,000,000 each occurrence

Coverage shall apply to Tenant's liability for injury to or death of persons or damage to or loss of property including, but not limited to, work associated with this Lease, such liability as may arise from the use of independent contractors and contractual liability assumed under this Lease. "Contractual Liability" shall mean a liability assumed under the indemnification language in this Lease for which one party assumes the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

1) Such insurance shall not exclude explosion liability or damage to underground utilities or damages caused by collapse.

2) Such insurance shall not exclude completed operations - product liability coverage.

3) Such insurance shall provide broad form property damage, including completed operations.

4) Such insurance shall have a waiver of subrogation against Landlord.

LANDLORD shall be named as ADDITIONAL INSURED on all such policies.

B. Workers' Compensation and Employers' Liability Insurance:

1) Workers' Compensation Statutory Limits

2) Employers' Liability

Bodily Injury by Accident	$1,000,000 each accident
Bodily Injury by Disease	$1,000,000 policy limit each employee

C. Comprehensive Automobile Liability:

Tenant shall maintain Comprehensive Automobile Liability Insurance for owned, hired and non-owned (i.e., rental) vehicles with the following minimum limits:

STATUTORY LIMITS, but not less than:

Bodily Injury	$500,000 each person
Property Damage	$500,000 each accident

D. Excess (Umbrella) Liability:

1) Tenant shall maintain insurance in excess of the limits as stated in Sections A, B, C and D and any other section applicable under Section II to the particular type of work or contractor, in the following amounts:

Bodily Injury	$5,000,000 each person or occurrence
Property Damage	$5,000,000 aggregate

San Mateo County
Countywide Oversight Board

Date: October 10 , 2018 Agenda Item 11

To: San Mateo County Countywide Oversight Board

From: Shirley Tourel, Assistant Controller

Subject: First Amendment to the Purchase and Sale Agreement Between the South San Francisco Successor Agency and SSF Miller Cypress Phase 2 LLC

Recommendation
This item is for information and discussion only. No action is required of the Board.

Background and Discussion
At the September 18, 2018 meeting of the Board, staff from the City of South San Francisco and Sares Regis (the Developer) provided an overview of the appraisal and sale price methods for the real property at 216 Miller Avenue, South San Francisco. This item is intended to be a continuation of the discussion on the subject matter.

The attachments were prepared by the City of South San Francisco who is the Successor Agency to the former South San Francisco Redevelopment Agency. Alex Greenwood, Economic & Community Development Director of the City of South San Francisco will be presenting to the Board.

Fiscal Impact
None

Exhibit
A. Staff Report - First Amendment to the Purchase and Sale Agreement Between SSF SA and SSF Miller

Date: October 5, 2018

To: San Mateo County Countywide Oversight Board

From: Alex Greenwood, Economic and Community Development Director

Subject: First Amendment to the Purchase and Sale Agreement between the South San Francisco Successor Agency and SSF Miller/Cypress Phase 2, LLC amending the sale price of 216 Miller Avenue to $1,118,538

Former RDA: South San Francisco

Background

Site History

In 2011, the City of South San Francisco's Redevelopment Agency purchased a group of vacant, blighted parcels in the vicinity of Airport Blvd. & Miller Ave., which previously had been the site of the South City Motors Ford dealership. These parcels occupy a highly visible, strategic location within the City's Downtown, and they offer an enormous opportunity to spearhead a new wave of Downtown development and investment. For purposes of development planning and marketing, the parcels were grouped in to Parcels A, B, C and D, and shown on Map 1:

Map 1: Downtown South San Francisco



Disposition Process

In 2014, the South San Francisco Successor Agency ("Successor Agency" or "Agency") went through a competitive process to select a developer for the former Ford properties. Ultimately, the Agency selected Sares Regis Group of Northern California ("Sares Regis"), which proposed to build market rate rental housing on all four parcels.

The Agency and Sares Regis entered into an Exclusive Negotiating Rights Agreement ("ENRA"). The ENRA was approved on August 19, 2014, by the Oversight Board to the South San Francisco Redevelopment Agency ("SSF Oversight Board"); and it was approved on September 8, 2014, by the State Department of Finance ("DOF"). The ENRA resulted in the successful negotiation and execution of a Purchase and Sale Agreement ("PSA"), included in Attachment 1.

The PSA called for the parcels to be developed in two phases. Phase 1 would be a 260-unit rental housing project involving Parcels A, B and D; and Phase 2 would be a housing project including Parcel C with its scope to be clarified in the future (as discussed below).

On February 23, 2016, the SSF Oversight Board adopted Resolution 04-2016 approving the transfer of all parcels to Sares Regis pursuant to the terms of the PSA. As set forth in the PSA, Sares Regis paid $4,000,000 for Parcels A, B, and D to Sares Regis. Escrow closed and all of the properties (including Parcel C) was transferred to the developer in December of the same year.

For Phase 1 of the project, Parcels A and D were entitled for 260 market rate rental apartments, which are currently under construction. Parcel B was entitled as a parking lot to help fulfill the parking requirements associated with Phase 1.

The PSA contemplated that the remaining parcel – Parcel C, located at 216 Miller Avenue – could be part of a second phase of development, either as a 12-townhome project or as part of a larger land assemblage. In order to allow Sares Regis to maintain site control and complete negotiations with other property owners, the PSA allowed Parcel C to be transferred to Sares Regis at the same time as the other three parcels, but with its final purchase price to be determined at a later date (as discussed below). After extensive negotiations, Sares Regis was able to gain control of the three remaining privately-held lots adjacent to Parcel C, and thus decided to proceed with the larger land assemblage option for Phase 2.

Adoption of Downtown Station Area Specific Plan

In 2015, after three years of intensive planning work and community involvement, the City approved the Downtown Station Area Specific Plan ("Downtown Plan"). The Sares Regis project was viewed as the very first development project under the new Downtown Plan, and thus would play a critical role in implementing the Plan's vision by "proving" Downtown South San Francisco as a viable new market for investment and housing development. To date, Phase 1 has indeed served as a catalyst for new development in the Downtown; and today there are 957 housing units in the development pipeline generating more than $550 million of new construction.

The City has continued to make a strong, consistent commitment implementation of the Downtown Plan, and has taken several policy actions to facilitate the successful development of the Downtown (including Parcels A, B, C and D). In November 2017, the City began construction of a $61 million project to modernize and expand the South San Francisco Caltrain Station. In February 2018, the City approved further changes to the Downtown Zoning to allow up to 180 housing units per acre in certain areas close to the Caltrain Station.

Phased Approach to Development

As noted above, Phase 1 consists of residential construction on Parcels A and D and is under construction for 260 market-rate rental units. It is expected that Phase 1 construction will be complete in 2019. The estimated valuation of the completed Phase 1 project is $140 million, which will generate an estimated $1.4 million in property taxes per year. Under the approved PSA, two development options were contemplated for Parcel C in a second phase ("Phase 2") of project development. These options included the aforementioned 12-unit townhomes or a land assemblage.

As mentioned, the developer worked diligently to assemble the site. This required negotiations with private property owners controlling three parcels, located between Parcel B and Parcel C. Options to purchase these sites were obtained and, the developer pursued designs for the assembled property, for the construction of one large building comprising of 195 multifamily residential project in Phase 2. The designs were approved by the Planning Commission in September 2018. Concurrently, Agency staff reached final negotiations with the developer and presented Developer's best and final purchase price to the Agency in August. The Agency approved this revised purchase price and, the project is now poised for final project approvals, pending the outcome of the approval of the final sale price by the County Oversight Board.

Appraisal

Pursuant to the PSA, an appraisal was required to determine the supplemental purchase price of Parcel C. The relevant section of the PSA appears below.

> 2.3 Supplemental Purchase Price for Parcel C. If the Buyer constructs Parcel C (whether as (i) a 12 unit town home development consistent with the Project Approvals ("12 Unit Project') or (ii) as part of a revised development under the potential Land Assembly Option defined in Section 5.6), the additional land value payable to the Seller for Parcel C will be determined either by (X) a residual land value appraisal for Parcel C or, at Seller's discretion, (Y) on a comparison sales based appraisal both of which will be prepared by a certified appraiser mutually selected by the Seller and Buyer within sixty (60) days of the date Buyer provides written notice of either its intent to pursue the Revised Parcel C Entitlements its intent to abandon the Revised Parcel C Entitlements and proceed with construction of the 12 Unit Project ("**Supplemental Purchase Price**"). In the event that the parties do not agree on an appraiser, the Seller shall identify three certified appraisers with experience appraising properties in San Mateo County and each Party shall strike one appraiser and the remaining appraiser shall be retained to conduct the appraisal. The costs of the appraisal shall be shared equally between the Seller and Buyer. Buyer shall pay Seller the Supplemental Purchase Price prior to the earlier of ninety (90) days after completion of the appraisal or issuance of the first building permit by the City for Parcel C. This provision shall not

apply if Buyer re-conveys Parcel C to Seller pursuant to Section 5.6(e)(v).

The PSA established a process to mutually select the appraiser, but did not determine the approach to the appraisal. The language simply allowed for a comparison sales based appraisal or a Residual Land Value ("RLV") appraisal, at the discretion of the Agency. Following discussions with Developer, the Agency established that a reconciled comparison sales and RLV approach would be the most appropriate appraisal method for establishing the supplemental purchase price for Parcel C.

Assembled Site
Pursuant to Section 2.3 of the PSA, the Agency and Sares Regis mutually selected Vathana Duong of Colliers International Valuation and Advisory Services to conduct the appraisal. The appraisal methodology looked at comparable sales, as well as the RLV of an assumed 195-unit development to determine an unentitled land value for the property. Finally, costs associated with soil remediation and liquefiable soil abatement were deducted to arrive at a reconciled "as-is" value. The appraisal valued Parcel C at $3,700,000.

Stand-alone Site
At the September 19, 2018 meeting, the Oversight Board directed Agency staff to pursue an addendum to the appraisal that considered the value of Parcel C as a stand-alone site. The purpose of this variation of the appraisal confirms what the site may be worth to another developer should the site not be sold to Sares Regis for the land assemblage project. Agency staff worked with the appraiser, Vathana Duong, on an addendum to the original proposal.

The appraisal used the same construction costs, and other information that was used in the previous appraisal. The difference in methodology between the two appraisals is that the revised appraisal assumes that the site is a standalone development site with no consideration for assemblage. It further assumes that although the site is entitled for 12 townhomes, this is not the highest and best use of the site. Since the parcel can accommodate 49 units, this was the assumption driving the assessed value of the site.

As mentioned above, the appraisal, see Attachment 2, tested the value of Parcel C to determine its highest and best use. It was determined that if developed alone, rather than as part of the larger land assemblage, Parcel C could accommodate just 49 units. As part of the land assemblage, it can accommodate 72 units. The outcome of the appraisal was that the stand alone site, with the assumption that the highest and best use is achieved, resulted in a $1,830,000 valuation. The loss in appraised value between the assembled site and the stand alone site is $1,870,000.

Staff Negotiations and Land Price Offer
During the appraisal process, Sares Regis made an initial offer of $0 for the land. This offer was immediately rejected by Agency staff. Agency Staff continued to negotiate with the developer and, using the final appraised value ($3,700,000), were successful in increasing the purchase price offer from $0 to $1,118,538.

Sares Regis has contested the $3.7 million appraised value of Parcel C arguing against the methodology used. They outline their concerns in their Offer Letter, see Attachment 3. Sares Regis has offered $1,118,538 for Parcel C, stating the cost of assembling the larger development site affects their ability to offer more for the property and justifying their offer by estimating a price for the property if sold as a stand-alone site.

Property Tax Revenues

Per the County of San Mateo Tax Collector, the sites that comprise the full land assemblage for the 195 units contemplated by the Phase 2 development are currently generating the following tax revenues (for the 2018 tax year):

216 Miller (APN 012-314-220):	$19,477
212-214 Miller (APN 012-314-190):	$7,608
208 Miller (APN 012-314-180):	$14,600
204 Miller (APN 012-314-110):	$11,800
405 Cypress (APN 012-314-110):	$5,000
TOTAL:	**$58,485**

If the Sares Regis offer is not accepted, and Parcel C reverts to the City, the $19,477 in tax revenue for Parcel C would no longer be collected. Should this be the case, the tax revenue for the next one to three years would be approximately $39,008.

Finally, Agency staff evaluated the property tax implications over the next ten years of selling Parcel C to Sares Regis for $1.1 million versus selling the property as a stand-alone site. If Sares Regis' offer is accepted, the taxing entities could expect to begin receiving new, higher property taxes on the 195-unit development three years from now. Whereas, going back out to bid, selecting a new developer, and proceeding through the Exclusive Negotiating Right Agreement process to arrive at a Purchase and Sale Agreement, followed by construction of the project, would delay new, property tax payments on the 49-unit development until five years from now. Agency staff conservatively estimates that the property taxes the taxing entities could expect to receive over the next ten years to be $7,805,274 if Parcel C is sold to Sares Regis and just $2,260,036 if it is sold as a stand-alone site.

	Assembled Site 195 Units **Value: $90m**	Parcel C plus other sites (Stand-alone developed site) **Value: $22m**	Parcel C plus other sites Straight Sale **Value: $1.83m**
	Annual	Annual	Annual
SSFUSD (43.9%)	$399,254	$102,332	$25,962
SMC (25.7%)	$233,732	$59,907	$15,198
SSF (16.7%)	$151,880	$38,928	$9,876
SMC CCD (7.3%)	$66,391	$17,016	$4,317
Other	$58,206	$10,348	$3,785
TOTAL	**$909,462**	**$267,540**	**$59,138**

Impact of accepting Sale Price

Although the proposed sale price in the First Amendment to the PSA is lower than the current appraised value, the sales price payment is one-time non-recurring revenue. Worth factoring in to the consideration is that, a completed project will achieve a development with an assessed value of $90 million. Accordingly, the property tax generated as an assembled site is estimated to be $900,000 per year, once the development is complete. As outlined above, this is significantly more than the $260,000 annual property tax generated as a stand-alone site, or the $1,830,000 million generated as a straight sale. As discussed in further detail below, it is unlikely that the parcels between Parcel B and C, would be developed if they are not developed as part of an assembled site.

Accepting the current offer, allows the for a continued development momentum in South San Francisco's downtown to be maintained. The City is experiencing significant public and private developer, however this is not guaranteed to continue and the City would like to capitalize on the current thriving economy.

The developer has committed to using union labor and paying prevailing wage. Since prevailing wage is not a requirement, negotiations with a different developer may not render the same result with respect to its labor force.

Finally, by allowing for a development that is higher density (195 units vs 49 units) more developer fees, such as fire/life safety, school impact fees and childcare impact fees, are generated.

Impact of Rejecting Sale Price

Per the LRPMP, should Parcel C (216 Miller) not be sold as an assemblage with other properties, the approach to the sale of the site would be a straight sale. That is, the City would hire a broker to market and sell the site to the highest bidder. Some of the properties that have sold in the

downtown since the beginning of 2016 include the following (for reference Parcel C is 17,500 sq.ft.):

1. 219 Miller Avenue: $500,000 (4,500 sq.ft.) – site remediation unlikely
2. 221 Miller Avenue: $500,000 (3,000 sq.ft.) – site remediation unlikely
3. 201 – 219 Grand Avenue: $1,200,000 (21,000 sq.ft.) – no site remediation

If the Agency were to proceed with the sale of the site as a redevelopment approach, the sale price would likely be dependent on a number of factors: the developer's ability to assemble a new site, the type of development that would occur on the site, whether Below Market Rate ("BMR") units were required, site remediation, and construction costs.

It is unlikely that a different developer would be able to pursue a land assemblage at the same size because Sares Regis owns Parcel B and it presently is required to satisfy the parking requirements for Parcels A and D that are under construction now. Further, it is unlikely that the private property owners that own the sites between Parcel B and Parcel C would accept a lower price offer from a different developer, and therefore the cost of assembling the site would be the same, if not more expensive.

Further, in September 2018, the City of South San Francisco adopted a new Inclusionary Housing Ordinance. This ordinance requires any new residential rental development to include 10% BMR units between November 1, 2018 and November 1, 2019, after which the requirement increases to 15%. The requirement for new condominium development is 15%. The entitlements Sares Regis is currently pursuing are exempt from this requirement, as their application for development was deemed complete well before the ordinance effective date (November 1, 2018).

Although the stand-alone appraisal values the site at $1,830,000 million there are no guarantees that an offer of this amount would be made. It is possible that offers lower than this would be made.

Finally, the disposition of the site is also time sensitive because construction costs escalate continually, roughly one percent every eight weeks. If the sale of the site is delayed considerably this would impact a future development's financial feasibility and diminish the City's ability to secure a development that would further the redevelopment goals codified in the LRPMP.

Next Steps

Sares Regis has indicated that they have made their best and final offer of $1,118,538. The Successor Agency has approved the first amendment to the PSA and accepted the offered price. The Oversight Board's acceptance of the price offer will allow the developer to proceed to the next step in their entitlement process and for the first amendment to the PSA to be executed.

Conclusion

It is recommended that the Oversight Board consider the best and final offer of $1,118,538 from Sares Regis and consider, for approval, the first amendment to the PSA.

Attachments:

1. South San Francisco Successor Agency and Miller Cypress SSF, LLC – Purchase and Sale Agreement
2. Executive Summary – Colliers Appraisal Executive Summary (stand-alone site) (Oct 4, 2018)
3. Sares Regis 216 Miller Offer Letter (July 26, 2018)

Attachment #1

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("this **Agreement**") is made and entered into as of February 23, 2016 (the "**Date of Agreement**"), by and between the South San Francisco Successor Agency, a public agency ("**Seller**" or "**Agency**") and Miller Cypress SSF, LLC, ("**Buyer**"), which is the date this Agreement was approved by the South San Francisco Oversight Board ("**Oversight Board**"). Seller and Buyer are each individually referred to herein as a "**Party**" and, collectively, as the "**Parties**."

RECITALS

A. WHEREAS, Seller is the owner of certain real property located in the City of South San Francisco, County of San Mateo, California, known as County Assessor's Parcel Numbers 012-317-110 (401 Airport Boulevard)("**Parcel A.1**"), 012-317-100 (411 Airport Boulevard) ("**Parcel A.2**"), 012-317-090 (421 Airport Boulevard) ("**Parcel A.3**"), 012-318-030 (315 Airport Boulevard) ("**Parcel D**"), 012-314-100 (405 Cypress Avenue) "(**Parcel B**"), and 012-314-220 (216 Miller Avenue parking lot) ("**Parcel C**"), each as more particularly described in Exhibit A attached hereto and incorporated herein by this reference. Parcel A.1, Parcel A.2 and Parcel A.3 are collectively, "**Parcel A.**" Parcel A, Parcel B, Parcel C, and Parcel D are collectively the "**Property**." The Buyer has also entered a separate and private purchase and sale agreement to acquire a property located at 309 Airport Boulevard from an unrelated third party adjacent to Parcel D ("**Parcel D Prime**").

B. WHEREAS, on June 29, 2011 the legislature of the State of California adopted Assembly Bill x1 26 ("**AB 26**"), which amended provisions of the Redevelopment Law, which together with the California Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, which upheld AB 26 (together with AB 1484 and SB 107, the "**Dissolution Law**"), the South San Francisco Redevelopment Agency was dissolved on February 1, 2012.

C. WHEREAS, in August, 2014, the Agency and Buyer entered into an Exclusive Negotiation Rights Agreement ("**ENRA**") that established a mutual understanding among the City, Agency, and the Buyer regarding the potential development of the Property.

D. WHEREAS, pursuant to the Dissolution Law, the Agency prepared a Long Range Property Management Plan ("**LRPMP**"), which the Oversight Board to the Former South San Francisco Redevelopment Agency ("**Oversight Board**") approved on May 21, 2015, and the Department of Finance ("**DOF**") approved on October 1, 2015.

E. WHEREAS, the LRPMP includes development plans for the Property, which are consistent with this Agreement.

F. WHEREAS, consistent with the approved LRPMP, and subject to the terms of this Agreement, Seller is interested in selling the Property to Buyer contingent upon Buyer paying the Purchase Price required in Section 2.2 and obtaining land use entitlements from the City of South San Francisco ("**City**"), and if such entitlements are granted, and requiring the

Buyer to construct (a) 260 multi-family residential rental units on Parcel A, Parcel D and Parcel D Prime, (b) 12 townhomes on Parcel C (or as Project may be revised for Parcel C as provided in this Agreement), and (c) 25 guest parking spaces on Parcel B ("**Project**").

G. WHEREAS, on January 28, 2015, the City Council (i) certified an Environmental Impact Report ("**EIR**") (State Clearinghouse number 2013102001) in accordance with the provisions of the California Environmental Quality Act, (Public Resources Code, §§ 21000, et seq., ("**CEQA**") and CEQA Guidelines, which analyzed the potential environmental impacts of the development of the Downtown Station Area Specific Plan (the "**DSASP**"), and (ii) approved the DSASP which includes the Property and Parcel D Prime.

H. WHEREAS, on January 28, 2015, the City Council also adopted a Statement of Overriding Considerations ("**SOC**") in accordance with the provisions of CEQA and CEQA Guidelines, which carefully considered each significant and unavoidable impact identified in the EIR and found that the significant environmental impacts are acceptable in light of the DSASP's economic, legal, social, technological and other benefits and City Council found the Project consistent with the DSASP.

I. WHEREAS, on February 10, 2016 by Resolution Nos. 16-2016 and 17-2016, and the City Council (i) adopted an Environmental Consistency Analysis for the Project prepared by the City and certified that the Project would not result in any new significant environmental effects or a substantial increase in the severity of any previously identified effects beyond those disclosed and analyzed in the DSASP EIR certified by City Council, or require any new mitigation measures ("**Environmental Consistency Analysis**"), (2) approved the following entitlements for the Project Conditional Use Permit ("**UP**") 15-0027, Design Review ("**DR**") 15-0032, Waiver and Modification ("**WM**") 15-0001, and Parking Exemption ("**PE**") 15-0004, and (ii) introduced Ordinance No. 1512-2016 approving a Development Agreement ("**DA**") 15-0003 (collectively, the "**Project Approvals**"). On February 24, 2016, by City Council adopted Ordinance No. 1512-2016 approving the DA.

J. WHEREAS, in compliance with Section 6.10 of the DA between the City and Buyer, the Buyer has agreed to pay prevailing wages pursuant to Labor Code Section 1720 *et seq*. for the Project. In addition, Buyer has stated in public its intent to use union labor for the construction of the Project.

K. WHEREAS, pursuant to Health and Safety Code Section 34181(a)(1), the Seller on February 10, 2016 and the Oversight Board on February 23, 2016 held duly noticed public meetings to consider the sale of the Property to the Buyer pursuant to this Agreement.

L. WHEREAS, pursuant to Resolution No. 03-2106 dated February 10, 2016, the Seller found that the sale of the Property is consistent with the disposition provisions of the LRPMP and recommended that the Oversight Board approve this Agreement.

M. WHEREAS, pursuant to Resolution No. 04-2016 dated February 23, 2016, the Oversight Board found that (i) the sale of the Property is consistent with the disposition provisions of the LRPMP and (ii) pursuant to Health and Safety Code Sections 34179(h)(1)(D) and 34195(f), as a transfer of governmental property pursuant to the approved LRPMP, the

Oversight Board is not required to submit approval of this Agreement to DOF for approval and approved this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the parties, Seller and Buyer hereby agree as follows:

1. **INCORPORATION OF RECITALS AND EXHIBITS**. The Recitals set forth above and the Exhibits attached to this Agreement are each incorporated into the body of this Agreement as if set forth in full.

2. **PURCHASE AND SALE**.

2.1 Agreement to Buy and Sell. Subject to the terms and conditions set forth herein, Seller agrees to sell the Property to Buyer, and Buyer hereby agrees to acquire the Property from Seller.

2.2 Purchase Price. The purchase price for the Property to be paid by Buyer to Seller (the "**Purchase Price**") is Four Million and 00/100 Dollars ($4,000,000). The Purchase Price shall be paid in cash at the Closing.

2.3 Supplemental Purchase Price for Parcel C. If the Buyer constructs Parcel C (whether as (i) a 12 unit town home development consistent with the Project Approvals ("**12 Unit Project**') or (ii) as part of a revised development under the potential Land Assembly Option defined in Section 5.6), the additional land value payable to the Seller for Parcel C will be determined either by (X) a residual land value appraisal for Parcel C or, at Seller's discretion, (Y) on a comparison sales based appraisal. Such appraisal will be prepared by a certified appraiser mutually selected by the Seller and Buyer within sixty (60) days of the date Buyer provides written notice of either its intent to pursue the Revised Parcel C Entitlements its intent to abandon the Revised Parcel C Entitlements and proceed with construction of the 12 Unit Project ("**Supplemental Purchase Price**"). In the event that the parties do not agree on an appraiser, the Seller shall identify three certified appraisers with experience appraising properties in San Mateo County and each Party shall strike one appraiser and the remaining appraiser shall be retained to conduct the appraisal. The costs of the appraisal shall be shared equally between the Seller and Buyer. Buyer shall pay Seller the Supplemental Purchase Price prior to the earlier of ninety (90) days after completion of the appraisal or issuance of the first building permit by the City for Parcel C. This provision shall not apply if Buyer re-conveys Parcel C to Seller pursuant to Section 5.6(e)(v).

3. **ESCROW.**

3.1 Escrow Account. Seller has opened an interest-bearing escrow account (the "**Escrow**") maintained by First American Title Insurance Company at the address noted in Section 13.8 (the "**Escrow Holder**"), with interest accruing to the benefit of Buyer. Escrow Holder shall perform all escrow and title services in connection with this Agreement.

3.2 Opening of Escrow. Within ten (10) business days after the Effective Date, the Parties will deposit into Escrow the fully executed Agreement, or executed counterparts thereto. The date such fully executed Agreement is received by Escrow Holder will be deemed the "**Opening of Escrow**."

3.3 Buyer's Deposit. Upon the Opening of Escrow, the Buyer shall deposit two hundred thousand dollars ($200,000) in Escrow ("**Buyer's Initial Deposit**"). The Buyer's Initial Deposit shall be non-refundable. Unless Buyer has delivered written notice to Seller terminating this Agreement in accordance with Section 3.4 below, then upon expiration of Buyer's Due Diligence Contingency Period, as set forth in Section 5.2 below, Buyer shall deposit an additional two hundred thousand dollars in Escrow ("**Buyer's Second Deposit**"). In the event of a failure to Close based on any of the following Buyer's Conditions to Closing, the Buyer shall be entitled to a refund of the Buyer's Second Deposit: 5.2(b), 5.2(c), 5.2(e), 5.2(l), and 5.2(m).

3.4 Satisfaction of Due Diligence Contingency. Buyer shall have the right, in its sole discretion, to terminate this Agreement if Buyer disapproves of its inspection of and due diligence pertaining to the Property as set forth in Section 5.2 (a) prior to the expiration of the Due Diligence Period (also as defined in Section 5.2(a) below). Buyer hereby agrees to provide written notice to Seller prior to the expiration of the Due Diligence Period if Buyer disapproves any due diligence items and to identify with reasonable specificity such disapproval. Upon provision of such notice to Seller, this Agreement shall terminate, and, except as provided in Section 5.2(a), all amounts deposited by Buyer into escrow (except the expended ENRA Deposit, the Buyer's Initial Deposit and the ENRA Extension Deposit as provided in Section 3.5 below), together with interest thereon, if any, will be returned to Buyer, and neither Party shall have any further rights or obligations under this Agreement except those which expressly survive the termination hereof. If Buyer fails to notify Seller in writing of the disapproval of any due diligence items, it will be conclusively presumed that Buyer has approved all such items, matters or documents and this Agreement shall continue in full force and effect.

3.5 Application of Prior ENRA Deposit. Pursuant to Section 5 of the ENRA, Buyer has already submitted directly to Seller a deposit in the amount of Fifty Thousand Dollars ($50,000) to cover the actual costs that the Seller has incurred and will incur in furtherance of this Agreement ("**ENRA Deposit**"), and an additional Twenty Five Thousand ($25,000) Dollars related to the ENRA extension ("**ENRA Extension Deposit**"). Seller has deposited the ENRA Deposit and the ENRA Extension Deposit in an interest bearing account and any interest, when received by Seller, will become part of the ENRA Deposit. On or before expiration of this Agreement, the Seller may, draw on the ENRA Deposit to reimburse the Seller's cost for third-party assistance and staff time in the negotiations for and preparation of this Agreement. Upon Closing, the Seller will apply any unused portion of the ENRA Deposit to the Purchase Price. In the event that Buyer terminates this Agreement in accordance with Section 3.4 above, Buyer shall only be entitled to the unused portion of the ENRA Deposit and the Seller shall be entitled to the ENRA Extension Deposit.

3.6 Environmental Remediation Regulatory Approval Successor Agency Assistance. At Closing, the Buyer agrees to take title of the Property in AS IS WHERE IS condition with no environmental remediation work required by or indemnities from the Seller or the City. Seller, at Buyer's expense, agrees to cooperate with Buyer to obtain regulatory approval of the necessary

environmental work for the Property (including but not limited to the California Land Reuse and Revitalization Act) to be suitable for unrestricted residential use consistent with the uses proposed in the Project Approvals prior to and as a Buyer condition to Closing. Buyer will then manage and complete the remediation work necessary to make the Property suitable for unrestricted residential use consistent with the uses proposed in the Project Approvals after Closing. After Closing, Seller shall have no further obligations with respect to environmental and/or natural hazards remediation costs (except in the event Parcel C is re-conveyed to the Seller pursuant to the applicable provisions of Section 5.6).

4. PROPERTY DISCLOSURE REQUIREMENTS.

4.1 Condition of Title/Preliminary Title Report. Buyer hereby approves the following exceptions which shall be referred to herein as the "**Pre-Approved Exceptions**": (a) the lien of any non-delinquent property taxes and assessments (which, if any exist, shall be prorated by the Title Company at Closing); (b) the Memorandum of Agreement, (c) the covenants, conditions and restrictions set forth in the Grant Deed, (d) standard printed exceptions in the Preliminary Report; and (e) the exceptions shown on Exhibit C attached hereto. Within five (5) business days of Opening of Escrow, Escrow Holder will deliver an updated Preliminary Title Report for the Property (the "**Preliminary Report**") to Buyer. Buyer will have ten (10) business days from receipt to review the Preliminary Report and deliver to Seller a written notice indicating any disapproved exceptions ("**Disapproved Exceptions**"). The Pre-Approved Exceptions and any other exceptions otherwise accepted by Buyer as provided herein are hereinafter referred to as the "**Condition of Title.**" Subject to the Seller's covenant in Section 6.1(b) to neither cause nor voluntarily permit, any new lien, encumbrance or any other matter that changes the condition of title to the Property, if any exceptions other than the Pre-Approved Exceptions are reported by the Title Company, then any such new exception shall be Disapproved Exceptions unless the new exceptions (i) arise from the acts or omissions of Buyer, or (ii) are consented to or waived in writing by Buyer in its sole discretion. The Seller agrees that the "Required Disapproved Exceptions" set forth on Exhibit C are critical to the Project and agrees that if such Required Disapproved Exceptions are not removed by date that the Seller's Conditions to Closing and Buyer's Conditions to Closing are otherwise satisfied (or waived by Buyer), then the Buyer shall have the right, in its sole discretion, to terminate this Agreement and the Buyer shall right to full refund of the Buyer's Second Deposit.

4.2 Environmental and Natural Hazards Disclosure. California Health & Safety Code section 25359.7 requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of hazardous substances are located on or beneath the real property to provide written notice of same to the buyer of real property. Other applicable laws require Seller to provide certain disclosures regarding natural hazards affecting the Property. Seller warrants that as of the Date of Agreement, it has provided to Buyer all reports of potential hazardous substances located on or beneath the Property that Seller possesses. Seller further agrees to make all necessary disclosures required by law.

5. CLOSING, PAYMENT OF PURCHASE PRICE AND POST CLOSING OBLIGATIONS OF BUYER.

5.1 Closing. The closing (the "**Closing**" or "**Close of Escrow**") will occur for the Property including Parcels A, B, C and D no later than the date set forth in Section 5.6(b), unless such date for Closing is extended by Force Majeure Delay or as provided on in Sections 5.6.1, 5.6.2 or 5.6.3 herein ("**Closing Date**"). In addition to the extensions of the Closing Date in Section 5.6.1, 5.6.2 and 5.6.3, the Closing Date shall be extended where a Party's Conditions to Closing under Section 5.2 (Buyer) and 5.3 (Seller) have not been satisfied as a result of a Force Majeure Event.

5.2 Buyer's Conditions to Closing. Buyer's obligation to purchase the Property is subject to the satisfaction of each and all of the following conditions precedent ("**Buyer Conditions Precedent**") or Buyer's written waiver thereof (each in Buyer's sole discretion) on or before the Closing Date:

(a) Due Diligence. Buyer has approved the condition of the Property in Buyer's sole and absolute discretion. Consistent with Section 3.6 above Buyer acknowledges the existence of Underground Storage Tanks on Parcels A and D and lead on Parcels B and C, as evidenced in the Phase I Environmental Site Assessment, Airport Boulevard Properties, South San Francisco, California dated January 2016 prepared by WEST Environmental Services and Technology ("**Environmental Report**") prepared for Buyer and Buyer agrees that the existence of such conditions as described in the Environmental Report shall not be the sole grounds upon which Buyer denies approval of the condition of the Property under Section 3.4 above. Buyer will have forty-five (45) calendar days from Opening of Escrow (the "**Due Diligence Period**") to complete physical inspections of the Property and due diligence related to the purchase of the Property. Seller shall provide to Buyer copies of all reasonably available and known documents relating to the ownership and operation of the Property, including but not limited to plans, permits and reports (environmental, structural, mechanical, engineering and land surveys) that Seller has in its possession not later than two (2) business days following the execution and delivery of this Agreement. All physical access to the Property must be coordinated with Seller's representative and subject to Section 13.17.

(b) No Default by Seller or City. Seller is not in default and has performed all obligations to be performed by Seller pursuant to this Agreement, and the City is not in default under the Development Agreement.

(c) Representations and Warranties. Seller's representations and warranties herein are true and correct in all material respects as of the Closing Date.

(d) Title Policy. The Title Company shall, upon payment of Title Company's regularly scheduled premium, be irrevocably committed to issue an ALTA Extended Title Policy to Buyer upon recordation of the Grant Deed and effective as of the Closing Date, insuring title to Buyer in the full amount of the Purchase Price and subject only to the Pre-Approved Exceptions or the Condition of Title.

(e) Absence of Proceedings. There shall be an absence of any condemnation, environmental or other pending governmental or any type of administrative or legal proceedings with respect to the Property or this Agreement which would materially and adversely affect Buyer's intended uses of the Property or the value of the Property.

(f) No Material Adverse Change. There shall not have occurred between the Date of Agreement and the Closing a material adverse change to the physical condition of the Property.

(g) Financing Commitments. Buyer shall have financing commitments that are not materially different than Buyer's financing term sheet as of the Date of Agreement that is sufficient for the acquisition of the Property and construction of 260 residential rental units on Parcels A, Parcel D and Parcel D Prime for the Project and Buyer's construction loan, if any, shall have closed or shall be ready to close concurrently with the Closing.

(h) Project Approvals. The Project Approvals shall be final and non-appealable, and if any appeals, legal challenges, requests for rehearing, or referenda have been filed or instituted, such appeals, legal challenges, requests for rehearing, or referenda shall have been fully and finally resolved in a manner acceptable to Buyer in its sole and absolute discretion and such that no further appeals, legal challenges, requests for rehearing, or referenda are possible.

(i) Permits. Subject to payment of the applicable fees, the City shall be ready and willing to issue the ministerial demolition, grading, foundation permit and building permit(s) necessary for the Buyer to meet its obligations in Section 5.6(b)(1) and Section 5.6(c)(i) and (c)(ii).

(j) No Leases or Parties in Possession. Seller shall have demonstrated the ability to deliver fee title to the Property to Buyer free and clear of any tenants, lessees, licensees or any third party occupants or parties in possession.

(k) Remediation Plan Approval. Buyer shall, in the Buyer's reasonable business judgment, have obtained regulatory approval of the necessary environmental work for the Property (including but not limited to the California Land Reuse and Revitalization Act) to be suitable for unrestricted residential use consistent with the uses proposed in the Project Approvals and that such regulatory approval would not cause or result in a material adverse delay in the time to commence or construct the Project, a substantial increase (defined as an increase of $100,000) in the costs assumptions for the Project in the pro forma previously provided by Buyer related to environmental conditions as of the Date of Agreement, or a material adverse impact to the Project or the use of the Project.

(l) Compliance with Dissolution Law. Seller shall have complied with all requirements and obtained any and all approvals required under the Dissolution Law with respect to Closing.

(m) Execution and Delivery of Documents by Seller. Seller shall have executed and acknowledged the Grant Deed and Memorandum of Agreement, and Seller shall

have executed (and, where appropriate, acknowledged) and delivered into escrow all other documents that Seller is required to deliver into escrow pursuant to Section 5.5.1(a).

5.3 Seller's Conditions to Closing. Seller's obligation to sell the Property is subject to the satisfaction of each and all of the following conditions precedent ("**Seller Conditions Precedent**") or Seller's written waiver thereof (each in Seller's sole discretion) on or before the Closing Date:

(a) No Default by Buyer or City. Buyer is not in default and has performed all obligations to be performed by Buyer pursuant to this Agreement, and neither the Buyer or City is in default under the Development Agreement.

(b) Development Agreement. The City Council approves a Development Agreement with the Buyer in a form substantially similar to the Development Agreement attached hereto as Exhibit D, and such Development Agreement is executed and will be recorded concurrently with the Close of Escrow as provided in Section 5.5.

(c) Representations and Warranties. Buyer's representations and warranties set forth herein are true and correct in all material respects as of the Closing Date.

(d) Buyer's Financing Commitments. Buyer has provided Seller written confirmation, acceptable to Seller, which approval shall not be unreasonably withheld, that Buyer has obtained financing commitments for the acquisition and construction financing for the acquisition of the Property and the construction of 260 residential rental units on Parcel A, Parcel D and Parcel D Prime.

(e) Permits. The Buyer shall have submitted applications to the City pursuant to Section 5.6(a), and subject to payment of the applicable fees, the City shall be ready and willing to issue the ministerial demolition, grading and foundation permit(s) necessary for the Buyer to Commence of Construction as defined in Section 5.6(c)(i) and (ii).

(f) Compliance with Dissolution Law. Seller shall have complied with all requirements and obtained any and all approvals required under the Dissolution Law with respect to Closing.

(g) Execution and Delivery of Documents by Buyer. Buyer shall have executed and acknowledged the Grant Deed and Memorandum of Agreement, and Buyer shall have executed (and, where appropriate, acknowledged) and delivered into escrow all other documents that Buyer is required to deliver into escrow pursuant to Section 5.5.1(b).

(h) Delivery of Funds. Buyer shall have delivered through escrow the Purchase Price and such other funds, including escrow costs, recording fees and other closing costs as are necessary to comply with Buyer's obligations under this Agreement.

5.4 Conveyance of Title. Seller will deliver marketable fee simple title to Buyer at the Closing, subject only to the Condition of Title pursuant to Section 4.1. The Property will be conveyed by Seller to Buyer in an "as is" condition, with no warranty, express or implied, by Seller as to the physical condition including, but not limited to, the soil, its geology, or the

presence of known or unknown faults or Hazardous Materials or hazardous waste (as defined by Section 12); provided, however, that the foregoing shall not relieve Seller from disclosure of any such conditions of which Seller has actual knowledge or its obligation to cooperate with Buyer pursuant to Section 2.6.

5.5 Closing.

5.5.1 Delivery of Documents and Closing Funds. At or prior to Closing, Seller and Buyer shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the conveyance of the Property in accordance with the terms hereof, including but not limited to the following:

(a) Deliveries by Seller. At or before Closing, Seller shall deposit the following into escrow:

A. one (1) original executed and acknowledged Grant Deed substantially in the form attached hereto as Exhibit B ("**Grant Deed**");

B. one (1) original executed and acknowledged Memorandum of Agreement, substantially in the form attached hereto as Exhibit D ("**Memorandum of Agreement**");

C. one (1) duly executed non-foreign certification for the Property in accordance with the requirements of Section 1445 of the Internal Revenue Code of 1986, as amended; and

D. one (1) duly executed California Form 593-W Certificate for the Property or comparable non-foreign person affidavit to satisfy the requirements of California Revenue and Taxation Code Section 18805(b) and 26131.

(b) Deliveries by Buyer. At or prior to Closing, Buyer shall deposit the following into escrow:

A. immediately available funds in the amount, which together with the Buyer's Deposit plus interest thereon, if any, is equal to an amount necessary to consummate the Closing, including the Purchase Price, escrow and Title Policy costs set forth in Section 5.5.5;

B. one (1) original executed and acknowledged Grant Deed;

C. one (1) original executed and acknowledged Memorandum of Agreement; and

D. one (1) original executed Preliminary Change of Ownership Report for the Property.

E. one (1) fully executed Development Agreement in a form substantially similar to the Development Agreement attached hereto as Exhibit D.

5.5.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of Seller and Buyer with respect to the conveyance of the Property to Buyer, and the Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties shall use reasonable good faith efforts to close the escrow for the conveyance of the Property in the shortest possible time. Insurance policies for fire or casualty are not to be transferred, and each Party will cancel its own policies, if any, as of the Closing. All funds received in the escrow shall be deposited in interest-bearing accounts for the benefit of the depositing Party in any state or national bank doing business in the State of California. All disbursements shall be made by check or wire transfer from such accounts. If, in the opinion of either Party, it is necessary or convenient in order to accomplish the Closing, such Party may provide supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The Closing shall take place as set forth in Section 5.5.4 below. Escrow Agent is instructed to release Seller's and Buyer's escrow closing statements to the respective parties.

5.5.3 Authority of Escrow Agent. Escrow Agent is authorized to, and shall:

(a) Pay and charge Buyer for the premium of the Title Policy, including any endorsements requested by Buyer.

(b) Pay and charge Buyer for escrow fees, charges, and costs as provided in Section 5.5.5.

(c) Disburse to Seller the Purchase Price, less Seller's share of any escrow fees, costs and expenses, and record the Grant Deed when both the Buyer Conditions Precedent and Seller Conditions Precedent have been fulfilled or waived in writing by Buyer and Seller, as applicable. Immediately following recordation of the Grant Deed, Escrow Agent shall record the Memorandum of Agreement, Development Agreement and all other recordable documents delivered into escrow for the Closing.

(d) Do such other actions as necessary, including obtaining and issuing the Title Policy, to fulfill its obligations under this Agreement.

(e) Direct Seller and Buyer to execute and deliver any instrument, affidavit, and statement, and to perform any act, reasonably necessary to comply with the provisions of FIRPTA, if applicable, and any similar state act and regulations promulgated thereunder.

(f) Prepare and file with all appropriate governmental or taxing authorities uniform settlement statements, closing statements, tax withholding forms including IRS 1099-S forms, and be responsible for withholding taxes, if any such forms are provided for or required by law.

5.5.4 Closing. The escrow for conveyance of the Property shall close ("**Close of Escrow**") within thirty (30) days after the satisfaction, or waiver by the appropriate Party, of all of the Buyer Conditions Precedent and all of the Seller Conditions Precedent. For purposes of this Agreement, the "Closing" shall mean the time and day the Grant Deed is recorded with the San Mateo County recorder.

5.5.5 Closing Costs. Buyer will pay all escrow fees (including the costs of preparing documents and instruments), and recording fees. Buyer will also pay title insurance, title report costs and all transfer taxes. Seller will pay all governmental conveyance fees, where applicable.

5.5.6 Pro-Rations. At the Close of Escrow, the Escrow Agent shall make the following prorations: (i) property taxes and assessments will be prorated as of the close of escrow based upon the most recent tax bill available, including any property taxes which may be assessed after the close of escrow but which pertain to the period prior to the transfer of title to the Property to Buyer, regardless of when or to whom notice thereof is delivered; and (ii) any bond or assessment (other than assessments allocable to the period of time prior to Close of Escrow) that constitutes a lien on the Property at the close of escrow will be assumed by Buyer. Seller does not pay ad valorem taxes.

5.6 Buyer's Post Closing Obligations. Subject to Force Majeure Delay as set forth in Section 7.4 and the extensions provided in Sections 5.6.1, 5.6.2, and 5.6.3, as applicable, Buyer shall complete the following in the time set forth below.

Deadline	Buyer Post-Closing Obligation
Prior to June 30, 2016	5.6 (a) Buyer shall prepare and submit complete construction documents including building permit submittal documents which satisfy all submission requirements for 260 multi-family residential rental units approved as in the Project Approvals. Seller's exclusive remedies for a Buyer Default for this Section 5.6(a) are (1) termination of the Agreement under Section 7.3 and (2) liquidated damages under Section 7.2.2.
Prior to December 31, 2016	5.6 (b) Buyer shall: (i) Obtain demolition and foundation permits for Parcels A, B and D and D Prime, as applicable consistent with the Project Approvals. (ii) Close escrow on Parcels A, B, C and D pursuant to Section 5.1. (iii) Buyer to either (A) prepare and submit to the City Manager Buyer's land assembly and proposed development options for Buyer's potential acquisition of some or all properties on the north side of Miller Avenue between Parcels B and C ("**Land Assembly Option**"), or (B) submit written notice of intent not to proceed with the Land Assembly Option. Seller's exclusive remedies for a Buyer Default for Section 5.6(b)(i) and (ii) are (1) termination of the Agreement under Section 7.3 and (2) liquidated damages under Section 7.2.2. Buyer shall not be in Default under Section 5.6(b)(iii), but Seller shall withhold conveyance of Parcel C from Closing if Buyer either does not submit

Deadline	Buyer Post-Closing Obligation
	a timely written notice to proceed with the Land Assembly Option or if Buyer submits a notice of intent not to proceed with the Land Assembly Option. If Parcel C is not conveyed to Seller, Buyer shall also assign all of its rights in the land use entitlements, the development, engineering, construction and building plans ("**Parcel C Plans**") to the Seller, or Seller's designee, and shall deliver a complete set of the Parcel C Plans to the Seller, or designated recipient within the City.
Prior to March 31, 2017	5.6(c) The Buyer shall: (i) Commence and complete demolition of existing structures on the Parcel A, Parcel D and Parcel D Prime. The existing parking lot on Parcel B is intended to be used for construction staging so will not be subject to demolition and commencement of construction of the replacement parking lot until near completion of construction on Parcel A, Parcel D and Parcel D Prime. (ii) Commence Construction of 260 multi-family residential rental units approved as part of City issued permits consistent with the Project Approvals on Parcels A, B and D and Parcel D Prime. "**Commence Construction**" shall be deemed to have occurred when Buyer has obtained grading and foundation permits and has commenced work on the grading and foundations for Parcels A and D. (iii) If Buyer has submitted a notice to proceed with the Land Assembly Option then either (i) file complete application, pursuant to City land use application requirements, for revised land use entitlements for Parcel C including adjacent land provided that Buyer has acquired or has an enforceable option to acquire all properties adjacent to the north side of Miller Avenue that are located between Parcels B and C ("**Revised Parcel C Entitlements Application**"), or (ii) submit written notice of intent not to proceed with the Revised Parcel C Entitlements Application. The Revised Parcel C Entitlements Application shall be subject to any applicable CEQA requirements and all applicable City land use entitlement processes. Seller's exclusive remedies for a Buyer Default for Section 5.6(c)(i) and (ii) is specific performance under this Agreement. Buyer shall not be in Default under Section 5.6(c)(iii), but Seller has the right to cause the Buyer to re-convey of Parcel C if Buyer either does not submit a timely written notice to proceed with the Revised Parcel C Entitlements Application or if Buyer submits a notice of

Deadline	Buyer Post-Closing Obligation
	intent not to proceed with the Revised Parcel C Entitlements Application. If Parcel C is re-conveyed to Seller, Buyer shall also assign all of its rights in the Parcel C Plans to the Seller, or Seller's designee, and shall deliver a complete set of the Parcel C Plans to the Seller, or designated recipient within the City. In the event Buyer submits a notice of intent not to proceed, Seller and Buyer agree to take all actions necessary to re-convey Parcel C to the Seller and Seller shall accept re-conveyance of Parcel C and the Parcel C Plans.
Prior to March 31, 2018	5.6 (d) (i) If Buyer has submitted a notice to proceed with the Land Assembly Option and a notice to proceed with the Revised Parcel C Entitlements Application, then the Buyer shall either (A) provide written confirmation to the Seller that Buyer has acquired or has an enforceable option to acquire, on terms that are acceptable to Buyer in in sole discretion the property subject to the Land Assembly Option (the written confirmation shall include either a copy of the purchase or option agreement or written confirmation from the sellers of the properties that Buyer has an enforceable option to acquire the properties), or (B) provide written notice of intent to abandon its Land Assembly Option. (ii) If the Buyer has not delivered a notice of intent to abandon its Land Assembly Option, then Buyer shall diligently pursue and take all actions necessary for the City to conduct all required public hearings and consider the Revised Parcel C Entitlements. Buyer shall not be in Default under Section 5.6(d)(i) and (i), but Seller has the right to cause the Buyer to re-convey of Parcel C if Buyer either does proceed as provided under Section 5.6(d)(i) or (ii). If Parcel C is re-conveyed to Seller, Buyer shall also assign all of its rights in the Parcel C Plans to the Seller, or Seller's designee, and shall deliver a complete set of the Parcel C Plans to the Seller, or designated recipient within South San Francisco. In the event Buyer submits a notice of intent not to proceed, Seller and Buyer agree to take all actions necessary to re-convey Parcel C to the Seller and Seller shall accept re-conveyance of Parcel C and the Parcel C Plans.
Prior to March 31, 2019	5.6 (e) The Buyer shall: (i) Substantially Complete development of the 260 multi-family residential rental properties on Parcel A, Parcel D and Parcel D Prime. As used herein "**Substantially Complete**" or "**Substantial Completion**" shall be deemed to have occurred when (i) Buyer has provided written evidence to the City Manager that eighty five (85)

Deadline	Buyer Post-Closing Obligation
	percent of the contract price for the construction of the 260 multi-family residential rental units (including all change orders and all amounts due and payable to the contractor under the construction contract for work performed but being held as retention by Buyer under the terms of the construction contract) has been expended, (ii) all exterior building improvements and all interior building improvements are complete with the exception of finish work defined as flooring, counters, countertops, appliances, finish mechanical, electrical, plumbing, and carpentry, paint, landscaping, and interior of elevators, and (iii) the City Manager determines, in his or her reasonable discretion that the life safety systems, including but not limited to all required sprinkler systems, within the applicable portion have been installed and are fully functional. (ii) open a leasing center for the 260 multi-family residential rental units on the Property or within the Downtown Station Area Specific Plan Area. (iii) Complete construction and obtain a certificate of occupancy for the parking lot improvements required for Parcel B, provided that if Buyer has obtained Revised Parcel C Entitlements and those land use entitlements modify development on Parcel B, then Buyer shall develop Parcel B pursuant to the Revised Parcel C Entitlements. (iv) Commence Construction of development of twelve townhomes approved consistent with the Project Approvals, or if Revised Parcel C Entitlements have been approved by the City then Commence Construction of the project approved as part of the Revised Parcel C Entitlements. "**Commence Construction**" shall be deemed to have occurred when Buyer has obtained grading and foundation permits and has commenced work on the grading and foundations. (v) If Buyer has not commenced construction as required in subsection (iv) above, and if Buyer has obtained Revised Parcel C Entitlements and has provided written confirmation that Buyer has acquired or has an enforceable option to acquire the property as set forth in Section 5.6(d)(i) above, Buyer upon payment of $100,000 to the Seller prior to the Commence Construction deadline may extend the deadline to Commence Construction on Parcel C for one year. Seller's exclusive remedies for a Buyer Default for Section 5.6(e)(i), (ii) and (iii) is specific performance under this Agreement. Buyer shall not be in Default under Section 5.6(e)(iv), but Seller has the right to cause the Buyer to re-convey Parcel C if Buyer does not timely

Deadline	Buyer Post-Closing Obligation
	Commence Construction on Parcel C. If Parcel C is re-conveyed to Seller, Buyer shall also assign all of its rights in the Parcel C Plans to the Seller, or Seller's designee, and shall deliver a complete set of the Parcel C Plans to the Seller, or designated recipient within the City and Seller and Buyer agree to take all actions necessary to re-convey Parcel C to the Seller and Seller shall accept re-conveyance of Parcel C and the Parcel C Plans.

5.6.1 Seller's Extension: The deadlines set forth in Section 5.6, subsections (a) through (e) shall each be subject to a ninety (90) day extension, provided (1) that the Buyer submits a written request for an extension prior to the deadline which shall include the rationale for the request and summary of the actions Buyer has taken to satisfy the obligation prior to the deadline and (2) the extension request is approved by the Executive Director or South San Francisco City Manager, which such approval shall not be unreasonably withheld.

5.6.2 Buyer's Extension. The deadlines set forth in Section 5.6 (a) shall be subject to a maximum of two extensions of 30 days (no more than 60 days for 5.6(a)) and a maximum of four extensions of 30 days (no more than 120 days for 5.6(b)) upon written notice to Seller and Buyer's payment to Seller of $25,000 for each such 30-day extension.

5.6.3 City Review: The deadlines set forth in Section 5.6, subsections (b), (c) and (e)(iv) are each contingent upon the City reviewing and providing comments or approving the grading and building plans submitted by Buyer within twenty one (21) days of submission of complete grading or building plans. This 21 day period shall commence anew each time that Buyer submits revised plans in response to City comments on the prior version of the grading or building plans. Buyer shall be solely responsible for submitting complete grading or building plans that satisfy all code and City requirements. Buyer shall be responsible for payment of all required City building permit fees including costs for City to retain contract plan check services. In the event that City review exceeds 21 days, the deadline set forth herein shall be extended one day for each day the City review exceeds 21 days.

5.6.4 Community Enhancements Payments. In the event that Buyer fails to pay the City when due any portion of the Community Enhancements Payment as set forth in Section 2.4 of Exhibit C to the DA between Buyer and City, Buyer shall, upon written notice from Seller and upon completion of a thirty (30) day cure period, pay Seller the amount payable under Section 2.4 of Exhibit C the DA not previously paid to City by the Buyer.

5.6.5 Allocation of Net Proceeds to Taxing Entities. Upon disbursal to Seller of the Purchase Price, Seller will remit the Net Unrestricted Proceeds (defined below) to the San Mateo County Auditor-Controller for distribution to the taxing entities. This obligation survives Closing.

For purposes of this Agreement, "**Net Unrestricted Proceeds**" means the sale proceeds received by the Seller/City for the sale of the Property, less: (i) costs incurred by the Seller for expenses

incurred in connection with the management and disposition of the Property, including reasonable and actual costs incurred for property management, maintenance, insurance, marketing, appraisals, brokers' fees, escrow, closing costs, survey, attorneys' and consultants' fees, and other reasonable costs incurred, including reasonable compensation for Agency staff performing functions associated with the management, maintenance and disposition of the Property provided that Agency shall first apply any revenue generated from license or lease agreements (of less than one year) received by the City to offset the management, insurance and maintenance costs of the Property, and (ii) any proceeds of sale that are restricted by virtue of the source of funds (e.g. grant funds or the proceeds of bonds) that were used for the original acquisition of the Property. The Seller shall deliver to the taxing entities an accounting of all such costs, expenses and restricted proceeds.

6. REPRESENTATIONS, WARRANTIES AND COVENANTS.

6.1 Seller's Representations, Warranties and Covenants. In addition to the representations, warranties and covenants of Seller contained in other sections of this Agreement, Seller hereby represents, warrants and covenants to Buyer that the statements below in this Section 6.1 are each true and correct as of the Closing Date provided however, if to Seller's actual knowledge any such statement becomes untrue prior to Closing, Seller will notify Buyer in writing and Buyer will have three (3) business days thereafter to determine if Buyer wishes to proceed with Closing. If Buyer determines it does not wish to proceed, then the terms of Section 7.3 will apply.

(a) Authority. Seller is a public agency, lawfully formed, in existence and in good standing under the laws of the State of California. Seller has the full right, capacity, power and authority to enter into and carry out the terms of this Agreement. This Agreement has been duly executed by Seller, and upon delivery to and execution by Buyer is a valid and binding agreement of Seller.

(b) Encumbrances. Other than the Mural License Agreement related to the mural "Transporting Oneself" located at 415 Airport Boulevard and the exceptions set forth in the Preliminary Title Report, Seller has not alienated, encumbered, transferred, mortgaged, assigned, pledged, or otherwise conveyed its interest in the Property or any portion thereof, nor entered into any agreement to do so, and there are no liens, encumbrances, mortgages, covenants, conditions, reservations, restrictions, easements or other matters affecting the Property, except as disclosed in the Preliminary Report. Seller shall not, directly or indirectly, alienate, encumber, transfer, mortgage, assign, pledge, or otherwise convey its interest prior to the Close of Escrow, as long as this Agreement is in force. Seller shall cooperate with Buyer, at no out of pocket cost to the Seller, to comply with the requirements of the Project Approvals Planning Condition of Approval No. 9 that the Parties acknowledge is required to be satisfied prior to the issuance of a demolition or building permit for the Project.

(c) No Right of Possession. Other than the Mural License Agreement related to the mural "Transporting Oneself" located at 415 Airport Boulevard, there are no agreements, including any leases, licenses and occupancy agreements, affecting the Property. There are no agreements which will be binding on the Buyer or the Property after the Close of Escrow. Other than the utility easements set forth on the Preliminary Title Report, no person or entity other than Seller has the right to use, occupy, or possess the Property or any portion thereof. Seller will not enter into any lease or other agreement affecting the Property or any portion thereof without the written consent of Buyer.

(d) No Conflict. Seller's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Seller is a party or by which Seller is bound.

(e) No Litigation or Other Proceeding. To Seller's current actual knowledge, no litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Seller to perform its obligations under this Agreement, or that would adversely affect the Property.

(f) No Seller Bankruptcy. Seller is not the subject of any bankruptcy proceeding, and no general assignment or general arrangement for the benefit of creditors or the appointment of a trustee or receiver to take possession of all or substantially all of Seller's assets has been made.

(g) Condition of Property. Seller has no notice of any pending or threatened action or proceeding arising out of the condition of the Property or any alleged violation of any Environmental Laws. Except as otherwise disclosed by City and provided in Section 3.6, to Seller's actual current knowledge, the Property is in compliance with all Environmental Laws. The Seller will not make or allow any material adverse change to the condition of the Property.

The truth and accuracy of each of the representations and warranties, and the performance of all covenants of Seller contained in this Agreement are conditions precedent to Buyer's obligation to proceed with the Closing hereunder. The foregoing representations and warranties shall not be deemed merged into the deed upon closing and shall survive the Close of Escrow until the satisfaction of the Buyer's Post-Closing Obligations under Section 5.6 and shall survive any earlier expiration or termination of this Agreement for a period of twelve (12) months.

6.2 Buyer's Representations and Warranties. In addition to the representations, warranties and covenants of Buyer contained in other sections of this Agreement, Buyer hereby represents, warrants and covenants to Seller that the statements below in this Section 6.2 are each true as of the Date of Agreement, and, if to Buyer's actual knowledge any such statement becomes untrue prior to Closing, Buyer shall so notify Seller in writing and Seller shall have at least three (3) business days thereafter to determine if Seller wishes to proceed with Closing. If Seller determines it does not wish to proceed, then the terms of Section 7.2 will apply.

(a) Authority. Buyer is a limited liability company. Buyer has the full right, capacity, power and authority to enter into and carry out the terms of this Agreement. This Agreement has been duly executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Buyer.

(b) No Bankruptcy. Buyer is not bankrupt or insolvent under any applicable federal or state standard, has not filed for protection or relief under any applicable bankruptcy or creditor protection statute, and has not been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute.

The truth and accuracy of each of the representations and warranties, and the performance of all covenants of Buyer contained in this Agreement are conditions precedent to Seller's obligation to proceed with the Closing hereunder. The foregoing representations and warranties shall survive the Closing and continue until satisfaction of the Buyer's Post-Closing Obligations under Section 5.6.

7. DEFAULT, REMEDIES, TERMINATION.

7.1 Default Remedies - General. Failure by either Party to perform any action or covenant required by this Agreement within sixty (60) days following receipt of written Notice from the other Party specifying the failure shall constitute a "**Default**" under this Agreement; provided, however, that if the failure to perform cannot be reasonably cured within such sixty (60) day period, a Party shall be allowed additional time as is reasonably necessary to cure the failure so long as such Party commences to cure the failure within the sixty (60) day period and thereafter diligently prosecutes the cure to completion. Subject to the limitations of Section 7.2 below, any default by the Buyer under the Development Agreement which is not cured following notice and expiration of any applicable cure periods thereunder shall also constitute a Default under this Agreement, and upon occurrence of such Default and without any right to further notice or additional cure period, the Seller shall have all remedies available to it under this Agreement, including the right to terminate this Agreement as set forth in Section 7.3 below.

7.2 Legal Actions.

7.2.1 Institution of Legal Actions and Remedies. Upon the occurrence of a Default under this Agreement, the non-defaulting Party shall have the right to institute any action at law or in equity to cure, correct, prevent or remedy such Default, subject to the express limitations on remedies provided in this Section 7.2.1. Neither Party shall have the right to recover any punitive, consequential, or special damages. Such legal actions must be instituted in the Superior Court of the County of San Mateo, State of California, or in the Federal District Court for the Northern District of the State of California.

7.2.1.1 Default by Buyer; Seller's Remedies. The Seller's remedies shall be expressly limited as follows:

a. Pre-Closing. Upon the occurrence of a Default by Buyer that occurs before Closing under Section 5.2, Section 5.5, Section 5.6(a), 5.6 (b)(1) and (b)(ii), and Section 6.2, the Seller's remedies shall be limited to (i) liquidated damages pursuant to Section 7.2.2 and (ii) termination of this Agreement pursuant to Section 7.3.

b. Post-Closing. Upon the occurrence of a Default by Buyer that occurs after Closing under Section 5.6 (b), 5.6(c), 5.6(d) and 5.6(e), the Seller's remedies shall be limited to the remedies expressly provided with respect to each obligation set forth in Sections under each of Section 5.6 (b), 5.6(c), 5.6(d) and 5.6(e), as applicable.

7.2.1.2 Default by Seller; Buyer's Remedies. Upon the occurrence of a Default by Seller under this Agreement, Buyer's remedies shall be limited to obtaining specific performance or injunctive relief, or terminating this Agreement.

7.2.2 Liquidated Damages. SUBJECT TO NOTICE AND EXPIRATION OF APPLICABLE CURE PERIODS AND ANY PERMITTED EXTENSIONS OF TIME AS PROVIDED IN THIS AGREEMENT, IF IN THE EVENT OF A BUYER DEFAULT AS SET FORTH IN 7.2.1.1, THE SELLER WILL SUFFER DAMAGES AND THAT IT IS IMPRACTICABLE AND INFEASIBLE TO FIX THE ACTUAL AMOUNT OF SUCH DAMAGES. THEREFORE, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, IN THE EVENT OF A CLOSING DEFAULT, BUYER, WITHIN THIRTY (30) DAYS FOLLOWING SELLER'S WRITTEN DEMAND THEREFOR, SHALL TURN OVER ALL REPORTS AND PLANS IN THE BUYER'S ACTUAL OR CONSTRUCTIVE POSSESSION THAT HAVE BEEN PREPARED BY AND FOR BUYER RELATED TO THE PROJECT AND THE PROPERTY (WITH THE EXCEPTION OF BUYER'S INTELLECTUAL PROPERTY, CONFIDENTIAL FINANCIAL INFORMATION, AND ANY INFORMATION SUBJECT TO LEGAL PRIVILEGE) (THE "**MATERIALS.**") THE BUYER'S INITIAL DEPOSIT, AND WHERE APPLICABLE UNDER THIS AGREEMENT, BUYER'S SECOND DEPOSIT, AND MATERIALS SHALL SERVE AS LIQUIDATED DAMAGES TO THE SELLER FOR A DEFAULT SPECIFIED IN SECTION 7.2.1.1(a). THE VALUE OF THE BUYER'S INITIAL DEPOSIT, AND WHERE APPLICABLE BUYER'S SECOND DEPOSIT, AND MATERIALS CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES THAT THE SELLER WOULD INCUR IN THE EVENT OF A CLOSING DEFAULT. RETENTION OF THE BUYER'S INITIAL DEPOSIT, AND WHERE APPLICABLE BUYER'S SECOND DEPOSIT, AND MATERIALS SHALL BE THE SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER IN THE EVENT OF A DEFAULT A DEFAULT SPECIFIED IN SECTION 7.2.1.1(a), AND THE SELLER WAIVES ANY AND ALL RIGHT TO SEEK OTHER RIGHTS OR REMEDIES AGAINST BUYER, INCLUDING WITHOUT LIMITATION, SPECIFIC PERFORMANCE. THE LIQUIDATED DAMAGES PROVIDED FOR HEREIN IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF SECTIONS 3275 OR 3369 OF THE CALIFORNIA CIVIL CODE, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO THE SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. SELLER WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. BY PLACING ITS INITIALS BELOW, BUYER AND SELLER SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE, THE REASONABLENESS OF THE AMOUNT OF LIQUIDATED DAMAGES AGREED UPON, AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: CMR _____ ML _____

SELLER BUYER

7.2.3 Acceptance of Service of Process. In the event that any legal action is commenced by Buyer against Seller, service of process on Seller shall be made by personal service upon the Executive Director at the address provided in Section 13.8 or in such other manner as may be provided by law. In the event that any legal action is commenced by Seller against Buyer, service of process on Buyer shall be made by personal service upon W-K Ventures, Inc., a California corporation, Buyer's registered agent for service of process in California, at 901 Mariner's Island Boulevard, 7th Floor, San Mateo, CA 94404 or in such other manner as may be provided by law.

7.3 Termination. In addition to termination upon satisfaction of all material terms of this Agreement, this Agreement may be terminated by the Party for whom a condition is intended to benefit: (i) if there is an uncured Default, after notice from the Party not in default and expiration of all cure periods, (ii) if there is a failure of an express Buyer Condition Precedent or Seller Condition Precedent (which is not waived by the Party whom the condition benefits) by timely notice from the Party whom the condition benefits, (iii) a representation or warranty of a Party becomes untrue prior to Closing under Section 6.1 or 6.2 (which is not waived by the Party whom the condition benefits), (iv) upon mutual written consent of the Parties, each in its sole discretion. Upon termination, the Parties will also cooperate to record a notice of termination.

7.4 Force Majeure Delay. All obligations in this Agreement shall not be deemed to be in default, all performance and other dates specified in those sections shall be extended, where delays are due to: war; insurrection; strikes and labor disputes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; litigation and arbitration, including court delays; legal challenges to this Agreement, legal challenges to the Project Approvals, or legal challenges to any other approval required from any public agency other than the City for the Project, or any initiatives or referenda regarding the same; environmental conditions, pre-existing or discovered, delaying the construction or development of the Property or any portion thereof; unusually severe weather but only to the extent that such weather or its effects (including, without limitation, dry out time) result in delays that cumulatively exceed thirty (30) days for every winter season occurring after commencement of construction of the Project; acts or omissions of the other Party; or acts or failures to act of any public or governmental agency or entity (except that acts or failures to act of Seller shall not excuse performance by Seller); moratorium; any delay caused by compliance with the requirements of Project Approval Planning Condition of Approval 9 or the termination of the Mural License Agreement related to the mural "Transporting Oneself" located at 415 Airport Boulevard, so long as the Buyer is acting diligently and in good faith; or a Severe Economic Recession (each a "**Force Majeure Delay**"). An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within sixty (60) days of the commencement of the cause. If notice is sent after such sixty (60) day period, then the extension shall commence to run no sooner than sixty (60) days prior to the giving of such notice. Buyer's inability or failure to obtain financing or otherwise timely satisfy shall not be deemed to be a cause outside the reasonable control of the Buyer and shall not be the basis for an excused delay unless such inability, failure or delay is a direct result of a

Severe Economic Recession. "**Severe Economic Recession**" means a decline in the monetary value of all finished goods and services produced in the United States, as measured by initial quarterly estimates of United States Gross Domestic Project ("**GDP**") published by the United States Department of Commerce Bureau of Economic Analysis (and not subsequent monthly revisions), lasting more than four (4) consecutive calendar quarters. Any quarter of flat or positive GDP growth shall end the period of such Severe Economic Recession.

8. **BROKERS**. Seller represents that no real estate broker has been retained by Seller in the sale of the Property or the negotiation of this Agreement. With the exception of a broker agreement with Roger Stuhlmuller, Buyer represents that no real estate broker has been retained by Buyer in the procurement of the Property or negotiation of this Agreement. Buyer shall be solely responsible for payment of any broker fee to Roger Stuhlmuller. Buyer and Seller shall indemnify, hold harmless and defend the other Party from any and all claims, actions and liability for any breach of the preceding sentence, and any commission, finder's fee, or similar charges arising out the other Party's conduct.

9. **ASSIGNMENT**. Prior to satisfactory completion of the Buyer's Post Closing Obligations under Section 5.6, neither Seller nor Buyer may assign its rights or delegate its duties under this Agreement, except for Buyer Permitted Transfers as defined below, without (i) the express written consent of the other Party, which consent will not be unreasonably withheld or delayed and (ii) a concurrent assignment of the Development Agreement in accordance with Section 8.1 of the Development Agreement. If Buyer proposes an assignment, Buyer will seek Seller's prior written consent to any transfer, which consent will not be unreasonably withheld or delayed. Seller may refuse to give consent only if, in light of the proposed transferee's reputation and financial resources, such transferee would not, in Seller's reasonable opinion, be able to perform the obligations proposed to be assumed by such transferee. Such determination will be made by the Executive Director of the Agency and will be appealable by Buyer to the Board of the Successor Agency. Notwithstanding any other provision of this Agreement to the contrary, each of following transfers are permitted and shall not require Seller consent under this Section 9 (each a "**Buyer Permitted Transfer**"):

(a) Any transfer for financing purposes to secure the funds necessary for construction and/or permanent financing of the Project;

(b) An assignment of this Agreement to an Affiliate of Buyer;

(c) The sale of one or more of the completed residential units to an occupant thereof;

(d) Transfers of common area to a homeowners or property owners association; or

(e) Dedications and grants of easements and rights of way required in accordance with the Project Approvals.

For the purposes of this Section 9, "**Affiliate of Buyer**" means an entity or person that is directly or indirectly controlling, controlled by, or under common control with Buyer. For the purposes of this definition, "**control**" means the possession, direct or indirect, of the power to direct or

cause the direction of the management and policies of an entity or a person, whether through the ownership of voting securities, by contract, or otherwise, and the terms "**controlling**" and "**controlled**" have the meanings correlative to the foregoing. No permitted assignment of any of the rights or obligations under this Agreement shall result in a novation or in any other way release the assignor from its obligations under this Agreement unless a release is provided in the form of assignment and assumption agreement approved by the reviewing Party.

10. ENVIRONMENTAL INDEMNITY. Effective upon Close of Escrow, and subject to Section 3.6, to the fullest extent allowed by law, Buyer agrees to unconditionally and fully indemnify, protect, defend (with counsel satisfactory to Buyer in Buyer's sole discretion), and hold Seller and the City, and their respective elected and appointed officers, officials, employees, and agents, ("**Seller Indemnified Parties**") harmless from and against any and all claims (including without limitation third party claims for personal injury, real or personal property damage, or damages to natural resources), actions, administrative proceedings (including without limitation both formal and informal proceedings), judgments, damages, punitive damages, penalties, fines, costs (including without limitation any and all costs relating to investigation, assessment, analysis or clean-up of the Property), liabilities (including without limitation sums paid in settlements of claims), interest, or losses, including reasonable attorneys' and paralegals' fees and expenses (including without limitation any such fees and expenses incurred in enforcing this Agreement or collecting any sums due hereunder), together with all other costs and expenses of any kind or nature (collectively, the "**Claims**") that arise directly or indirectly from or in connection with the presence, suspected presence, release, or suspected release, of any Hazardous Materials in, on or under the Property or to the extent emanating from the Property, in or into the air, soil, soil gas, groundwater, or surface water at, on, about, around, above, under or within the Property, or any portion thereof that are existing as of the Close of Escrow or are caused to exist during the period of ownership of the Property by Buyer, except those Costs that arise solely as a result of actions by Seller, the City (including their consultants and contractors) or Seller Indemnified Parties. Upon receipt of any Claim, the Seller Indemnified Parties shall promptly notify and tender such Claim to the Buyer. Any failure to timely tender such Claim to Buyer to allow Buyer to defend such Claim shall be deemed a waiver of such Seller Indemnified Party's rights under this Section 10. Buyer shall resolve such Claim in its sole and absolute discretion so long as the Seller Indemnified Party is not subject to any costs or liability. The indemnification provided pursuant to this Section shall specifically apply to and include claims or actions brought by or on behalf of employees of Buyer or any of its predecessors in interest and Buyer hereby expressly waives any immunity to which Buyer may otherwise be entitled under any industrial or worker's compensation laws. The indemnification provided pursuant to this Section shall include, without limitation, all loss or damage sustained by the Seller due to any Hazardous Materials: (a) that are present or suspected by a governmental agency having jurisdiction to be present in the Property or in the air, soil, soil gas, groundwater, or surface water at, on, about, above, under, or within the Property (or any portion thereof) or to have emanated from the Property, or (b) to the extent emanating from the Property that migrate, flow, percolate, diffuse, or in any way move onto, into, or under the air, soil, soil gas, groundwater, or surface water at, on, about, around, above, under, or within the Property (or any portion thereof) after the date of this Agreement as a result of Seller's activities on the Property prior to Close of Escrow. The obligations of this Section 10 shall not apply to Parcel C if Parcel C is re-conveyed to the City pursuant to Section 5.6(c), except to the extent that Hazardous Materials have been placed on Parcel C by Buyer or its agents, contractors or consultants. The provisions of this Section 10

shall survive the termination of this Agreement and the Close of Escrow. If Buyer purchases an environmental pollution legal liability policy for the Property, the policy shall include the City and Agency as additional insureds.

11. **RELEASE BY BUYER**. Effective upon the Close of Escrow, Buyer waives, releases, remises, acquits and forever discharges Seller and the City, and its officers, directors, board members, managers, employees and agents, and any other person acting on behalf of Seller from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses and compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Buyer now has or which may arise in the future on account of or in any way arising from or in connection with the physical condition of the Property or any law or regulation applicable thereto including, without limiting the generality of the foregoing, any federal, state or local law, ordinance or regulation pertaining to Hazardous Materials. This Section 11 shall not apply to the City for any portion of the Property that is, after Closing, dedicated for public use (e.g. public sidewalks) and is under the direct management and maintenance of the City. This Section 11 shall survive the termination of this Agreement and the Close of Escrow.

BUYER ACKNOWLEDGES THAT BUYER IS FAMILIAR WITH SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

BY INITIALING BELOW, BUYER EXPRESSLY WAIVES THE BENEFITS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE WITH RESPECT TO THE FOREGOING RELEASE:

Buyer's initials: MRL

12. **HAZARDOUS MATERIALS; DEFINITIONS**.

12.1 Hazardous Materials. As used in this Agreement, "**Hazardous Materials**" means any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", infectious waste", toxic substance", toxic pollutant", or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term "Hazardous Materials" shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable as fuel, perchlorate, and methyl tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Environmental Laws.

12.2 Environmental Laws. As used in this Agreement, "**Environmental Laws**" means any and all federal, state and local statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations or directives, or any other requirements of

governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*), the Oil Pollution Act (33 U.S.C. § 2701 *et seq.*), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq.*), the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 *et seq.*), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, *et seq.*), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 *et seq.*), the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100 *et seq.*), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 *et seq.*), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health and Safety Code, Section 25300 *et seq.*).

13. MISCELLANEOUS.

13.1 Attorneys' Fees. If any Party employs counsel to enforce or interpret this Agreement, including the commencement of any legal proceeding whatsoever (including insolvency, bankruptcy, arbitration, mediation, declaratory relief or other litigation), the prevailing Party shall be entitled to recover its reasonable attorneys' fees and court costs (including the service of process, filing fees, court and court reporter costs, investigative fees, expert witness fees, and the costs of any bonds, whether taxable or not) and shall include the right to recover such fees and costs incurred in any appeal or efforts to collect or otherwise enforce any judgment in its favor in addition to any other remedy it may obtain or be awarded. Any judgment or final order issued in any legal proceeding shall include reimbursement for all such attorneys' fees and costs. In any legal proceeding, the "prevailing party" shall mean the Party determined by the court to most nearly prevail and not necessarily the Party in whose favor a judgment is rendered.

13.2 Interpretation. This Agreement has been negotiated at arm's length and each party has been represented by independent legal counsel in this transaction and this Agreement has been reviewed and revised by counsel to each of the Parties. Accordingly, each Party hereby waives any benefit under any rule of law (including Section 1654 of the California Civil Code) or legal decision that would require interpretation of any ambiguities in this Agreement against the drafting Party.

13.3 Survival. All indemnities, covenants, representations and warranties contained in Section 5.6, 5.6.1, 6.1, Section 6.2, Section 10, and Section 11 of this Agreement shall survive Close of Escrow as expressly provided in each such section.

13.4 Successors. Except as provided to the contrary in this Agreement, this Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

13.5 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

13.6 Integrated Agreement; Modifications. This Agreement contains all the agreements of the Parties concerning the subject hereof any cannot be amended or modified except by a written instrument executed and delivered by the parties. There are no representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto relating to the subject matter of this Agreement that are not fully expressed herein. In addition there are no representations, agreements, arrangements or understandings, either oral or written, between or among the Parties upon which any Party is relying upon in entering this Agreement that are not fully expressed herein.

13.7 Severability. If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, any such provision shall not be affected by the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions of this section, then the stricken provision shall be replaced, to the extent possible, with a legal, enforceable and valid provision this is in keeping with the intent of the Parties as expressed herein.

13.8 Notices. Any delivery of this Agreement, notice, modification of this Agreement, collateral or additional agreement, demand, disclosure, request, consent, approval, waiver, declaration or other communication that either Party desires or is required to give to the other Party or any other person shall be in writing. Any such communication may be served personally, or by nationally recognized overnight delivery service (i.e., Federal Express) which provides a receipt of delivery, or sent by prepaid, first class mail, return receipt requested to the Party's address as set forth below:

To Buyer:
Sares-Regis Group of Northern California
901 Mariner's Island Boulevard, 7th Floor
San Mateo, CA 94404
Attention: Ken Busch and Mark Kroll
Telephone: (650) 377-5805
Email: kbusch@srgnc.com

with a copy to:
Holland & Knight LLP
50 California Street, Suite 2500
San Francisco, CA 94109
Attn: Tamsen Plume
Telephone: (415) 743-6900
Fax: (415) 743-6910
Email: tamsen.plume@hklaw.com

To Seller:	South San Francisco Successor Agency 400 Grand Avenue South San Francisco, CA 94080 Attn: Executive Director Tel (650) 877-8501 Fax (650) 829-6609 Email: Mike.Futrell@ssf.net
with a copy to:	Meyers Nave 575 Market Street, Suite 2080 San Francisco, CA 94105 Attn: Jason Rosenberg Tel (415) 421-3711 Fax (415) 421-3767
If to Escrow Holder:	First American Title Insurance Company 1737 North First St., Suite 500 San Jose, CA 95112 Attn: Carol Herrera Tel: Tel: (408) 451-7829 Fax: (408) 451-7836 Email: CMHerrera@firstam.com

Any such communication shall be deemed effective upon personal delivery or on the date of first refusal to accept delivery as reflected on the receipt of delivery or return receipt, as applicable. Any Party may change its address by notice to the other Party. Each Party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are given in accordance with this section and that any person to be given notice actually receives such notice.

13.9 Time. Time is of the essence to the performance of each and every obligation under this Agreement.

13.10 Days of Week. If any date for exercise of any right, giving of any notice, or performance of any provision of this Agreement falls on a Saturday, Sunday or holiday, the time for performance will be extended to 5:00 p.m. on the next business day.

13.11 Reasonable Consent and Approval. Except as otherwise provided in this Agreement, whenever a Party is required or permitted to give its consent or approval under this Agreement, such consent or approval shall not be unreasonably withheld or delayed. If a Party is required or permitted to give its consent or approval in its sole and absolute discretion or if such consent or approval may be unreasonably withheld, such consent or approval may be unreasonably withheld but shall not be unreasonably delayed.

13.12 Cooperation and Further Assurances. Each Party agrees to cooperate with the other in this transaction and, in that regard, shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.

13.13 Waivers. Any waiver by any Party shall be in writing and shall not be construed as a continuing waiver. No waiver will be implied from any delay or failure to take action on account of any default by any Party. Consent by any Party to any act or omission by another Party shall not be construed to be consent to any other subsequent act or omission or to waive the requirement for consent to be obtained in any future or other instance.

13.14 Signatures/Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any one of such completely executed counterparts shall be sufficient proof of this Agreement.

13.15 Date and Delivery of Agreement. Notwithstanding anything to the contrary contained in this Agreement, the parties intend that this Agreement shall be deemed effective, and delivered for all purposes under this Agreement, and for the calculation of any statutory time periods based on the date an agreement between parties is effective, executed, or delivered, as of the Effective Date.

13.16 Representation on Authority of Parties. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such Party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

13.17 Access to Property. Prior to the Closing, Seller shall cooperate to enable representatives of Buyer to obtain the right of access to all portions of the Property for the purposes of implementing this Agreement. Buyer agrees to provide written notice to Seller at least twenty four (24) hours prior to undertaking any studies or work upon the Property. Buyer shall indemnify, defend, protect and hold Seller and Seller Parties harmless from any Claims arising out of the acts, omissions, negligence or willful misconduct of Buyer or its employees, agents, contractors, subcontractors or representatives (each a "**Buyer Party**" and, collectively, the "**Buyer Parties**") in connection with such studies and investigations, except for Claims arising from or related to any pre-existing condition on or of the Property or Claims to the extent caused by the active negligence or willful misconduct of Seller or its employees, agents, contractors or representatives. In addition, in the event Buyer or any Buyer Party causes any damage to any portion of the Property, Buyer shall promptly restore the Property as nearly as possible to the physical condition existing immediately prior to Buyer's entry onto the Property.

13.18 Memorandum of Agreement. A Memorandum of Agreement in substantially the form of Exhibit E attached hereto and incorporated herein by this reference shall be executed and recorded against the Property immediately following recordation of the Grant Deed.

13.19 Relationship Between Seller and Buyer. It is hereby acknowledged that the relationship between Seller and Buyer is not that of a partnership or joint venture and that Seller and Buyer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided herein or in the exhibits hereto, Seller shall have no

rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Project.

13.20 Seller Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by Seller, the Executive Officer of the Agency or his or her designee is authorized to act on behalf of Seller.

13.21 Estoppel Certificates. A Party may, at any time during the term of this Agreement, and from time to time, deliver written notice to another Party requesting such Party to certify in writing that, to the knowledge of the certifying Party, (i) this Agreement is in full force and effect and a binding obligation of the Parties, (ii) this Agreement has not been amended or modified either orally or in writing, or if amended; identifying the amendments, (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults, and (iv) any other information reasonably requested. The requesting Party shall be responsible for all reasonable costs incurred by the Party from which such certification is requested and shall reimburse such costs within thirty (30) days of receiving the certifying Party's request for reimbursement. The Party receiving a request hereunder shall execute and return such certificate or give a written, detailed response explaining why it will not do so within twenty (20) days following the receipt thereof. The failure of either Party to provide the requested certificate within such twenty (20) day period shall constitute a confirmation that this Agreement is in full force and effect and no modification or default exists. Seller acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees.

13.22 Mortgagee Protection. After Close of Escrow, no violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument; provided, however, that any successor of Buyer to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, of this Agreement whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

13.23 Effective Date. This Agreement shall be deemed effective upon the last to occur of all of the following: (i) this Agreement is signed by the Parties, and (ii) the Project Approvals shall have been approved by the City and shall be effective, (iii) the applicable statute of limitations period under CEQA for all of the Project Approvals shall have concluded with no challenge having been filed or, if any legal challenges is filed or instituted, such legal challenge shall have been fully and finally resolved in a manner acceptable to the Parties, each in its reasonable discretion, and such that no further legal challenge under CEQA is possible.

SIGNATURES ON FOLLOWING PAGES

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

SELLER:

SOUTH SAN FRANCISCO SUCCESSOR AGENCY

By: _____
Mike Futrell
Executive Director

ATTEST:

By: _____
Agency Clerk

APPROVED AS TO FORM:

By: _____
Jason Rosenberg
Agency Counsel

APPROVED AS TO FORM:

By: _____
Craig Labadie
Oversight Board Counsel

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

SELLER:

SOUTH SAN FRANCISCO SUCCESSOR AGENCY

By: _____
Mike Futrell
Executive Director

ATTEST:

By: _____
Agency Clerk

APPROVED AS TO FORM:

By: _____
Jason Rosenberg
Agency Counsel

APPROVED AS TO FORM:

By: _____
Craig Labadie
Oversight Board Counsel

BUYER:

MILLER CYPRESS SSF, LLC
a Delaware limited liability company

By: SRGNC Miller Cypress SSF, LLC,
a Delaware limited liability company,

By: SRGNC MF, LLC,

a Delaware limited liability company,

By: _____
Name: Mark R. Kroll
Title: President

APPROVED AS TO FORM:

By: _____
Tamsen Plume, Holland & Knight
Counsel for Buyer

LIST OF EXHIBITS

Exhibit A	Legal Description
Exhibit B	Form of Grant Deed
Exhibit C	Pre-Approved Exceptions
Exhibit D	Form of Development Agreement
Exhibit E	Form of Memorandum of Agreement

EXHIBIT A

LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF SOUTH SAN FRANCISCO, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOTS 7, 8, 9, 10, 11 AND 12 IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-318-080 JPN: 012-031-318-03A and 012-031-318-07A

PARCEL TWO:

LOTS 13, 14 AND THE SOUTHERLY 22 FEET, FRONT AND REAR MEASUREMENTS OF LOT 15, IN BLOCK 148, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA PLAT NO. 1", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

PARCEL THREE:

PORTION OF LOTS 15 AND 16 IN BLOCK 148, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA PLAT NO. 1", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF AIRPORT BOULEVARD (ORIGINALLY SAN BRUNO ROAD AND FORMERLY BAYSHORE BOULEVARD) AT ITS INTERSECTION WITH THE LINE DIVIDING SAID LOTS 15 AND 16, AS SAID LOTS AND BOULEVARD ARE SHOWN ON THE ABOVE MENTIONED MAP; THENCE SOUTH 22° 14' 50" WEST, 3.02 FEET, ALONG SAID LINE OF AIRPORT BOULEVARD, TO A POINT IN A LINE DISTANT 3 FEET MEASURED AT RIGHT ANGLES SOUTHWESTERLY FROM SAID DIVIDING LINE; THENCE NORTH 74° 27' WEST, ALONG SAID PARALLEL LINE, 60 FEET; THENCE NORTH 22° 14' 50" EAST, 28.19 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF LOT 16; THENCE SOUTH 74° 27' EAST, 60 FEET, ALONG SAID LINE OF LOT 16 TO SAID NORTHWESTERLY LINE OF AIRPORT BOULEVARD; THENCE SOUTH 22° 14' 50"

WEST, ALONG SAID LINE, 25.17 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING ALL OIL, GAS AND OTHER HYDROCARBONS; NON-HYDROCARBON GASES OR GASEOUS SUBSTANCES; ALL OTHER MINERALS OF WHATSOEVER NATURE, WITHOUT REGARD TO SIMILARITY TO THE ABOVE MENTIONED SUBSTANCES; AND ALL SUBSTANCES THAT MAY BE PRODUCED THEREWITH FROM THE PROPERTY.

ALSO EXCEPTING ALL GEOTHERMAL RESOURCES, EMBRACING; INDIGENOUS STEAM, HOT WATER AND HOT BRINES; STEAM AND OTHER GASES, HOT WATER AND HOT BRINES RESULTING FROM WATER, GAS OR OTHER FLUIDS ARTIFICIALLY INTRODUCED INTO SUBSURFACE FORMATIONS; HEAT OR OTHER ASSOCIATED ENERGY FOUND BENEATH THE SURFACE OF THE EARTH; AND BYPRODUCTS OF ANY OF THE FOREGOING SUCH AS MINERALS (EXCLUSIVE OF OIL OR HYDROCARBON GAS THAT CAN BE SEPARATELY PRODUCED) WHICH ARE FOUND IN SOLUTION OR ASSOCIATION WITH OR DERIVED FROM ANY OF THE FOREGOING.

ALSO EXCEPTING THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO BORE OR DRILL AND MAINTAIN WELLS AND OTHER WORKS INTO AND THROUGH THE PROPERTY AND ADJOINING STREETS, ROADS AND HIGHWAYS BELOW A DEPTH OF FIVE HUNDRED (500) FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR AND PRODUCING ENERGY RESOURCES: THE RIGHT TO PRODUCTS, INJECT, STORE AND REMOVE FROM AND THROUGH SAID BORES, WELLS OR WORKS, OIL, GAS, WATER, AND OTHER SUBSTANCES OF WHATEVER NATURE, INCLUDING THE RIGHT TO PERFORM BELOW SAID DEPTH ANY AND ALL OPERATIONS DEEMED BY GRANTOR NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH RIGHTS.

THE RIGHTS HEREINABOVE EXCEPTED AND RESERVED TO GRANTOR DO NOT INCLUDE AND DO NOT EXCEPT OR RESERVE TO GRANTOR ANY RIGHT OF GRANTOR TO USE THE SURFACE OF THE PROPERTY OR THE FIRST FIVE HUNDRED (500) FEET BELOW SAID SURFACE OR TO CONDUCT ANY OPERATIONS THEREON OR THEREIN. UNLESS HEREINAFTER SPECIFICALLY EXCEPTED AND RESERVED, ALL RIGHTS AND INTERESTS IN THE SURFACE OF THE PROPERTY ARE HEREBY CONVEYED.

AS THE ABOVE EXCEPTING WERE RESERVED IN THE DEED FROM CHEVRON U.S.A., INC., A CORPORATION IN THE DEED RECORDED MARCH 8, 1988 AS INSTRUMENT NO. 88027407.

APN: 012-317-110 JPN: 012-031-317-07A AND 012-031-317-08A

PARCEL FOUR:

NORTHERLY 3 FEET OF LOT 15, AND ALL OF LOT 16, IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

EXCEPTING THEREFROM THE LANDS DESCRIBED IN THE DEED FROM RHODA L. RAUDEBAUGH, TRUSTEE TO LEONARD M. ROWE AND WIFE, DATED JUNE 24, 1948, AND RECORDED JULY 09, 1948, IN BOOK 1548 OF OFFICIAL RECORDS OF SAN MATEO COUNTY, AT PAGE 554 (40420-H).

PARCEL FIVE:

LOTS 17 AND 18, IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-317-100 JPN: 012-031-317-10A

PARCEL SIX:

LOTS 19, 20, 21, 22, 23 AND 24, IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-317-090 JPN: 012-031-317-09A

PARCEL SEVEN:

LOT 1 IN BLOCK 138, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-314-100 JPN: 012-031-314-10A

PARCEL EIGHT:

THE EASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 5, BLOCK 138, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", WHICH MAP WAS FILED IN THE OFFICE OF THE

RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

PARCEL NINE:

THE WESTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 5, BLOCK 138, AND THE EASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 6, BLOCK 138, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

PARCEL TEN:

THE EASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 7 AND THE WESTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 6 IN BLOCK 138, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

EXHIBIT B

FORM OF GRANT DEED

Recording Requested by

and when Recorded, return to:

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged, South San Francisco Successor Agency, a public agency, (the "**Grantor**") hereby grants to Miller Cypress SSF, LLC, (the "**Grantee**") all that real property located in the City of South San Francisco, County of San Mateo, State of California at _____, designated as San Mateo County Assessor's Parcel Nos._____ and more particularly described in Exhibit A attached hereto and incorporated in this grant deed ("**Grant Deed**") by this reference.

1. Development Agreement. The Property is conveyed subject to the LRPMP and that certain Development Agreement dated as of _____, entered into by and between Grantee and the City of South San Francisco, a public body, corporate and politic, acting to carry out the LRPMP (the "**Development Agreement**").

2. Use Restrictions. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that the Property shall be used and developed solely for purposes consistent with the requirements of the City of South San Francisco General Plan, as it presently exists or may be amended.

3. Nondiscrimination. Grantee shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Grantee covenants for itself and all persons claiming under or through it, and this Grant Deed is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Grantee or any person claiming under or through Grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or

occupancy of tenants, lessees, subtenants, sub lessees or vendees in, of, or for the Property or part thereof.

All deeds, leases or contracts made or entered into by Grantee, its successors or assigns, as to any portion of the Property or the Improvements shall contain the following language:

(a) In Deeds, the following language shall appear:

"(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sub lessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

"(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(b) In Leases, the following language shall appear:

"(1) The lessee herein covenants by and for the lessee and lessee's heirs, personal representatives and assigns, and all persons claiming under the lessee or through the lessee, that this lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the property herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination of segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sub lessees, subtenants, or vendees in the property herein leased.

"(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and

subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(c) In Contracts, the following language shall appear:

"There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to selection, location, number, use or occupancy of tenants, lessee, subtenants, sub lessees or vendees of the land."

4. Term of Restrictions. The covenants contained in Section 1 and Section 2 regarding use of the Property shall remain in effect until the date which is the expiration date of the Development Agreement. The covenants against discrimination contained in Sections 3 shall remain in effect in perpetuity.

5. Mortgagee Protection. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the Development Agreement; provided, however, that any successor of Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

6. Binding On Successors. The covenants contained in Sections 2 and 3 of this Grant Deed, without regard to technical or legal classification or designation specified in this Grant Deed or otherwise, shall to the fullest extent permitted by law and equity, be binding upon Grantee and any successor in interest to the Property or any part thereof, for the benefit of Grantor, and its successors and assigns, for such period of time of applicable ownership, and such covenants shall run in favor of and be enforceable by the Grantor and its successors and assigns for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. In the event of any breach of any of such covenants, the Grantor and its successors and assigns shall have the right to exercise all rights and remedies available under law or in equity to enforce the curing of such breach.

7. Enforcement. The Grantor shall have the right to institute such actions or proceedings as it may deem desirable to enforce the provisions set forth herein. Any delay by the Grantor in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights hereunder shall not operate as a waiver of or limitation on such rights, nor operate to deprive Grantor of such rights, nor shall any waiver made by the Grantor with respect to any specific default by the Grantee, its successors and assigns, be considered or treated as a waiver of

Grantor's rights with respect to any other default by the Grantee, its successors and assigns, or with respect to the particular default except to the extent specifically waived.

8. Amendment. Only the Grantor, its successors and assigns, and the Grantee and the successors and assigns of the Grantee in and to all or any part of the fee title to the Property shall have the right to consent and agree to changes or to eliminate in whole or in part any of the covenants contained in this Grant Deed. For purposes of this Section, successors and assigns of the Grantee shall be defined to include only those parties who hold all or any part of the Property in fee title, and not to include a tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under deed of trust, or any other person or entity having an interest less than a fee in the Property and Improvements.

9. Conflict. In the event there is a conflict between the provisions of this Grant Deed and the Agreement, it is the intent of the parties that the Agreement shall control.

10. Counterparts. This Grant Deed may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

SIGNATURES ON FOLLOWING PAGES.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2016.

GRANTOR

SOUTH SAN FRANCISCO SUCCESSOR AGENCY

By: _____
Mike Futrell
Executive Director

ATTEST:

By: _____
Clerk

APPROVED AS TO FORM:

By: _____
Jason Rosenberg
Agency Counsel

GRANTEE: **FORM – DO NOT SIGN**

MILLER CYPRESS SSF, LLC
a Delaware limited liability company

By: SRGNC Miller Cypress SSF, LLC,
a Delaware limited liability company,

By: SRGNC MF, LLC,
a Delaware limited liability company,

By: _____
Name: Mark R. Kroll
Title: President

APPROVED AS TO FORM:

By: _____
Tamsen Plume, Holland & Knight

Counsel for Buyer

EXHIBIT A to Grant Deed

(Attach legal description)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of San Mateo)

On_____, 20____ before me, _____, a Notary Public, in and for said State and County, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of San Mateo)

On_____, 20____ before me, _____, a Notary Public, in and for said State and County, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
NOTARY PUBLIC

EXHIBIT C

PRE-APPROVED EXCEPTIONS

First American Title Company Preliminary Title Report dated May 19, 2015 Order Number NCS-677875-SC

Exceptions Nos: 1, 2, 3, 26, 31 and 32

Mural License Agreement referenced in Section 6.1

REQUIRED DISAPPROVED EXCEPTIONS

First American Title Company Preliminary Title Report dated May 19, 2015 Order Number NCS-677875-SC:

Exceptions Nos: 4 through 15, 17 through 25, and 27 through 30.

EXHIBIT D

FORM OF DEVELOPMENT AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City Clerk
City of South San Francisco
P.O. Box 711
South San Francisco, CA 94083

(Space Above This Line Reserved For Recorder's Use)

This instrument is exempt from recording fees pursuant to Government Code section 27383.

Documentary Transfer Tax is $0.00 (exempt per Revenue & Taxation Code section 11922, Transfer to Municipality).

DEVELOPMENT AGREEMENT
BY AND BETWEEN
CITY OF SOUTH SAN FRANCISCO
AND
MILLER CYPRESS SSF, LLC

309 AIRPORT BOULEVARD
315 AIRPORT BOULEVARD
401–421 AIRPORT BOULEVARD
405 CYPRESS AVENUE
216 MILLER AVENUE
SOUTH SAN FRANCISCO, CALIFORNIA

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("**Agreement**") is entered into as of _____, 2016 by and between Miller Cypress SSF, LLC, a Delaware limited liability company ("**Developer**"), and the City of South San Francisco ("**City**"), pursuant to California Government Code ("Government Code") sections 65864 et seq. Miller Cypress SSF, LLC and the City are sometimes collectively referred to herein as "**Parties**."

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California enacted California Government Code sections 65864 et seq. (the "**Development Agreements Statute**"), which authorizes the City to enter into an agreement with any person having a legal or equitable interest in real property for the development of such property.

B. Pursuant to Government Code section 65865, City has adopted procedures and requirements for the consideration of development agreements (South San Francisco Municipal Code ("**SSFMC**") Chapter 19.60). This Agreement has been processed, considered, and executed in accordance with such procedures and requirements.

C. Developer has, or will acquire pursuant to a purchase and sale agreement, a legal and/or equitable interest in certain real property located on six parcels in the downtown area of the City of South San Francisco, west of US 101 at 309 Airport Boulevard, 315 Airport Boulevard, 401 Airport Boulevard, 411 Airport Boulevard, 421 Airport Boulevard, 405 Cypress Avenue, and 216 Miller Avenue, in the central part of the Downtown Station Area Specific Plan District, and specifically within the Downtown Transit Core and Grand Avenue Core zoning sub-districts, consisting of 2.36 total acres with frontages on Airport Boulevard, Cypress Avenue, and Miller Avenue, and as more particularly described and depicted in **Exhibit A** ("**Project Site**").

D. The proposed Project ("**Project**") consists of removal of existing buildings and construction at full build out of two (2) new seven-story multi-unit residential buildings, a private residential parking lot, and twelve (12) townhome units. The building at 401–421 Airport Boulevard will contain 160 apartment homes in five residential levels over two garage levels (up to 85 feet in height). The building at 309–315 Cypress Avenue will contain 100 apartment homes in five residential levels over two garage levels (up to 72 feet in height). A private residential parking lot will be built at 405 Cypress Avenue to support the apartment communities. After the two apartment buildings are complete and fully leased, twelve for-sale townhomes will be built at 216 Miller Avenue. The total proposed building area is approximately 300,000 square feet. A total of approximately 347 parking spaces will provide parking for the commercial and residential components of the project. Additionally, 26 short-term bicycle parking spaces and 73 secure bike rack spaces will be provided throughout the Project Site.

E. Development of the Project requires that the Developer obtain from the City the following land use entitlements: Conditional Use Permit; Design Review; Modification to

Private Storage and Building Height Zoning Standards; Parking Exemption to Reduce Provided Parking by 25%; and a Development Agreement. The entitlements listed in this Recital E are collectively referred to herein as the "**Project Approvals**." The Project Approvals are shown in **Exhibit B**. The Project Site is located in the Downtown Transit Core (DTC) and Grand Avenue Core (GAC) Zoning Sub-Districts and the Conditional Use Permit, Design Review, Waiver and Modification, and Parking Exemption requests are in accordance with SSFMC Chapters 20.280, 20.330, 20.480, 20.490 & 20.510.

F. City has determined that the Project presents certain public benefits and opportunities which are advanced by City and Developer entering into this Agreement. This Agreement will, among other things, (1) reduce uncertainties in planning and provide for the orderly development of the Project; (2) provide needed residential development along the Airport Boulevard corridor; (3) mitigate any significant environmental impacts; (4) provide for and generate substantial revenues for the City in the form of one time and annual fees and exactions and other fiscal benefits; and (5) otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted.

G. In exchange for the benefits to City described in the preceding Recital, together with the other public benefits that will result from the development of the Project, Developer will receive by this Agreement assurance that it may proceed with the Project in accordance with the "**Applicable Law**" (defined in section 6.3 below), and therefore desires to enter into this Agreement.

H. On January 21, 2016, following a duly noticed public hearing, the Planning Commission adopted Resolution No. 2782-2016 recommending that the City Council approve this Agreement.

I. The City Council, after conducting a duly noticed public hearing, has found that this Agreement is consistent with the General Plan and Zoning Ordinance and has conducted all necessary proceedings in accordance with the City's rules and regulations for the approval of this Agreement. In accordance with SSFMC section 19.60.120, the City Council, at a duly noticed public hearing, adopted Ordinance No. 1512-2016, approving and authorizing the execution of this Agreement.

AGREEMENT

NOW, THEREFORE, the Parties, pursuant to the authority contained in Government Code sections 65864 through 65869.5 and Chapter 19.60 of the South San Francisco Municipal Code and in consideration of the mutual covenants and agreements contained herein, agree as follows:

ARTICLE 1
DEFINITIONS

1.1 "**Administrative Project Amendment**" shall have that meaning set forth in Section 7.1 of this Agreement.

1.2 "**Administrative Agreement Amendment**" shall have that meaning set forth in Section 7.2 of this Agreement.

1.3 "**Affiliate of Developer**" shall have that meaning set forth in Section 8.1 of this Agreement.

1.4 "**Agreement**" shall mean this Development Agreement.

1.5 "**Applicable Law**" shall have that meaning set forth in Section 6.3 of this Agreement.

1.6 "**Assessments**" shall have that meaning set forth in Exhibit C.

1.7 "**CEQA**" shall have that meaning set forth in Section 3.3 of this Agreement.

1.8 "**City**" shall mean the City of South San Francisco.

1.9 "**City Law**" shall have that meaning set forth in Section 6.5 of this Agreement.

1.10 "**Claims**" shall have that meaning set forth in Section 6.10 of this Agreement.

1.11 "**Control**" shall have that meaning set forth in Section 8.1 of this Agreement.

1.12 "**Controlled**" shall have that meaning set forth in Section 8.1 of this Agreement.

1.13 "**Controlling**" shall have that meaning set forth in Section 8.1 of this Agreement.

1.14 "**Deficiencies**" shall have that meaning set forth in Section 9.2 of this Agreement.

1.15 "**Developer**" shall mean Miller Cypress SSF, LLC.

1.16 "**Development Agreements Statute**" shall have that meaning set forth in Recital A of this Agreement.

1.17 "**Development Fees**" shall have that meaning set forth in Section 3.2 of this Agreement.

1.18 "**DSASP**" shall have that meaning set forth in Section 3.1 of this Agreement.

1.19 "**ECA**" shall have that meaning set forth in Section 3.3 of this Agreement.

1.20 "**Effective Date**" shall have that meaning set forth in Section 2.1 of this Agreement.

1.21 "**EIR**" shall have that meaning set forth in Section 3.1.

1.22 "**Force Majeure Delay**" shall have that meaning set forth in Section 10.3

1.23 "**GDP**" shall have that meaning set forth in Section 10.3

1.24 "**Indemnitees**" shall have that meaning set forth in Section 6.10 of this Agreement.

1.25 "**Judgment**" shall have that meaning set forth in Section 9.2 of this Agreement.

1.26 "**Parties**" shall mean the Developer and City, collectively.

1.27 "**Park In-Lieu Payment**" shall have that meaning set forth in Exhibit C.

1.28 "**Periodic Review**" shall have that meaning set forth in Section 10.5 of this Agreement.

1.29 "**Prevailing Wage Laws**" shall have that meaning set forth in Section 6.10 of this Agreement.

1.30 "**Project**" shall have that meaning set forth in Recital D of this Agreement.

1.31 "**Project Approvals**" shall have that meaning set forth in Recital E of this Agreement.

1.32 "**Project Site**" shall have that meaning set forth in Recital C of this Agreement.

1.33 **"Purchase and Sale Agreement and Joint Escrow Instructions Between South San Francisco Successor Agency and Miller Cypress SSF, LLC" or "PSA"** is defined as the "Purchase and Sale Agreement and Joint Escrow Instructions between the South San Francisco Successor Agency and Miller Cypress SSF, LLC dated February 23, 2016 and approved pursuant to South San Francisco Oversight Board Resolution No. 04-2016.

1.34 "**Severe Economic Recession**" shall have that meaning set forth in Section 10.3

1.35 "**SSFMC**" shall have the meaning set forth in Recital B of this Agreement.

1.36 "**Subsequent Approvals**" shall mean those certain other land use approvals, entitlements, and permits in addition to the Project Approvals that are necessary or desirable for the Project. In particular, for example, the parties contemplate that Developer may, at its election, seek approvals for the following: amendments of the Project Approvals, design review approvals, unless determined not required pursuant to the further provisions of this Agreement, improvement agreements, grading permits, building permits, lot line adjustments, sewer and water connection permits, certificates of occupancy, subdivision maps, rezonings, development agreements, use permits, sign permits and any amendments to, or repealing of, any of the foregoing.

1.37 "**Tax**" and "**Taxes**" shall not include any generally applicable City Business License Tax or locally imposed Sales Tax.

1.38 "**Term**" shall have that meaning set forth in Section 2.2 of this Agreement.

ARTICLE 2
EFFECTIVE DATE AND TERM

2.1 Effective Date. This Agreement shall become effective upon the later of the date the ordinance approving this Agreement becomes effective or the date upon which the Purchase and Sale Agreement and Joint Escrow Instructions between the South San Francisco Successor Agency and Developer becomes effective. ("**Effective Date**"). In the event the PSA is not effective by March 31, 2016, this Agreement shall terminate and have no further force of effect unless the Developer and City Manager have mutually agreed in writing to extend the date.

2.2 Term. The term of this Agreement ("**Term**") shall commence upon the Effective Date and continue for a period of ten (10) years.

ARTICLE 3
OBLIGATIONS OF DEVELOPER

3.1 Obligations of Developer Generally. The Parties acknowledge and agree that the City's agreement to perform and abide by the covenants and obligations of City set forth in this Agreement is a material consideration for Developer's agreement to perform and abide by its long term covenants and obligations, as set forth herein. The parties acknowledge that many of Developer's long term obligations set forth in this Agreement are in addition to Developer's agreement to perform all the applicable mitigation measures identified in the Downtown Station Area Specific Plan ("**DSASP**") Environmental Impact Report ("**EIR**").

3.2 City Fees.

(a) Developer shall pay those processing, inspection and plan checking fees and charges required by the City for processing applications and requests for Subsequent Approvals under the applicable non-discriminatory regulations in effect at the time such applications and requests are submitted to the City.

(b) Consistent with the terms of the Agreement, City shall have the right to impose only such development fees ("**Development Fees**") as have been adopted by City as of the Effective Date of this Agreement, or as to which City has initiated formal studies and proposals pursuant to City Council action, and which are identified in **Exhibit C**. This shall not prohibit City from imposing on Developer any fee or obligation that is imposed by a regional agency in accordance with state or federal obligations and required to be implemented by City. Development Fees shall be due upon issuance of building permits or certificates of occupancy for the Project, as may be required under the adopting ordinance for such Development Fees, except as otherwise provided under the Agreement or the Project Approvals.

3.3 Mitigation Measures. Developer shall comply with the Mitigation Measures identified and approved in the Downtown Station Area Plan EIR (see also the Environmental Consistency Analysis ("**ECA**") for the Project), in accordance with the California Environmental Quality Act ("**CEQA**") or other law.

3.4 Compliance with Terms of the Purchase and Sale Agreement. Developer shall comply with all terms of the Purchase and Sale Agreement and Joint Escrow Instructions Between South San Francisco Successor Agency and Miller Cypress SSF, LLC. A material default by Developer under the PSA shall be a material default under this Agreement. In the event the PSA is terminated under its terms prior to the transfer of real property to the Developer, this Agreement shall terminate and have no further force or effect.

3.5 Electric Charging Stations. Developer shall provide electric charging stations in a minimum of two percent of the total parking spaces provided in the parking garages constructed on Parcels A and D and shall also install all necessary conduit for 35 additional electric vehicle charging stations, with the final location of the installed stations and conduit subject to approval by the Chief Planner.

ARTICLE 4
OBLIGATIONS OF CITY

4.1 Obligations of City Generally. The parties acknowledge and agree that Developer's agreement to perform and abide by its covenants and obligations set forth in this Agreement, including Developer's decision to process the siting of the Project in the City, is a material consideration for City's agreement to perform and abide by the long term covenants and obligations of City, as set forth herein.

4.2 Protection of Vested Rights. To the maximum extent permitted by law, City shall take any and all actions as may be necessary or appropriate to ensure that the vested rights provided by this Agreement can be enjoyed by Developer and to prevent any City Law, as defined above, from invalidating or prevailing over all or any part of this Agreement. City shall cooperate with Developer and shall undertake such actions as may be necessary to ensure this Agreement remains in full force and effect. Except as authorized in Section 6.9, City shall not support, adopt, or enact any City Law, or take any other action which would violate the express provisions or intent of the Project Approvals or the Subsequent Approvals.

4.3 Availability of Public Services. To the maximum extent permitted by law and consistent with its authority, City shall assist Developer in reserving such capacity for sewer and water services as may be necessary to serve the Project.

4.4 Developer's Right to Rebuild. City agrees that Developer may renovate or rebuild all or any part of the Project within the Term of this Agreement should it become necessary due to damage or destruction. Any such renovation or rebuilding shall be subject to the square footage and height limitations vested by this Agreement, and shall comply with the Project Approvals, the building codes existing at the time of such rebuilding or reconstruction, and the requirements of CEQA.

4.5 Expedited Plan Check Process. The City agrees to provide an expedited plan check process for the approval of Project drawings consistent with its existing practices for expedited plan checks. The City shall use reasonable efforts to provide such plan checks within 3 weeks of a submittal that meets the requirements of Section 5.2. The City acknowledges that the

City's timely processing of Subsequent Approvals and plan checks is essential to the Developer's ability to achieve the schedule under the PSA.

ARTICLE 5
COOPERATION - IMPLEMENTATION

5.1 Processing Application for Subsequent Approvals. By approving the Project Approvals, City has made a final policy decision that the Project is in the best interests of the public health, safety and general welfare. Accordingly, City shall not use its discretionary authority in considering any application for a Subsequent Approval to change the policy decisions reflected by the Project Approvals or otherwise to prevent or delay development of the Project as set forth in the Project Approvals. Instead, the Subsequent Approvals shall be deemed to be tools to implement those final policy decisions.

5.2 Timely Submittals By Developer. Developer acknowledges that City cannot expedite processing Subsequent Approvals until Developer submits complete applications on a timely basis. Developer shall use its best efforts to (i) provide to City in a timely manner any and all documents, applications, plans, and other information necessary for City to carry out its obligations hereunder; and (ii) cause Developer's planners, engineers, and all other consultants to provide to City in a timely manner all such documents, applications, plans and other necessary required materials as set forth in the Applicable Law. It is the express intent of Developer and City to cooperate and diligently work to obtain any and all Subsequent Approvals.

5.3 Timely Processing By City. Upon submission by Developer of all appropriate applications and processing fees for any Subsequent Approval, City shall promptly and diligently commence and complete all steps necessary to act on the Subsequent Approval application including, without limitation: (i) providing at Developer's expense and subject to Developer's request and prior approval, reasonable overtime staff assistance and/or staff consultants for planning and processing of each Subsequent Approval application; (ii) if legally required, providing notice and holding public hearings; and (iii) acting on any such Subsequent Approval application. City shall ensure that adequate staff is available, and shall authorize overtime staff assistance as may be necessary, to timely process such Subsequent Approval application.

5.4 Denial of Subsequent Approval Application. The City may deny an application for a Subsequent Approval only if such application does not comply with the Agreement or Applicable Law (as defined below) or with any state or federal law, regulations, plans, or policies as set forth in Section 6.9.

5.5 Other Government Permits. At Developer's sole discretion and in accordance with Developer's construction schedule, Developer shall apply for such other permits and approvals as may be required by other governmental or quasi-governmental entities in connection with the development of, or the provision of services to, the Project. City shall cooperate with Developer in its efforts to obtain such permits and approvals and shall, from time to time, at the request of Developer, use its reasonable efforts to assist Developer to ensure the timely availability of such permits and approvals.

5.6 Assessment Districts or Other Funding Mechanisms.

(a) Existing Fees. The Parties understand and agree that as of the Effective Date the fees, exactions, and payments listed in **Exhibit C** are the only City fees and exactions. Except for those fees and exactions listed in **Exhibit C**, City is unaware of any pending efforts to initiate, or consider applications for new or increased fees, exactions, or assessments covering the Project Site, or any portion thereof.

(b) Future Fees, Taxes, and Assessments. City understands that long term assurances by City concerning fees, taxes and assessments were a material consideration for Developer agreeing to enter this Agreement and to pay long term fees, taxes and assessments described in this Agreement. City shall retain the ability to initiate or process applications for the formation of new assessment districts covering all or any portion of the Project Site. Notwithstanding the foregoing, Developer retains all its rights to oppose the formation or proposed assessment of any new assessment district or increased assessment. In the event an assessment district is lawfully formed to provide funding for services, improvements, maintenance or facilities which are substantially the same as those services, improvements, maintenance or facilities being funded by the fees or assessments to be paid by Developer under the Project Approvals or this Agreement, such fees or assessments to be paid by Developer shall be subject to reduction/credit in an amount equal to Developer's new or increased assessment under the assessment district. Alternatively, the new assessment district shall reduce/credit Developer's new assessment in an amount equal to such fees or assessments to be paid by Developer under the Project Approvals or this Agreement.

ARTICLE 6
STANDARDS, LAWS AND PROCEDURES GOVERNING THE PROJECT

6.1 Vested Right to Develop. Developer shall have a vested right to develop the Project on the Project Site in accordance with the terms and conditions of this Agreement. Nothing in this section shall be deemed to eliminate or diminish the requirement of Developer to obtain any required Subsequent Approvals.

6.2 Permitted Uses Vested by This Agreement. The permitted uses of the Project Site; the density and intensity of use of the Project Site; the maximum height, bulk, and size of proposed buildings; provisions for reservation or dedication of land for public purposes and the location of public improvements; the general location of public utilities; and other terms and conditions of development applicable to the Project, shall be as set forth in the Project Approvals and, as and when they are issued (but not in limitation of any right to develop as set forth in the Project Approvals), the Subsequent Approvals, provided, however, that no further design review or other discretionary approvals or public hearings shall be required except for review of minor changes to the Project Approvals by the Chief Planner as provided in this Agreement.

Permitted uses for all Project parcels, with the exception of the parcel located at 309 Airport Boulevard, shall include, without limitation, those uses listed as "permitted" in the Downtown Transit Core zoning sub-district. Permitted uses for the parcel located at 309 Airport Boulevard shall include, without limitation those uses listed as "permitted" in the Grand Avenue Core zoning sub-district.

6.3 **Applicable Law.** The rules, regulations, official policies, standards and specifications applicable to the Project (the "**Applicable Law**") shall be those set forth in this Agreement and the Project Approvals, and, with respect to matters not addressed by this Agreement or the Project Approvals, those rules, regulations, official policies, standards and specifications (including City ordinances and resolutions) governing permitted uses, building locations, timing of construction, densities, design, heights, fees, exactions, and taxes in force and effect on the Effective Date of this Agreement.

6.4 **Uniform Codes.** City may apply to the Project Site, at any time during the Term, then current Uniform Building Code and other uniform construction codes, and City's then current design and construction standards for road and storm drain facilities, provided any such uniform code or standard has been adopted and uniformly applied by City on a citywide basis and provided that no such code or standard is adopted for the purpose of preventing or otherwise limiting construction of all or any part of the Project.

6.5 **No Conflicting Enactments.** Except as authorized in Section 6.9, City shall not impose on the Project (whether by action of the City Council or by initiative, referendum or other means) any ordinance, resolution, rule, regulation, standard, directive, condition or other measure (each individually, a "**City Law**") that is in conflict with Applicable Law or this Agreement or that reduces the development rights or assurances provided by this Agreement. Without limiting the generality of the foregoing, any City Law shall be deemed to conflict with Applicable Law or this Agreement or reduce the development rights provided hereby if it would accomplish any of the following results, either by specific reference to the Project or as part of a general enactment which applies to or affects the Project:

(a) Change any land use designation or permitted use of the Project Site;

(b) Limit or control the availability of public utilities, services, or facilities, or any privileges or rights to public utilities, services, or facilities (for example, water rights, water connections or sewage capacity rights, sewer connections, etc.) for the Project;

(c) Limit or control the location of buildings, structures, grading, or other improvements of the Project in a manner that is inconsistent with or more restrictive than the limitations included in the Project Approvals or the Subsequent Approvals (as and when they are issued);

(d) Limit or control the rate, timing, phasing, or sequencing of the approval, development or construction of all or any part of the Project in any manner;

(e) Result in Developer having to substantially delay construction of the Project or require the issuance of additional permits or approvals by the City other than those required by Applicable Law;

(f) Establish, enact, increase, or impose against the Project or Project Site any fees, taxes (including without limitation general, special and excise taxes but excluding any increased local sales tax or increases city business license tax), assessments, liens or other monetary obligations (including generating demolition permit fees, encroachment permit and

grading permit fees) other than those specifically permitted by this Agreement or other connection fees imposed by third party utilities;

(g) Impose against the Project any condition, dedication or other exaction not specifically authorized by Applicable Law; or

(h) Limit the processing or procuring of applications and approvals of Subsequent Approvals.

6.6 Initiatives and Referenda.

(a) If any City Law is enacted or imposed by initiative or referendum, or by the City Council directly or indirectly in connection with any proposed initiative or referendum, which City Law would conflict with Applicable Law or this Agreement or reduce the development rights provided by this Agreement, such Law shall not apply to the Project.

(b) Except as authorized in Section 6.9, without limiting the generality of any of the foregoing, no moratorium or other limitation (whether relating to the rate, timing, phasing or sequencing of development) affecting subdivision maps, building permits or other entitlements to use that are approved or to be approved, issued or granted within the City, or portions of the City, shall apply to the Project.

(c) To the maximum extent permitted by law, City shall prevent any City Law from invalidating or prevailing over all or any part of this Agreement, and City shall cooperate with Developer and shall undertake such actions as may be necessary to ensure this Agreement remains in full force and effect.

(d) Developer reserves the right to challenge in court any City Law that would conflict with Applicable Law or this Agreement or reduce the development rights provided by this Agreement.

6.7 Environmental Mitigation. The parties understand that the DSASP EIR and the ECA were intended to be used in connection with each of the Project Approvals and Subsequent Approvals needed for the Project. Consistent with the CEQA policies and requirements applicable to the DSASP EIR and the ECA, City agrees to use the DSASP EIR and ECA in connection with the processing of any Subsequent Approval to the maximum extent allowed by law and not to impose on the Project any mitigation measures or conditions of approval other than those specifically imposed by the Project Approvals, ECA, and DSASP EIR, or specifically required by CEQA or other Applicable Law.

6.8 Life of Subdivision Maps, Development Approvals, and Permits. The term of any subdivision map or any other map, permit, rezoning, or other land use entitlement approved as a Project Approval or Subsequent Approval shall automatically be extended for the longer of the duration of this Agreement (including any extensions) or the term otherwise applicable to such Project Approval or Subsequent Approval if this Agreement is no longer in effect. The term

of this Agreement and any subdivision map or other Project Approval or Subsequent Approval shall not include any period of time during which a development moratorium (including, but not limited to, a water or sewer moratorium or water and sewer moratorium) or the actions of other public agencies that regulate land use, development or the provision of services to the land, prevents, prohibits or delays the construction of the Project or a lawsuit involving any such development approvals or permits is pending.

6.9 State and Federal Law. As provided in Government Code section 65869.5, this Agreement shall not preclude the application to the Project of changes in laws, regulations, plans or policies, to the extent that such changes are specifically mandated and required by changes in state or federal laws or regulations. Not in limitation of the foregoing, nothing in this Agreement shall preclude City from imposing on Developer any fee specifically mandated and required by state or federal laws and regulations.

6.10 Prevailing Wage. To the full extent required by all applicable state and federal laws, rules and regulations, Developer and its contractors and agents shall comply with California Labor Code Section 1720 et seq. and the regulations adopted pursuant thereto ("**Prevailing Wage Laws**"), and shall be responsible for carrying out the requirements of such provisions. If applicable, Developer shall submit to City a plan for monitoring payment of prevailing wages and shall implement such plan at Developer's expense.

To the fullest extent permitted by law, Developer shall indemnify, defend (with counsel approved by City) and hold the City, and their respective elected and appointed officers, officials, employees, agents, consultants, and contractors (collectively, the "**Indemnitees**") harmless from and against all liability, loss, cost, expense (including without limitation attorneys' fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (all of the foregoing collectively "**Claims**") which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, or relate to, the payment or requirement of payment of prevailing wages (including without limitation, all claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781), the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to the Prevailing Wage Laws, or any act or omission of Developer related to this Agreement with respect to the payment or requirement of payment of prevailing wages, whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that the City does not and shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by the City, or Developer's deposit with the City of any of the insurance policies described in this Agreement. The provisions of this Section 6.10 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project. Developer's indemnification obligations set forth in this section shall not apply to Claims arising solely from the gross negligence or willful misconduct of the Indemnitees.

6.11 Timing and Review of Project Construction and Completion.

(a) The Project consists of two phases. Phasing will occur in such a manner as to always preserve the potential for 272 residential units on the site during the term of the Agreement.

(i) Phase 1 shall include:

- Two seven-story residential buildings on Parcels A & D, with a minimum of 260 apartment units between them and two levels of parking garages in each building.
- A parking lot on Parcel B at 405 Cypress Avenue.
- All site improvements and design features as shown on the Project Approvals for Phase 1.

(ii) Phase 2 shall include:

- Twelve (12) for-sale townhomes at 216 Miller Avenue.
- All site improvements and design features as shown on the Project Approvals for Phase 2.

6.12 No Housing Restrictions on Rental Residential Component. City acknowledges and agrees that the residential component of the Project, other than the twelve townhomes, is proposed for, approved as, and will be constructed as market-rate rental housing. City represents and warrants that no inclusionary housing, occupancy limitation or control, and no rent control requirement applies to the Project so long as the residential component is comprised solely of rental housing. City covenants that it will not adopt or attempt to apply any such restrictions, requirements or controls to the Project, other than the twelve townhomes, so long as the residential component is solely comprised of rental housing.

ARTICLE 7
AMENDMENT

7.1 To the extent permitted by state and federal law, any Project Approval or Subsequent Approval may, from time to time, be amended or modified in the following manner:

(a) Administrative Project Amendments. Upon the written request of Developer for an amendment or modification to a Project Approval or Subsequent Approval, the Chief Planner or his/her designee shall determine: (i) whether the requested amendment or modification is minor when considered in light of the Project as a whole; and (ii) whether the requested amendment or modification is consistent with this Agreement and Applicable Law. If the Chief Planner or his/her designee finds that the proposed amendment or modification is minor, consistent with this Agreement and Applicable Law, and will result in no new significant impacts not addressed and mitigated in the ECA or DSASP EIR, the amendment shall be determined to be an "**Administrative Project Amendment**" and the Chief Planner or his designee may, except to the extent otherwise required by law, approve the Administrative Project Amendment without notice and public hearing. Without limiting the generality of the foregoing,

lot line adjustments, minor alterations in vehicle circulation patterns or vehicle access points, location of parking stalls on the site, number of required parking stalls if city development standards allow, substitutions of comparable landscaping for any landscaping shown on any final development plan or landscape plan, variations in the location of structures that do not substantially alter the design concepts of the Project, variations in the residential unit mix (number of one, two or three bedroom units), location or installation of utilities and other infrastructure connections or facilities that do not substantially alter the design concepts of the Project, and minor adjustments to the Project Site diagram or Project Site legal description shall be treated as Administrative Project Amendments.

(b) Non-Administrative Project Amendments. Any request by Developer for an amendment or modification to a Project Approval or Subsequent Approval which is determined not to be an Administrative Project Amendment as set forth above shall be subject to review, consideration and action pursuant to the Applicable Law and this Agreement.

7.2 Amendment of this Agreement. This Agreement may be amended from time to time, in whole or in part, by mutual written consent of the parties hereto or their successors in interest, as follows:

(a) Administrative Agreement Amendments. Any amendment to this Agreement which does not substantially affect (i) the Term of this Agreement, (ii) permitted uses of the Project Site, (iii) provisions for the reservation or dedication of land, (iv) conditions, terms, restrictions, or requirements for subsequent discretionary actions, (v) the density or intensity of use of the Project Site or the maximum height or size of proposed buildings or (vi) monetary contributions by Developer, shall be considered an "**Administrative Agreement Amendment**" and shall not, except to the extent otherwise required by law, require notice or public hearing before the parties may execute an amendment hereto. Such amendment may be approved by City resolution.

(b) Other Agreement Amendments. Any amendment to this Agreement other than an Administrative Agreement Amendment shall be subject to recommendation by the Planning Commission (by advisory resolution) and approval by the City Council (by ordinance) following a duly noticed public hearing before the Planning Commission and City Council, consistent with Government Code sections 65867 and 65867.5.

(c) Amendment Exemptions. No amendment of a Project Approval or Subsequent Approval, or a Subsequent Approval shall require an amendment to this Agreement. Instead, any such matter automatically shall be deemed to be incorporated into the Project and vested under this Agreement.

ARTICLE 8
ASSIGNMENT, TRANSFER AND NOTICE

8.1 Assignment and Transfer. Developer may transfer or assign all or any portion of its interests, rights, or obligations under the Agreement and the Project approvals to third parties acquiring an interest or estate in the Project or any portion thereof including, without limitation, purchasers or lessees of lots, parcels, or facilities. Prior to the issuance of a certificate of

occupancy for all or any portion of the Property, Developer will seek City's prior written consent to any transfer, which consent will not be unreasonably withheld or delayed. City may refuse to give consent only if, in light of the proposed transferee's reputation and financial resources, such transferee would not, in City's reasonable opinion, be able to perform the obligations proposed to be assumed by such transferee. Such determination will be made by the City Manager and will be appealable by Developer to the City Council.

Notwithstanding any other provision of this Agreement to the contrary, each of following Transfers are permitted and shall not require City consent under this Section 8.1:

(a) Any transfer for financing purposes to secure the funds necessary for construction and/or permanent financing of the Project;

(b) An assignment of this Agreement to an Affiliate of Developer;

(c) The sale of one or more of the completed residential units to an occupant thereof;

(d) Transfers of common area to a homeowners or property owners association; or

(e) Dedications and grants of easements and rights of way required in accordance with the Project Approvals.

For the purposes of this Section 8.1, "**Affiliate of Developer**" means an entity or person that is directly or indirectly controlling, controlled by, or under common control with Developer. For the purposes of this definition, "**control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity or a person, whether through the ownership of voting securities, by contract, or otherwise, and the terms "**controlling**" and "**controlled**" have the meanings correlative to the foregoing.

ARTICLE 9

COOPERATION IN THE EVENT OF LEGAL CHALLENGE

9.1 Cooperation. In the event of any administrative, legal, or equitable action or other proceeding instituted by any person not a party to the Agreement challenging the validity of any provision of the Agreement or any Project approval, the parties will cooperate in defending such action or proceeding. City shall promptly notify Developer of any such action against City. If City fails promptly to notify Developer of any legal action against City or if City fails to cooperate in the defense, Developer will not thereafter be responsible for City's defense. The parties will use best efforts to select mutually agreeable legal counsel to defend such action, and Developer will pay compensation for such legal counsel (including City Attorney time and overhead for the defense of such action), but will exclude other City staff overhead costs and normal day-to-day business expenses incurred by City. Developer's obligation to pay for legal counsel will extend to fees incurred on appeal. In the event City and Developer are unable to select mutually agreeable legal counsel to defend such action or proceeding, each party may select its own legal counsel and Developer will pay its and the City's legal fees and costs.

Developer shall reimburse the City for all reasonable court costs and attorneys' fees expended by the City in defense of any such action or other proceeding or payable to any prevailing plaintiff/petitioner.

9.2 **Reapproval.** If, as a result of any administrative, legal, or equitable action or other proceeding, all or any portion of the Agreement or the Project approvals are set aside or otherwise made ineffective by any judgment in such action or proceeding ("**Judgment**"), based on procedural, substantive or other deficiencies ("**Deficiencies**"), the parties will use their respective best efforts to sustain and reenact or readopt the Agreement, and/or the Project approvals, that the Deficiencies related to, unless the Parties mutually agree in writing to act otherwise:

(a) If any Judgment requires reconsideration or consideration by City of the Agreement or any Project approval, then the City will consider or reconsider that matter in a manner consistent with the intent of the Agreement and with Applicable Law. If any such Judgment invalidates or otherwise makes ineffective all or any portion of the Agreement or Project approval, then the parties will cooperate and will cure any Deficiencies identified in the Judgment or upon which the Judgment is based in a manner consistent with the intent of the Agreement and with Applicable Law. City will then consider readopting or reenacting the Agreement, or the Project approval, or any portion thereof, to which the Deficiencies related.

(b) Acting in a manner consistent with the intent of the Agreement includes, but is not limited to, recognizing that the parties intend that Developer may develop the Project as described in the Agreement, and adopting such ordinances, resolutions, and other enactments as are necessary to readopt or reenact all or any portion of the Agreement or Project approvals without contravening the Judgment.

ARTICLE 10
DEFAULT; REMEDIES; TERMINATION

10.1 **Defaults.** Any failure by either party to perform any term or provision of the Agreement, which failure continues uncured for a period of thirty (30) days following written notice of such failure from the other party (unless such period is extended by mutual written consent), will constitute a default under the Agreement. Any notice given will specify the nature of the alleged failure and, where appropriate, the manner in which said failure satisfactorily may be cured. If the nature of the alleged failure is such that it cannot reasonably be cured within such 30-day period, then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter, will be deemed to be a cure within such 30-day period. Upon the occurrence of a default under the Agreement, the non-defaulting party may institute legal proceedings to enforce the terms of the Agreement or, in the event of a material default, terminate the Agreement. If the default is cured, then no default will exist and the noticing party shall take no further action.

10.2 **Termination.** If City elects to consider terminating the Agreement due to a material default of Developer, then City will give a notice of intent to terminate the Agreement and the matter will be scheduled for consideration and review by the City Council at a duly noticed and conducted public hearing. Developer will have the right to offer written and oral

evidence prior to or at the time of said public hearings. If the City Council determines that a material default has occurred and is continuing, and elects to terminate the Agreement, City will give written notice of termination of the Agreement to Developer by certified mail and the Agreement will thereby be terminated sixty (60) days thereafter.

10.3 Enforced Delay; Extension of Time of Performance. Subject to the limitations set forth below, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays are due to: war; insurrection; strikes and labor disputes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; governmental restrictions or priority; litigation and arbitration, including court delays; legal challenges to this Agreement, the PSA, the Project Approvals, or any other approval required for the Project or any initiatives or referenda regarding the same; environmental conditions, pre-existing or discovered, delaying the construction or development of the Property or any portion thereof; unusually severe weather but only to the extent that such weather or its effects (including, without limitation, dry out time) result in delays that cumulatively exceed thirty (30) days for every winter season occurring after commencement of construction of the Project; acts or omissions of the other party; or acts or failures to act of any public or governmental agency or entity (except that acts or failures to act of City shall not excuse performance by City); moratorium; or a Severe Economic Recession (each a "**Force Majeure Delay**"). An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if Notice by the party claiming such extension is sent to the other party within sixty (60) days of the commencement of the cause. If Notice is sent after such sixty (60) day period, then the extension shall commence to run no sooner than sixty (60) days prior to the giving of such Notice. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and Developer. Developer's inability or failure to obtain financing or otherwise timely satisfy shall not be deemed to be a cause outside the reasonable control of the Developer and shall not be the basis for an excused delay unless such inability, failure or delay is a direct result of a Severe Economic Recession. "**Severe Economic Recession**" means a decline in the monetary value of all finished goods and services produced in the United States, as measured by initial quarterly estimates of United States Gross Domestic Project ("**GDP**") published by the United States Department of Commerce Bureau of Economic Analysis (and not subsequent monthly revisions), lasting more than four (4) consecutive calendar quarters. Any quarter of flat or positive GDP growth shall end the period of such Severe Economic Recession

10.4 Legal Action. Either party may institute legal action to cure, correct, or remedy any default, enforce any covenant or agreement in the Agreement, enjoin any threatened or attempted violation thereof, and enforce by specific performance the obligations and rights of the parties thereto. The sole and exclusive remedy for any default or violation of the Agreement will be specific performance. In any proceeding brought to enforce the Agreement, the prevailing party will be entitled to recover from the unsuccessful party all costs, expenses and reasonable attorney's fees incurred by the prevailing party in the enforcement proceeding.

10.5 Periodic Review.

(a) Conducting the Periodic Review. Throughout the Term of this Agreement, at least once every twelve (12) months following the execution of this Agreement, City shall review the extent of good-faith compliance by Developer with the terms of this Agreement. This review ("**Periodic Review**") shall be conducted by the Chief Planner or his/her designee and shall be limited in scope to compliance with the terms of this Agreement pursuant to Government Code section 65865.1.

(b) Notice. At least five (5) days prior to the Periodic Review, and in the manner prescribed in Section 11.9 of this Agreement, City shall deposit in the mail to Developer a copy of any staff reports and documents to be used or relied upon in conducting the review and, to the extent practical, related exhibits concerning Developer's performance hereunder. Developer shall be permitted an opportunity to respond to City's evaluation of Developer's performance, either orally at a public hearing or in a written statement, at Developer's election. Such response shall be made to the Chief Planner.

(c) Good Faith Compliance. During the Periodic Review, the Chief Planner shall review Developer's good-faith compliance with the terms of this Agreement. At the conclusion of the Periodic Review, the Chief Planner shall make written findings and determinations, on the basis of substantial evidence, as to whether or not Developer has complied in good faith with the terms and conditions of this Agreement. The decision of the Chief Planner shall be appealable to the City Council. If the Chief Planner finds and determines that Developer has not complied with such terms and conditions, the Chief Planner may recommend to the City Council that it terminate or modify this Agreement by giving notice of its intention to do so, in the manner set forth in Government Code sections 65867 and 65868. The costs incurred by City in connection with the Periodic Review process described herein shall be borne by Developer.

(d) Failure to Properly Conduct Periodic Review. If City fails, during any calendar year, to either: (i) conduct the Periodic Review or (ii) notify Developer in writing of City's determination, pursuant to a Periodic Review, as to Developer's compliance with the terms of this Agreement and such failure remains uncured as of December 31 of any year during the term of this Agreement, such failure shall be conclusively deemed an approval by City of Developer's compliance with the terms of this Agreement.

(e) Written Notice of Compliance. With respect to any year for which Developer has been determined or deemed to have complied with this Agreement, City shall, within thirty (30) days following request by Developer, provide Developer with a written notice of compliance, in recordable form, duly executed and acknowledged by City. Developer shall have the right, in Developer's sole discretion, to record such notice of compliance.

10.6 California Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of San Mateo County, California.

10.7 Resolution of Disputes. With regard to any dispute involving development of the Project, the resolution of which is not provided for by this Agreement or Applicable Law, Developer shall, at City's request, meet with City. The parties to any such meetings shall attempt in good faith to resolve any such disputes. Nothing in this section shall in any way be interpreted

as requiring that Developer and City and/or City's designee reach agreement with regard to those matters being addressed, nor shall the outcome of these meetings be binding in any way on City or Developer unless expressly agreed to by the parties to such meetings.

10.8 Attorneys' Fees. In any legal action or other proceeding brought by either party to enforce or interpret a provision of this Agreement, the prevailing party is entitled to reasonable attorneys' fees and any other costs incurred in that proceeding in addition to any other relief to which it is entitled.

10.9 Hold Harmless. Developer shall hold City and its elected and appointed officers, agents, employees, and representatives harmless from claims, costs, and liabilities for any personal injury, death, or property damage which is a result of, or alleged to be the result of, the construction of the Project, or of operations performed under this Agreement by Developer or by Developer's contractors, subcontractors, agents or employees, whether such operations were performed by Developer or any of Developer's contractors, subcontractors, agents or employees. Nothing in this section shall be construed to mean that Developer shall hold City harmless from any claims of personal injury, death or property damage arising from, or alleged to arise from, any gross negligence or willful misconduct on the part of City, its elected and appointed representatives, offices, agents and employees.

ARTICLE 11
MISCELLANEOUS

11.1 Incorporation of Recitals and Introductory Paragraph. The Recitals contained in this Agreement, and the introductory paragraph preceding the Recitals, are hereby incorporated into this Agreement as if fully set forth herein.

11.2 No Agency. It is specifically understood and agreed to by and between the parties hereto that: (i) the subject development is a private development; (ii) City has no interest or responsibilities for, or duty to, third parties concerning any improvements until such time, and only until such time, that City accepts the same pursuant to the provisions of this Agreement or in connection with the various Project Approvals or Subsequent Approvals; (iii) Developer shall have full power over and exclusive control of the Project herein described, subject only to the limitations and obligations of Developer under this Agreement, the Project Approvals, Subsequent Approvals, and Applicable Law; and (iv) City and Developer hereby renounce the existence of any form of agency relationship, joint venture or partnership between City and Developer and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between City and Developer.

11.3 Enforceability. City and Developer agree that unless this Agreement is amended or terminated pursuant to the provisions of this Agreement, this Agreement shall be enforceable by any party hereto notwithstanding any change hereafter enacted or adopted (whether by ordinance, resolution, initiative, or any other means) in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance, or any other land use ordinance or building ordinance, resolution or other rule, regulation or policy adopted by City that changes, alters or amends the rules, regulations, and policies applicable to the development of the Project Site at the time of the approval of this Agreement as provided by Government Code section 65866.

11.4 Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the parties. Notwithstanding the foregoing, if any material provision of this Agreement, or the application of such provision to a particular situation, is held to be invalid, void or unenforceable, either City or Developer may (in their sole and absolute discretion) terminate this Agreement by providing written notice of such termination to the other party.

11.5 Other Necessary Acts. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out the Project Approvals, Subsequent Approvals and this Agreement and to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

11.6 Construction. Each reference in this Agreement or any of the Project Approvals or Subsequent Approvals shall be deemed to refer to the Agreement, Project Approval, or Subsequent Approval as it may be amended from time to time, whether or not the particular reference refers to such possible amendment. This Agreement has been reviewed and revised by legal counsel for both City and Developer, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

11.7 Other Miscellaneous Terms. The singular shall include the plural; the masculine gender shall include the feminine; "shall" is mandatory; "may" is permissive. If there is more than one signer of this Agreement, the signer obligations are joint and several.

11.8 Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of the Project, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law including, without limitation, Civil Code section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Project, as appropriate, runs with the Project Site, and is binding upon the owner of all or a portion of the Project Site and each successive owner during its ownership of such property.

11.9 Notices. Any notice or communication required hereunder between City or Developer must be in writing, and may be given either personally, by telefacsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express or other similar courier promising overnight delivery If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on the next

normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any party hereto may at any time, by giving ten (10) days written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

If to City, to: City of South San Francisco
400 Grand Avenue
Attn: City Manager
South San Francisco, CA 94080
Phone: (650) 877-8500
Fax: (650) 829-6609

With a Copy to: Meyers, Nave, Riback, Silver & Wilson
575 Market Street, Suite 2080
San Francisco, CA 94105
Attn: Jason S. Rosenberg, City Attorney
Phone: (415) 421-3711
Fax: (415) 421-3767

If to Developer, to: Miller Cypress SSF, LLC
Sares-Regis Group of Northern California
901 Mariners Island Blvd., 7th Floor
Attn: Ken Busch
San Mateo, CA 94404
Phone: (650) 377-5805
Email: kbusch@srgnc.com

With Copies to: Holland & Knight
50 California Street, #2500
San Francisco, CA 94111
Attn: Tamsen Plume
Phone: (415) 743-9461
Email: tamsen.plume@hklaw.com

11.10 Entire Agreement, Counterparts And Exhibits. This Agreement is executed in two (2) duplicate counterparts, each of which is deemed to be an original. This Agreement consists of 22 pages and three (3) exhibits which constitute in full, the final and exclusive understanding and agreement of the parties and supersedes all negotiations or previous agreements of the parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement shall be in writing and signed by the appropriate authorities

of City and the Developer. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

Exhibit A: Description and Diagram of Project Site

Exhibit B: List of Project Approvals

Exhibit C: Applicable Laws & City Fees, Exactions, and Payments

11.11 Recordation Of Development Agreement. Pursuant to Government Code section 65868.5, no later than ten (10) days after City enters into this Agreement, the City Clerk shall record an executed copy of this Agreement in the Official Records of the County of San Mateo.

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the day and year first above written.

CITY

CITY OF SOUTH SAN FRANCISCO,
a municipal corporation

By: _____

Name: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

DEVELOPER

MILLER CYPRESS SSF, LLC,
a Delaware limited liability company

By: SRGNC Miller Cypress SSF, LLC,
a Delaware limited liability company,

By: SRGNC MF, LLC,
a Delaware limited liability company,

By:_____
Name: Mark R. Kroll
Title: President

APPROVED AS TO FORM:

By: _____
Tamsen Plume, Holland & Knight
Counsel for Developer

2629387

Exhibit A

Description and Diagram of Project Site

REAL PROPERTY IN THE CITY OF SOUTH SAN FRANCISCO, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOTS 5 AND 6 IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 1, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND COPIED INTO BOOK 2 OF MAPS AT PAGE 52.

APN: 012-318-040

PARCEL ONE:

LOTS 7, 8, 9, 10, 11 AND 12 IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-318-080 JPN: 012-031-318-03A and 012-031-318-07A

PARCEL TWO:

LOTS 13, 14 AND THE SOUTHERLY 22 FEET, FRONT AND REAR MEASUREMENTS OF LOT 15, IN BLOCK 148, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA PLAT NO. 1", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

PARCEL THREE:

PORTION OF LOTS 15 AND 16 IN BLOCK 148, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA PLAT NO. 1", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF AIRPORT BOULEVARD (ORIGINALLY SAN BRUNO ROAD AND FORMERLY BAYSHORE BOULEVARD) AT ITS INTERSECTION WITH THE LINE DIVIDING SAID LOTS 15 AND 16, AS SAID LOTS AND BOULEVARD ARE SHOWN ON THE ABOVE MENTIONED

MAP; THENCE SOUTH 22° 14' 50" WEST, 3.02 FEET, ALONG SAID LINE OF AIRPORT BOULEVARD, TO A POINT IN A LINE DISTANT 3 FEET MEASURED AT RIGHT ANGLES SOUTHWESTERLY FROM SAID DIVIDING LINE; THENCE NORTH 74° 27' WEST, ALONG SAID PARALLEL LINE, 60 FEET; THENCE NORTH 22° 14' 50" EAST, 28.19 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF LOT 16; THENCE SOUTH 74° 27' EAST, 60 FEET, ALONG SAID LINE OF LOT 16 TO SAID NORTHWESTERLY LINE OF AIRPORT BOULEVARD; THENCE SOUTH 22° 14' 50" WEST, ALONG SAID LINE, 25.17 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING ALL OIL, GAS AND OTHER HYDROCARBONS; NON-HYDROCARBON GASES OR GASEOUS SUBSTANCES; ALL OTHER MINERALS OF WHATSOEVER NATURE, WITHOUT REGARD TO SIMILARITY TO THE ABOVE MENTIONED SUBSTANCES; AND ALL SUBSTANCES THAT MAY BE PRODUCED THEREWITH FROM THE PROPERTY.

ALSO EXCEPTING ALL GEOTHERMAL RESOURCES, EMBRACING; INDIGENOUS STEAM, HOT WATER AND HOT BRINES; STEAM AND OTHER GASES, HOT WATER AND HOT BRINES RESULTING FROM WATER, GAS OR OTHER FLUIDS ARTIFICIALLY INTRODUCED INTO SUBSURFACE FORMATIONS; HEAT OR OTHER ASSOCIATED ENERGY FOUND BENEATH THE SURFACE OF THE EARTH; AND BYPRODUCTS OF ANY OF THE FOREGOING SUCH AS MINERALS (EXCLUSIVE OF OIL OR HYDROCARBON GAS THAT CAN BE SEPARATELY PRODUCED) WHICH ARE FOUND IN SOLUTION OR ASSOCIATION WITH OR DERIVED FROM ANY OF THE FOREGOING.

ALSO EXCEPTING THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO BORE OR DRILL AND MAINTAIN WELLS AND OTHER WORKS INTO AND THROUGH THE PROPERTY AND ADJOINING STREETS, ROADS AND HIGHWAYS BELOW A DEPTH OF FIVE HUNDRED (500) FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR AND PRODUCING ENERGY RESOURCES: THE RIGHT TO PRODUCTS, INJECT, STORE AND REMOVE FROM AND THROUGH SAID BORES, WELLS OR WORKS, OIL, GAS, WATER, AND OTHER SUBSTANCES OF WHATEVER NATURE, INCLUDING THE RIGHT TO PERFORM BELOW SAID DEPTH ANY AND ALL OPERATIONS DEEMED BY GRANTOR NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH RIGHTS.

THE RIGHTS HEREINABOVE EXCEPTED AND RESERVED TO GRANTOR DO NOT INCLUDE AND DO NOT EXCEPT OR RESERVE TO GRANTOR ANY RIGHT OF GRANTOR TO USE THE SURFACE OF THE PROPERTY OR THE FIRST FIVE HUNDRED (500) FEET BELOW SAID SURFACE OR TO CONDUCT ANY OPERATIONS THEREON OR THEREIN. UNLESS HEREINAFTER SPECIFICALLY EXCEPTED AND RESERVED, ALL RIGHTS AND INTERESTS IN THE SURFACE OF THE PROPERTY ARE HEREBY CONVEYED.

AS THE ABOVE EXCEPTING WERE RESERVED IN THE DEED FROM CHEVRON U.S.A., INC., A CORPORATION IN THE DEED RECORDED MARCH 8, 1988 AS INSTRUMENT NO. 88027407.

APN: 012-317-110 JPN: 012-031-317-07A AND 012-031-317-08A

PARCEL FOUR:

NORTHERLY 3 FEET OF LOT 15, AND ALL OF LOT 16, IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

EXCEPTING THEREFROM THE LANDS DESCRIBED IN THE DEED FROM RHODA L. RAUDEBAUGH, TRUSTEE TO LEONARD M. ROWE AND WIFE, DATED JUNE 24, 1948, AND RECORDED JULY 09, 1948, IN BOOK 1548 OF OFFICIAL RECORDS OF SAN MATEO COUNTY, AT PAGE 554 (40420-H).

PARCEL FIVE:

LOTS 17 AND 18, IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-317-100 JPN: 012-031-317-10A

PARCEL SIX:

LOTS 19, 20, 21, 22, 23 AND 24, IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-317-090 JPN: 012-031-317-09A

PARCEL SEVEN:

LOT 1 IN BLOCK 138, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-314-100 JPN: 012-031-314-10A

PARCEL EIGHT:

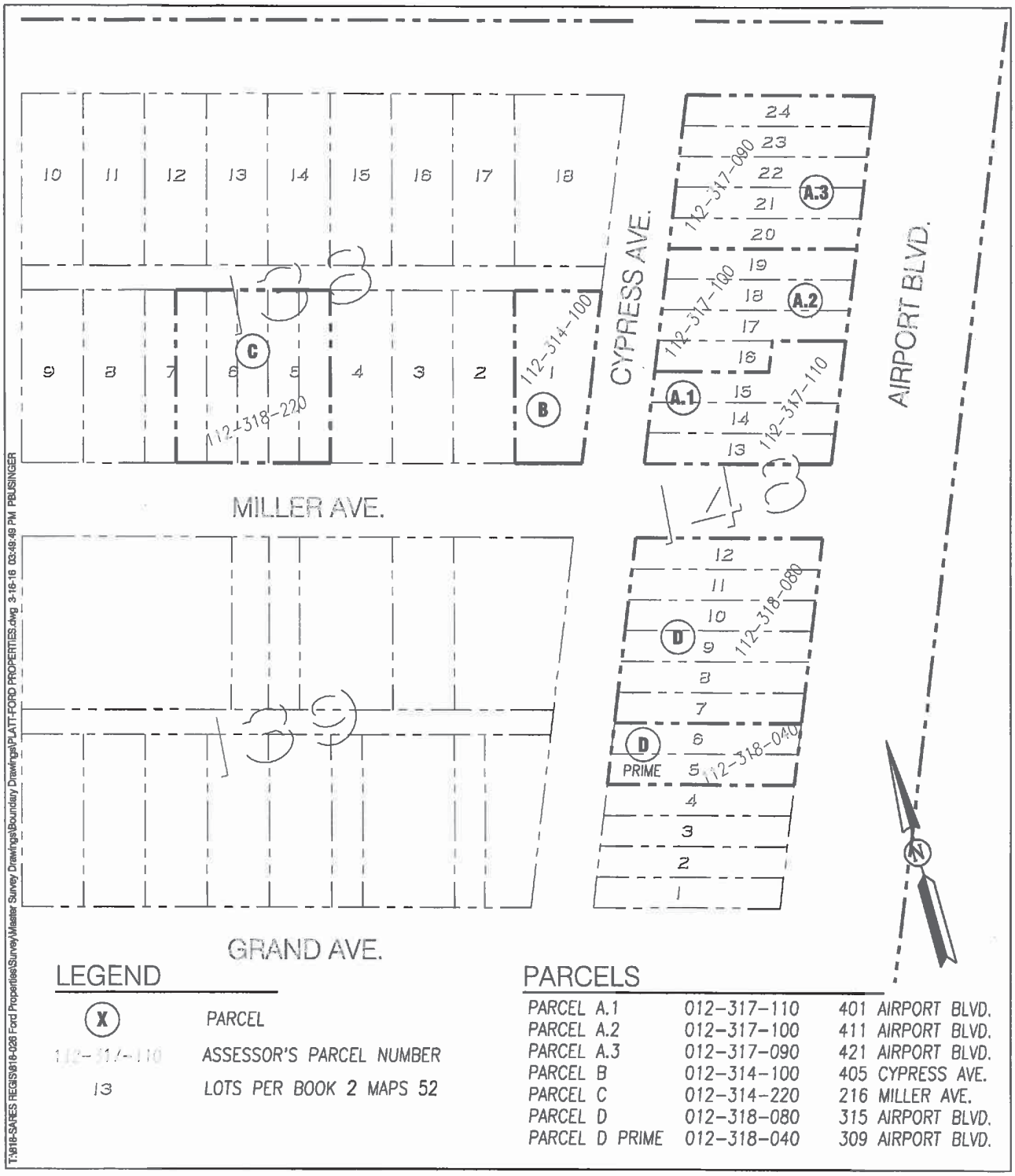
THE EASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 5, BLOCK 138, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

PARCEL NINE:

THE WESTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 5, BLOCK 138, AND THE EASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 6, BLOCK 138, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

PARCEL TEN:

THE EASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 7 AND THE WESTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 6 IN BLOCK 138, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.



T:\818-SARES REGIS\818-026 Ford Properties\Survey\Master Survey Drawings\Boundary Drawings\PLATT-FORD PROPERTIES.dwg 3-16-18 03:49:49 PM PBUSINGER

LEGEND

(X)	PARCEL
112-317-110	ASSESSOR'S PARCEL NUMBER
13	LOTS PER BOOK 2 MAPS 52

PARCELS

PARCEL A.1	012-317-110	401 AIRPORT BLVD.
PARCEL A.2	012-317-100	411 AIRPORT BLVD.
PARCEL A.3	012-317-090	421 AIRPORT BLVD.
PARCEL B	012-314-100	405 CYPRESS AVE.
PARCEL C	012-314-220	216 MILLER AVE.
PARCEL D	012-318-080	315 AIRPORT BLVD.
PARCEL D PRIME	012-318-040	309 AIRPORT BLVD.

WILSEY HAM

3130 La Selva Street, Suite 100, San Mateo, CA 94403
Phone 650-349-2151 Fax 650-345-4921

PROJECT NUMBER: 818-026	SARES REGIS FORD PROPERTIES	DATE:03/16/16
		NOT TO SCALE
EXHIBIT		SHEET 1 OF 1

Exhibit B:

List of Project Approvals

- Environmental Consistency Analysis approved by the City Council on February 10, 2016 by Resolution No. 02-2016.
- Conditional Use Permit (15-0027) approved by the City Council on February 10, 2016 by Resolution No. 17-2016.
- Design Review (15-0032) approved by the City Council on February 10, 2016 by Resolution No. 17-2016.
- Waiver and Modification regarding Height (15-0001) approved by the City Council on February 10, 2016 by Resolution No. 17-2016.
- Parking Exemption (15-0004) approved by the City Council on February 10, 2016 by Resolution No. 17-2016
- Development Agreement (15-0003) approved by the City Council on February 24, 2016 by Ordinance No. 1512-2016.

Exhibit C

Applicable Laws & City Fees, Exactions, and Payments

CURRENT SOUTH SAN FRANCISCO LAWS

Developer shall comply with the following City regulations and provisions applicable to the Property as of the Effective Date (except as modified by this Agreement and the Project Approvals).

1.1. South San Francisco General Plan. The Developer will develop the Project in a manner consistent with the objectives, policies, general land uses and programs specified in the South San Francisco General Plan, as adopted on October 13, 1999 and as amended from time to time.

1.2 Downtown Station Area Specific Plan. The Developer will develop the Project in a manner consistent with the objectives, policies, general land uses and programs specified in the South San Francisco Downtown Station Area Specific Plan, as adopted in January 2015.

1.3 Downtown Station Area Specific Plan Zoning District. The Developer shall construct the Project in a manner consistent with the Downtown Station Area Specific Plan Zoning District applicable to the Project as of the Effective Date (except as modified by this Agreement).

1.4 South San Francisco Municipal Code. The Developer shall construct the Project in a manner consistent with the South San Francisco Municipal Code provisions, as applicable to the Project as of the Effective Date (except as modified by this Agreement).

FEES, EXACTIONS, & PAYMENTS

Subject to the terms of Section 5.6(b) of this Agreement, Developer agrees that Developer shall be responsible for the payment of the following fees, charges, exactions, taxes, and assessments (collectively, "**Assessments**"). From time to time, the City may update, revise, or change its Assessments. Further, nothing herein shall be construed to relieve the Property from common benefit assessments levied against it and similarly situated properties by the City pursuant to and in accordance with any statutory procedure for the assessment of property to pay for infrastructure and/or services that benefit the Property. Except as indicated below, the amount paid for a particular Assessment, shall be the amount owed, based on the calculation or formula in place at the time payment is due, as specified below.

2.1 Administrative/Processing Fees. The Developer shall pay the applicable application, processing, administrative, legal and inspection fees and charges, as currently adopted pursuant to City's Master Fee Schedule and required by the City for processing of land use entitlements, including without limitation, General Plan amendments, zoning changes, precise plans, development agreements, conditional use permits, variances, transportation demand management plans, tentative

subdivision maps, parcel maps, lot line adjustments, general plan maintenance fee, demolition permits, and building permits.

2.2. Impact Fees (Existing Fees). Except as modified below and as set forth in Section 3.2(b) of this Agreement, the following existing impact fees shall be paid for net new square footage at the rates and at the times prescribed in the resolution(s) or ordinance(s) adopting and implementing the fees.

(a) Child Care Impact Fee. (SSFMC Chapter 20.310; Ordinance 1432-2001).

(b) Public Safety Impact Fee. (Resolution 97-2012) Prior to receiving a building permit the Project, the Developer shall pay the Public Safety Impact Fee, as set forth in Resolution No. 97-2012, adopted on December 10, 2012, to assist the City's Fire Department and Police Department with funding the acquisition and maintenance of Police and Fire Department vehicles, apparatus, equipment, and similar needs for the provision of public safety services.

(c) Sewer Capacity Charge. (Resolution 39-2010) Prior to receiving a building permit for tenant improvements for the Project, the Developer shall pay the Sewer Capacity Charge, as set forth in Resolution No. 39-2010.

(d) General Plan Maintenance Fee. (Resolution 74-2007).

2.3 User Fees.

(a) Sewer Service Charges. (assessed as part of property tax bill)

(b) Stormwater Charges. (assessed as part of property tax bill)

2.4 Community Enhancement Payments.

(a) Public Art Commitment. Developer agrees to (i) either install public art as part of the Project worth a minimum of $25,000 or, if such public art is not installed by the certificate of occupancy, then (ii) pay twenty-five thousand dollars ($25,000.00) to the City in order to support the development of public art in the City.

(b) Community Benefit Payment. At issuance of the first building permit, Developer agrees to pay five hundred thousand dollars ($500,000.00) to the City to support increased pedestrian connectivity to the South San Francisco Caltrain station.

(c) Park In-Lieu Payment. Developer agrees to pay ten thousand dollars ($10,000.00) per residential unit constructed, to the City, in order to support the development of parks and open space areas in the City ("**Park In-Lieu Payment**"). Developer agrees to pay this fee for all of each

parcel's residential units prior to issuance of the first certificate of occupancy for such parcel. For example, the Park In-Lieu Payment for all units on Parcel A shall be paid at the issuance of the first certificate of occupancy for Parcel A.

2.5 Business License Tax Modifications. In the event that the City's business license tax is modified and duly approved by voters, and any subsequent tax modifications become applicable to the properties on the Project during the term of this Agreement, Developer shall be responsible to pay the applicable business license tax amounts, as modified.

EXHIBIT E

FORM OF MEMORANDUM OF AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City Clerk
City of South San Francisco
P.O. Box 711
South San Francisco, CA 94083

(Space Above This Line Reserved For Recorder's Use)

This instrument is exempt from recording fees pursuant to Government Code section 27383.

NOTICE OF AGREEMENT

This Notice of Agreement (this "Notice"), dated as of _____, 2016, is entered into by and between the South San Francisco Successor Agency, a public agency ("**Seller**" or "**Agency**") and Miller Cypress SSF, LLC, ("**Buyer**").

A. On _____, 2016, Seller and Buyer entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions ("**PSA**") with respect to real property owned by Seller, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference ("**Property**").

B. The PSA sets forth certain agreements made by the parties with respect to their the Property.

C. This Notice is prepared for the purpose of recordation only, and it in no way modifies the provisions of the PSA.

D. This Notice shall extend to and be binding upon the parties hereto and their legal representatives, heirs, successors, and assigns.

E. This Notice may be executed in counterparts, each of which is deemed to be an original, and all such counterparts constitute one and the same instrument.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, Seller and Buyer have executed this Notice as of the date first written above.

SELLER:

SOUTH SAN FRANCISCO
SUCCESSOR AGENCY

By: _____
Mike Futrell
Executive Director

ATTEST:

By: _____
Agency Clerk

APPROVED AS TO FORM:

By: _____
Jason Rosenberg
Agency Counsel

FORM – DO NOT SIGN

BUYER:

MILLER CYPRESS SSF, LLC
a Delaware limited liability company

By: SRGNC Miller Cypress SSF, LLC,
a Delaware limited liability company,

By: SRGNC MF, LLC,

a Delaware limited liability company,

By: _____
Name: Mark R. Kroll
Title: President

APPROVED AS TO FORM:

By: _____
Tamsen Plume, Holland & Knight
Counsel for Buyer

FORM – DO NOT SIGN

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____ before me _____
(insert name and title of the officer) personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____ before me _____
(insert name and title of the officer) personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
TO
NOTICE OF AGREEMENT

LEGAL DESCRIPTION OF PROPERTY

REAL PROPERTY IN THE CITY OF SOUTH SAN FRANCISCO, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOTS 7, 8, 9, 10, 11 AND 12 IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-318-080 JPN: 012-031-318-03A and 012-031-318-07A

PARCEL TWO:

LOTS 13, 14 AND THE SOUTHERLY 22 FEET, FRONT AND REAR MEASUREMENTS OF LOT 15, IN BLOCK 148, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA PLAT NO. 1", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

PARCEL THREE:

PORTION OF LOTS 15 AND 16 IN BLOCK 148, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA PLAT NO. 1", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF AIRPORT BOULEVARD (ORIGINALLY SAN BRUNO ROAD AND FORMERLY BAYSHORE BOULEVARD) AT ITS INTERSECTION WITH THE LINE DIVIDING SAID LOTS 15 AND 16, AS SAID LOTS AND BOULEVARD ARE SHOWN ON THE ABOVE MENTIONED MAP; THENCE SOUTH 22° 14' 50" WEST, 3.02 FEET, ALONG SAID LINE OF AIRPORT BOULEVARD, TO A POINT IN A LINE DISTANT 3 FEET MEASURED AT RIGHT ANGLES SOUTHWESTERLY FROM SAID DIVIDING LINE; THENCE NORTH 74° 27' WEST, ALONG SAID PARALLEL LINE, 60 FEET; THENCE NORTH 22° 14' 50" EAST,

28.19 FEET, MORE OR LESS, TO THE NORTHEASTERLY LINE OF LOT 16; THENCE SOUTH 74° 27' EAST, 60 FEET, ALONG SAID LINE OF LOT 16 TO SAID NORTHWESTERLY LINE OF AIRPORT BOULEVARD; THENCE SOUTH 22° 14' 50" WEST, ALONG SAID LINE, 25.17 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING ALL OIL, GAS AND OTHER HYDROCARBONS; NON-HYDROCARBON GASES OR GASEOUS SUBSTANCES; ALL OTHER MINERALS OF WHATSOEVER NATURE, WITHOUT REGARD TO SIMILARITY TO THE ABOVE MENTIONED SUBSTANCES; AND ALL SUBSTANCES THAT MAY BE PRODUCED THEREWITH FROM THE PROPERTY.

ALSO EXCEPTING ALL GEOTHERMAL RESOURCES, EMBRACING; INDIGENOUS STEAM, HOT WATER AND HOT BRINES; STEAM AND OTHER GASES, HOT WATER AND HOT BRINES RESULTING FROM WATER, GAS OR OTHER FLUIDS ARTIFICIALLY INTRODUCED INTO SUBSURFACE FORMATIONS; HEAT OR OTHER ASSOCIATED ENERGY FOUND BENEATH THE SURFACE OF THE EARTH; AND BYPRODUCTS OF ANY OF THE FOREGOING SUCH AS MINERALS (EXCLUSIVE OF OIL OR HYDROCARBON GAS THAT CAN BE SEPARATELY PRODUCED) WHICH ARE FOUND IN SOLUTION OR ASSOCIATION WITH OR DERIVED FROM ANY OF THE FOREGOING.

ALSO EXCEPTING THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO BORE OR DRILL AND MAINTAIN WELLS AND OTHER WORKS INTO AND THROUGH THE PROPERTY AND ADJOINING STREETS, ROADS AND HIGHWAYS BELOW A DEPTH OF FIVE HUNDRED (500) FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR AND PRODUCING ENERGY RESOURCES: THE RIGHT TO PRODUCTS, INJECT, STORE AND REMOVE FROM AND THROUGH SAID BORES, WELLS OR WORKS, OIL, GAS, WATER, AND OTHER SUBSTANCES OF WHATEVER NATURE, INCLUDING THE RIGHT TO PERFORM BELOW SAID DEPTH ANY AND ALL OPERATIONS DEEMED BY GRANTOR NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH RIGHTS.

THE RIGHTS HEREINABOVE EXCEPTED AND RESERVED TO GRANTOR DO NOT INCLUDE AND DO NOT EXCEPT OR RESERVE TO GRANTOR ANY RIGHT OF GRANTOR TO USE THE SURFACE OF THE PROPERTY OR THE FIRST FIVE HUNDRED (500) FEET BELOW SAID SURFACE OR TO CONDUCT ANY OPERATIONS THEREON OR THEREIN. UNLESS HEREINAFTER SPECIFICALLY EXCEPTED AND RESERVED, ALL RIGHTS AND INTERESTS IN THE SURFACE OF THE PROPERTY ARE HEREBY CONVEYED.

AS THE ABOVE EXCEPTING WERE RESERVED IN THE DEED FROM CHEVRON U.S.A., INC., A CORPORATION IN THE DEED RECORDED MARCH 8, 1988 AS INSTRUMENT NO. 88027407.

APN: 012-317-110 JPN: 012-031-317-07A AND 012-031-317-08A

PARCEL FOUR:

NORTHERLY 3 FEET OF LOT 15, AND ALL OF LOT 16, IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

EXCEPTING THEREFROM THE LANDS DESCRIBED IN THE DEED FROM RHODA L. RAUDEBAUGH, TRUSTEE TO LEONARD M. ROWE AND WIFE, DATED JUNE 24, 1948, AND RECORDED JULY 09, 1948, IN BOOK 1548 OF OFFICIAL RECORDS OF SAN MATEO COUNTY, AT PAGE 554 (40420-H).

PARCEL FIVE:

LOTS 17 AND 18, IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-317-100 JPN: 012-031-317-10A

PARCEL SIX:

LOTS 19, 20, 21, 22, 23 AND 24, IN BLOCK 148, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6, AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-317-090 JPN: 012-031-317-09A

PARCEL SEVEN:

LOT 1 IN BLOCK 138, AS SHOWN ON THAT CERTAIN MAP ENTITLED "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

APN: 012-314-100 JPN: 012-031-314-10A

PARCEL EIGHT:

THE EASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 5, BLOCK 138, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

PARCEL NINE:

THE WESTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 5, BLOCK 138, AND THE EASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 6, BLOCK 138, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.

PARCEL TEN:

THE EASTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 7 AND THE WESTERLY 25 FEET, FRONT AND REAR MEASUREMENTS OF LOT 6 IN BLOCK 138, AS DESIGNATED ON THE MAP ENTITLED, "SOUTH SAN FRANCISCO, SAN MATEO CO. CAL. PLAT NO. 1", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MARCH 01, 1892 IN BOOK "B" OF MAPS AT PAGE(S) 6 AND A COPY ENTERED IN BOOK 2 OF MAPS AT PAGE 52.
2629281.1

Attachment #2

MULTI-FAMILY DEVELOPMENT SITE

216 Miller Avenue
South San Francisco, California 94080

APPRAISAL REPORT

Date of Report: October 5, 2018

Colliers File #: SFO180097



PREPARED FOR
Julie Barnard
City of South San Francisco
400 Grand Avenue
Suite 2900
South San Francisco, CA 94080

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

101 Second Street, 11th Floor
San Francisco, CA 94105 USA
MAIN+1 415 788 3100
FAX +1 415 373 4500
WEB www.colliers.com/valuationadvisory

October 5, 2018

City of South San Francisco
c/o Ms. Julie Barnard
400 Grand Avenue, Suite 2900
South San Francisco, CA 94080

RE: Multi-Family Development Site
216 Miller Avenue
South San Francisco, California 94080

Colliers File #: SFO180097

Ms. Barnard:

This appraisal report satisfies the scope of work and requirements agreed upon by City of South San Francisco and Colliers International Valuation & Advisory Services. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The subject consists of a 17,678-square-foot, existing asphalt-paved parking lot on an interior parcel on the north side of Miller Avenue in downtown South San Francisco. It is owned by a multi-family developer (Miller Cypress SSF, LLC, aka Sares Regis Group), who intends to assemble this site with four adjoining lots to form a single 1.0958-acre development site. *(Note): We previously appraised the subject parcel for the client based on the developer's proposal and assuming that assemblage was already completed. The date of that report was July 16, 2018.*

However, the purpose of this appraisal is to determine the market value for the subject lot by itself, exclusive of any assemblage proposal. As of the date of this report, the subject is entitled for 12 townhome units.

In a Purchase and Sale Agreement between the City of South San Francisco (the South San Francisco Successor Agency) and Miller Cypress SSF, LLC dated February 23, 2016, there was a condition for a supplemental purchase price to be paid for 216 Miller Avenue (which was referred to as Parcel C in the Agreement). The text of this condition is summarized below.

Colliers International Valuation & Advisory Services, and certain of its subsidiaries, is an independently owned and operated business and a member firm of Colliers International Property Consultants, an affiliation of independent companies with over 500+ offices throughout more than 68 countries worldwide.

"Supplemental Purchase Price for Parcel C. If the Buyer constructs Parcel C (whether as (i) a 12-unit townhome development consistent with the Project Approvals or (ii) as part of a revised development under the potential Land Assembly Option defined in Section 5.6), the additional land value payable to the Seller for Parcel C will be determined either by (X) a residual land-value appraisal for Parcel C, or, at Seller's discretion, (Y) on a comparison sales-based appraisal. Buyer shall pay Seller the Supplemental Purchase Price prior to the earlier of ninety (90) days after completion of the appraisal or issuance of the first building permit by the City for Parcel C. This provision shall not apply if Buyer re-conveys Parcel C to Seller pursuant to Section 5.6€(v)."

Sares Regis Group purchased 216 Miller Avenue (Parcel C) from the city for $250,000 on April 26, 2017 based on its existing entitlements for 12 townhome units.

The subject parcel (at 17,678 square feet) could be developed to a maximum unit density of one unit per 363 square feet as a stand-alone site, according to the City of South San Francisco's zoning ordinance. This translates to a maximum unit density of 120 units per acre, or a maximum yield of approximately 49 units. As will be discussed later in our report, the existing entitlements for 12 townhomes do not represent the highest and best use of the subject parcel at this time. Therefore, our land valuation will be based on the subject's potential as a 49-unit apartment site.

VALUATION METHODOLOGIES

The purpose of this appraisal is to develop an opinion of the As-Is value of this 17,678-square-foot parcel. To accomplish this, the following valuation methods were used.

- **Sales Comparison Approach**
  - Sales of multi-family development land were located and compared to the subject's site. Adjustments were applied accordingly for differences in transactional and property characteristics.

- **Residual Land Analysis**
  - This is a simple method used by developers to price land by estimating the value of a proposed property when construction is stabilized and complete. The costs associated with leasing up the proposed improvements are deducted along with overall development costs. The result represents the residual value of the proposed project that would be attributed to the land.
  - As part of this method, an As-Stabilized Market Value (using a direct-capitalization calculation) was developed based on the hypothetical condition that the proposed project is complete and has achieved stabilized operations as of the date of this report. From this value, lease-up costs were deducted to arrive at an As-Complete Market Value. Then, construction and entitlement costs were deducted to ultimately arrive at a residual unentitled land value.

The two land estimates are reconciled into a single value conclusion at the end of the report. Then, soil-remediation costs will be subtracted to arrive at a final "as is" land value. *(Note): See Extraordinary Assumption section on the next page.*

Our value conclusions have been summarized below.

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ANALYSIS OF VALUE CONCLUSIONS		
VALUATION INDICES	**RAW, UNENTITLED MARKET VALUE**	
INTEREST APPRAISED	**FEE SIMPLE**	
DATE OF VALUE	**APRIL 25, 2018**	
	VALUE	**$/UNIT**
SALES COMPARISON APPROACH	$2,940,000	$60,000
RESIDUAL-LAND METHOD	$2,824,000	$58,000
RECONCILED UNENTITLED LAND VALUE BEFORE REMEDIATION	**$2,890,000**	**$59,000**

ANALYSIS OF VALUE CONCLUSIONS				
VALUATION INDICES	**"AS IS" VALUE OF SUBJECT PARCEL**			
INTEREST APPRAISED	**FEE SIMPLE**			
DATE OF VALUE	**April 25, 2018**			
	VALUE	**$/UNIT**		
RECONCILED UNENTITLED LAND VALUE BEFORE REMEDIATION	**$2,890,000**	**$59,000**		
Total # of Proposed Units	**49**			
LESS ENTITLEMENT AND SOIL-REMEDIATION COSTS				
	LOW	**$/UNIT**	**HIGH**	**$/UNIT**
Less Soil-Remediation Costs	($870,000)	($17,755)	($1,250,000)	($25,510)
Unentitled Land Value	**$2,020,000**	**$41,224**	**$1,640,000**	**$33,469**
"As Is" Value of Subject Parcel	**$1,830,000**	**$37,347**		
Reconciled "As Is" Value of Subject Parcel	**$1,830,000**	**$37,347**		

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards and the appraisal guidelines of City of South San Francisco.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions”. *USPAP* defines a Hypothetical Condition as, “that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis”.

EXTRAORDINARY ASSUMPTIONS

A detailed soils analysis was available for review. Based on a report prepared by West Environmental Services & Technology, the subject's soil has higher-than-average lead concentrations due to 2 former gas stations along Airport Boulevard (which have since been removed). The cost to mitigate this ranges from $870,000 to $1,250,000. We have made an extraordinary assumption that the total soil-remediation cost will not exceed West Environmental’s estimate, and that it applies only to the 216 Miller parcel. This cost range will be incorporated as part of our determination of the subject’s “as is” value at the end of our report.

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HYPOTHETICAL CONDITIONS

No hypothetical conditions were employed for this assignment.

RELIANCE LANGUAGE

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value. The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

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Attachment #3

SARES | REGIS

July 26, 2018

VIA E-MAIL

South San Francisco Successor Agency
C/o Julie Barnard,
Economic and Community Development
City of South San Francisco

RE: Request to Amend Purchase and Sale Agreement Section 2.3 of the Former Ford Properties/Vacant Miller Avenue Parking Lots Purchase And Sale Agreement (Supplemental Purchase Price)

Dear Julie,

As you know, Sares-Regis Group of Northern California ("Sares Regis") is well under construction on Cadence Phase 1 (260 apartment units), which is expected to be completed and open to new residents in the first quarter of 2019. The next phase of the overall project, Cadence Phase 2 ("Project"), includes Parcel B (405 Cypress Ave) and Parcel C (216 Miller Ave) of the Former Ford Properties as contemplated under the "Revised Parcel C Entitlements Application" defined in Section 5.6 of the Purchase and Sale Agreement and Joint Escrow Instructions dated February 23, 2016 ("PSA"), as well as three privately assembled parcels between those two sites addressed as 204, 208, and 212/214 Miller Avenue.

Sares Regis closed on Parcel C in April 2017 (through its joint venture entity with the AFL-CIO Building Investment Trust (BIT), SSF Miller Cypress Phase 2, LLC), submitted its planning applications in December 12, 2017 and has been working diligently to assemble the remaining private properties necessary for the 195-unit Cadence Phase 2 Project and complete the planning application. We anticipate receiving the necessary entitlements from the City this fall, proceeding with pre-construction planning, and commencing construction upon receipt of permits.

Under Section 2.3 of the PSA, the City and Sares Regis selected an appraiser to develop a "Supplemental Purchase Price" for Parcel C, but as discussed, Section 2.3 does not provide a clear process for us, as the buyer, to provide comments on or dispute the appraisal methodology, analysis or conclusions. Although we provided a number of comments on the Appraisal, one comment clearly impacts any valuation of a stand-alone project on Parcel C - the construction cost premium associated with loss of efficiencies in scale when compared to the 195-unit assembled project which could range from at least 5% and up to 10% of construction costs. As described below, the proposed purchase price

for Parcel C is based on a more appropriate stand-alone value of Parcel C, which will facilitate the Cadence Phase 2 Project and result in a near term sales price distribution and substantial long-term property tax increase benefiting the taxing entities, among other public benefits, as described below.

1. Proposed Supplemental Purchase Price

Now that the Appraisal[1] has been completed, we request the Successor Agency amend Section 2.3 of the PSA to set a fixed Supplemental Purchase Price of $1,118,538 to be paid in full at the issuance of the first building permit for the Cadence Phase 2 Project.

As we have discussed, the Appraisal was based on a residual value analysis based on all the Cadence Phase 2 properties, including the three properties that we have privately assembled. It has taken an extraordinary amount of effort and expense to assemble the other private properties under binding contract. A stand-alone value, reduced by the required environmental remediation costs, is a more appropriate approach to the Supplemental Purchase Price since that reflects more accurately the circumstance if the property would be sold if it were to be returned to the Successor Agency for re-sale on the open market, not taking into account the additional time delay, administrative costs and required remediation this would require - or the reduced property tax benefits long term as described in Section 2, below.

As described in Appraisal, if Parcel C were to be developed on a stand-alone basis (maximum 49 units), the difference in value compared to the assembled property would be $1,518,000 (72 units – 49 units = 23 unit difference multiplied by the Appraisal per unit value of $66,000). And, as noted above, there would be a construction cost premium of 5% to 10% if Parcel C were to be developed as smaller, stand-alone project due to loss of efficiencies of scale. Based on our contractor's construction cost estimates that have been shared with City staff and confirmed by the Appraisal, the average contractor budget is $530,769 per unit for a 195 unit project, and adjusting for the loss of efficiency of a 49 unit project (assuming lowest end 5% cost premium per unit or $26,500/unit) for a total of $1,300,362.[2] This value would then be reduced by required environmental remediation costs that relate only to Parcel C. As confirmed by the Appraisal, the required remediation costs are estimated to range between $825,000 to $1,250,000. After subtracting the lowest (most conservative) of this estimated range of remediation costs ($825,000), the value of Parcel C is $1,118,538, calculated as follows:

Appraised Value of Parcel C Assembled Property, Before Environmental Remediation, minus	$4,761,900
Appraised Value of 23 Unit Difference in Stand Alone (49) vs Assembled Project (72) @ $66,000 per Unit, minus	*($1,518,000)*
Construction Cost Adjustment Due to Loss of Efficiency from 195 Unit Assemblage to 49 Unit Stand Alone Project (5%), minus	*($1,300,362)*
Required Environmental Remediation Costs, equals	*($825,000)*
Total Stand Alone Value of Parcel C	**$1,118,538**

[1] Colliers International, Parcel C Appraisal Report, July 16, 2018.
[2] $103,500,000/195 = $530,769 per unit x 0.05 = $26,538 per unit x 49 = $1,300,362 cost premium.

2. Increased Property Tax Revenue Benefiting the Taxing Entities

The proposed 195-unit Cadence Phase 2 Project will substantially increase the real estate property taxes for all of the assembled properties in the near term, not just Parcel C, over ***46 times*** from the 2018 tax year from $27,709 per year to more than $1,300,000 during the first year of operation. Over the first ten years, this will generate over $15,000,000 of property tax revenue. By contrast, as shown on the chart below, in the current vacant state, Parcel C will generate less than one half a million dollars over 10 years, and a stand-alone (49 unit) residential project would less than four million in property tax revenue, not taking into account any discount in the time delay that would be required to market, entitle and build a stand-alone project.



3. Public Benefits of Cadence Phase 2 Project

The Cadence Phase 2 Project provides high quality and much needed housing within 1/4 mile of the relocated CalTrain station and near the Oyster Point employment hub, which helps the housing needs of South San Francisco and the Bay Area. The Cadence Phase 2 Project also provides over $27,000,000 of community benefits to the area by implementing a Union Local Hire Program paying area standard wages, providing public art, state of the art TDM measures and green building measures, and streetscape enhancements and improved utilities that will catalyze other property redevelopment activities that will also generate benefits to the taxing entities. The creation of 195 new high-quality apartment homes within one block from the Linden Street and Grand Avenue corridor will provide the businesses additional customers and increase the quality of business, tax generated by business and promote additional development, all of which results in increases tax revenue.

We are very excited to proceed with this next phase of Cadence, and if you have any questions or need additional information, please contact me at 415-250-5515 or kbusch@srgnc.com

Sincerely



Ken Busch

Senior Vice President

1st Amendment to Purchase & Sale Agreement with *SSF Miller/Cypress Phase 2, LLC*



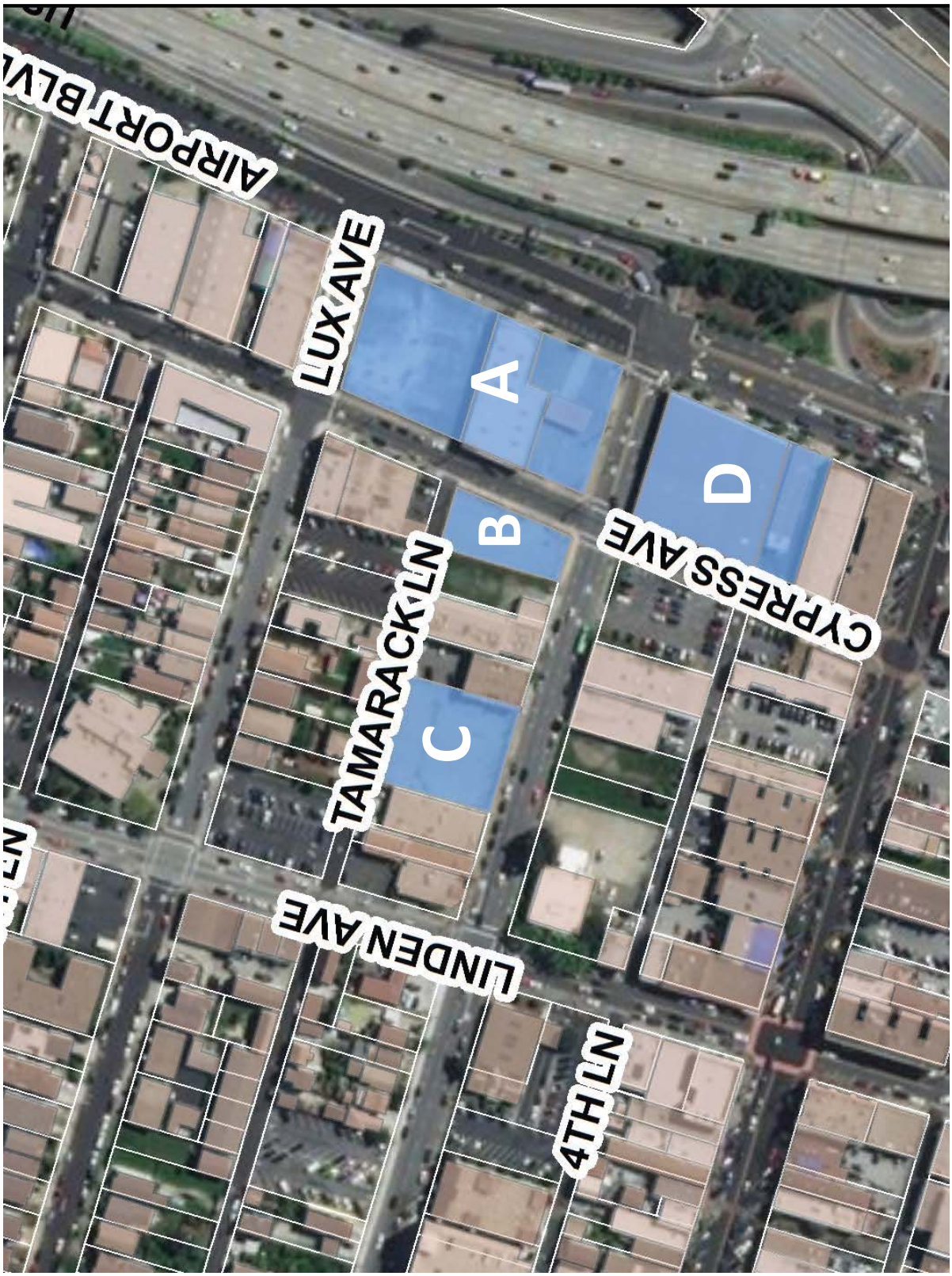
Presented to: San Mateo County Oversight Board

October 16, 2018

CITY OF SOUTH SAN FRANCISCO
ECONOMIC & COMMUNITY DEVELOPMENT

Site Context




AIRPORT BLV
LUX AVE
A
B
C
D
CYPRESS AVE
TAMARACK LN
LINDEN AVE
4TH LN

Site History

2009 Auto dealership closes – site left vacant & blighted

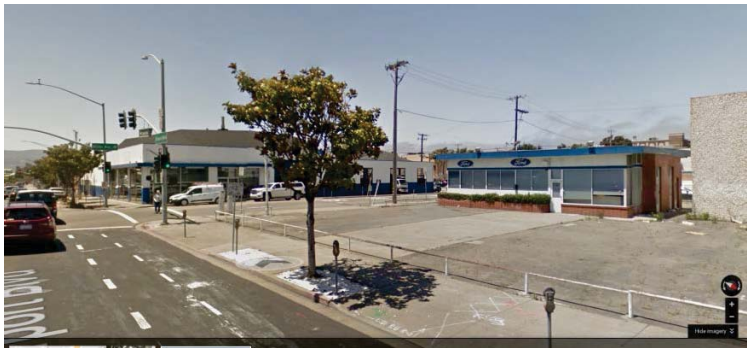
2011 Agency purchases site

2013 Developer selection process

2014 Agency, OB & DOF approve negotiating agreement with Sares Regis

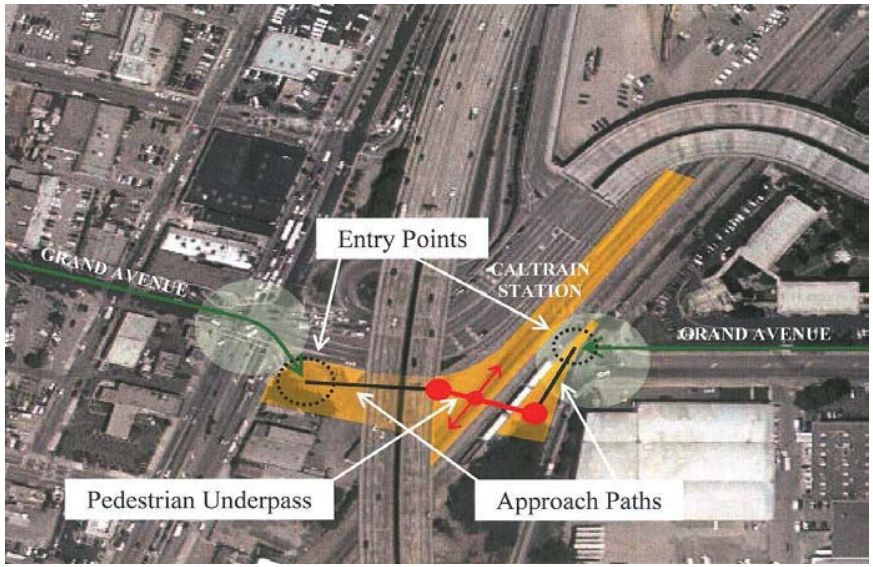
2016 Agency & OB approve purchase & sale agreement





Site's Role in Downtown Strategy







Purchase & Sale Agreement

- Approved by Oversight Board in February 2016
- At time of PSA, land assembly had not been completed
- Necessary to split project into:
  - Phase 1 (parcels A, B & D)
  - Possible Phase 2 (Parcel C) in the future



Phase 1 Underway

- 260 rental units
- Developer obtained permits & began construction in 2017
- Construction issues (remediation, etc.)
- On schedule to complete in 2019
- $1.4 million/year in property taxes



Phase 2 Site



PSA contemplated 2 options for Phase 2

Option 1: Standalone (12 Townhomes)



MILLER ELEVATION

Option 2: Part of Land Assembly Project



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Progress on Phase 2 (land assembly) Project

- Options secured for the 3 “hold out” parcels
- Designs complete
- Planning Commission approved entitlements (Aug. 2018)
- 1st Amendment to PSA approved (Aug. 2018)
- Ready for final City approval



Phase 1 & 2 has helped catalyze $526M (957 units) of Downtown Housing



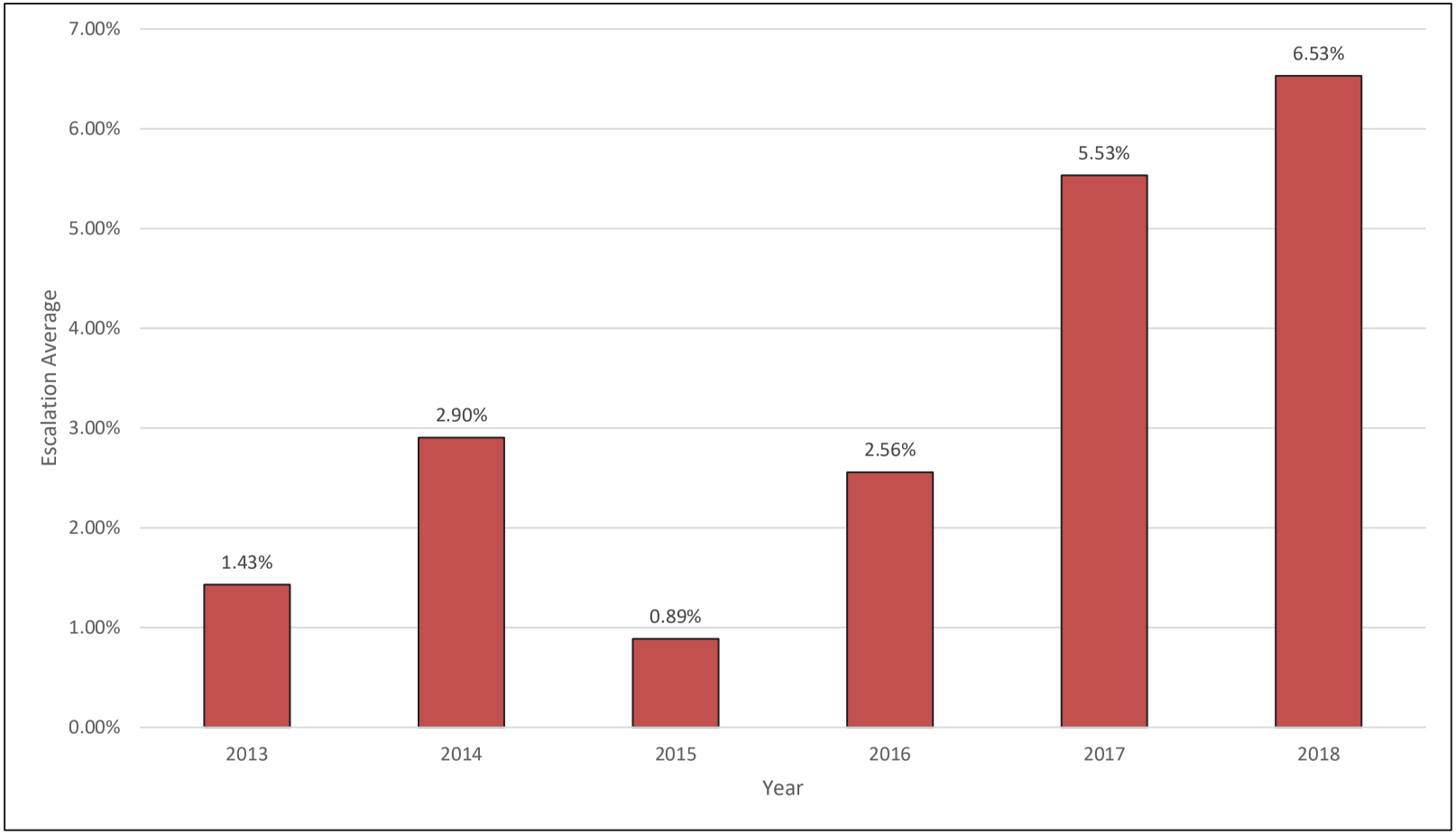
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Parcel C appraisal

- Per the PSA, Developer and City/Agency must agree on appraisal to value Parcel C
- Appraisal conducted by Colliers International
- Appraisal used a reconciled sales comparison and residual land value (RLV) approach:
  - ➢ Assumes 195-unit development
  - ➢ Deducted remediation costs
  - ➢ $3.7 million appraised value

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Construction Cost Escalation



Sources: Turner & Townsend (2018), Rider Levett Bucknall (2018), U.C. Berkeley Turner Center for Housing Innovation

Land Price Negotiations

- Developer disputed the appraisal (due to higher land assembly costs & other factors)
- Developer offered $0 price (negative land value)
- Staff used highest & best use value ($3.7 million) to negotiate higher offer from Sares Regis
- Developer responded with “best & final” offer of $1,118,538

Appraisal of Parcel C as Standalone

- Appraised value of the stand alone site is **$1,830,000**
- Value premise/methodology is similar to the previous appraisal but the major difference is that we are treating the site as a standalone development site with no consideration for assemblage
- Although the subject site is currently entitled for 12 townhomes, that is not considered to be the highest and best use of the site

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Issues for OB Consideration

1) Highest achievable sale price?
2) Does it set the right precedent?
3) Was price negotiated?
4) Minimize public's risk?
5) Maximize property tax revenue?
6) Supports LRPMP goals & requirements?
7) Is it a good deal for the public?

Analysis of property tax revenue for the Phase 2 Block

	Current Tax Revenue	Only Parcel C Developed Value: $23m + other sites on the block	Assembled Project Value: $91m
TOTAL	$39,008	$267,540	$909,462

Advantages of approving $1.1M Offer



- $1.1M one-time revenue
- Achieves $90M project
- $900k/year property tax
- Developer accepts remediation risks
- Avoids delays, maintains momentum
- Catalyst for investment
- Developer Fees

Alternative: Reject $1.1M Offer

- Parcel C would be put up for sale
- Sale in 2019, Design/Permits in 2020, Built 2021-2023
- Only Parcel C developed, all other parcels remain as-is
- 49 units ($23M project = $228k/year tax revenue)



Impacts & Risks

- 2-3 year delay
- Loss of design & entitlement work
- Risk factors:
  - ✓ Construction cost escalation
  - ✓ New fees & requirements (e.g., 15% inclusionary housing)
  - ✓ Remediation risks
- Conclusion: Sale process would be unlikely to yield higher price







Recommendation & Next steps

- Staff recommends the Oversight Board approve (by resolution) the final sale price of $1,118,538 for Parcel C
- Subject to OB approval of price, Phase 2 can proceed immediately to City for final project approval.
- Under the projected timeline, construction would begin in Q1 of 2019

Thank you…

SSF Economic & Community Development



Analysis of property tax revenue

	Assembled Project Value: $91m*		Separate Parcels Value: $23m**	
	Annual	10 year projection	Annual	10 year projection
SSF USD (43.9%)	$399,254	$3,992,540	$102,332	$1,023,319
SMC (25.7%)	$233,732	$2,337,318	$59,907	$599,073
SSF (16.7%)	$151,880	$1,518,802	$38,928	$389,281
SMC CCD (7.3%)	$66,391	$663,908	$17,016	$170,165
Other	$58,206	$582,056	$10,348	$103,479
TOTAL	**$909,462**	**$9,094,625**	**$228,532**	**$2,285,316**

* Assumes 195 units.

** Assumes only Parcel C developed (49 units)