

File No. 101436

Committee Item No. _____

Board Item No. 38

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____ Date _____

Board of Supervisors Meeting

Date December 7, 2010

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

✓ See *Index of Documents*
(See File No. 101409 for complete documents.)

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Completed by: Alisa Somera Date December 2, 2010

Completed by: _____ Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

1 [Authorizing the Acquisition of Real Property by Eminent Domain for Transbay Transit Center
2 Program - 564 Howard Street]

3
4 **Resolution authorizing the acquisition of real property commonly known as 564**
5 **Howard Street, San Francisco, California (Assessor's Block No. 3721, Lot No. 019) by**
6 **eminent domain for the public purpose of constructing the Transbay Transit Center**
7 **Program; adopting environmental findings under the California Environmental Quality**
8 **Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting**
9 **findings of consistency with the General Plan and City Planning Code Section 101.1.**

10
11 WHEREAS, The Transbay Transit Center Program (the Project) consists of, among
12 other things, a new Transit Center at the current site of the Transbay Terminal in the City and
13 County of San Francisco (the City); a temporary terminal on the block bounded by Main,
14 Beale, Folsom, and Howard Streets; reconstructed bus ramps from the Transit Center to the
15 San Francisco-Oakland Bay Bridge; an offsite bus storage/layover area under Interstate 80 on
16 the two blocks bounded by Perry, Stillman, 2nd, and 4th Streets; a Caltrain station near 4th
17 and Townsend Street; and the Transbay Redevelopment Plan; and

18 WHEREAS, The Project's primary objectives include connecting multiple modes of
19 transit; extending Caltrain and High Speed Rail into the new downtown Transit Center;
20 increasing transit use and reducing travel time; and creating a new transit-oriented
21 neighborhood around the Transit Center; and

22 WHEREAS, The Project will provide a critical transportation improvement, including a
23 modern regional transit hub connecting eight Bay Area counties and the State of California
24 through eleven transit systems; and

1 WHEREAS, California Government Code Sections 25350.5 and 37350.5 authorize the
2 City's Board of Supervisors (this Board) to acquire any property necessary to carry out any of
3 the powers or functions of the City by eminent domain; and

4 WHEREAS, The real property commonly known as 564 Howard Street, San Francisco,
5 California (Assessor's Block 3721, Lot 019) (the Subject Property), which is more particularly
6 described in Exhibit A and shown in Exhibit B; is required for the construction of the Project;
7 and

8 WHEREAS, On April 22, 2004, the City's Planning Commission (the Commission)
9 certified in Motion No. 16773 that the Final Environmental Impact Statement/Environmental
10 Impact Report and Section 4(f) Evaluation (Final EIS/EIR) for the Project was in compliance
11 with CEQA, the CEQA Guidelines, and Chapter 31 of the City Administrative Code. The Final
12 EIS/EIR and Motion No. 16773 are on file with the Clerk of the Board of Supervisors in File
13 No. 040616 and are incorporated by reference; and

14 WHEREAS, On April 22, 2004, in Resolution No. 2004-11, the Peninsula Corridor Joint
15 Powers Board also certified the Final EIS/EIR and made findings similar to those of the
16 Commission with regard to CEQA and the CEQA guidelines. Resolution No. 2004-11 is on
17 file with the Clerk of the Board of Supervisors in File No. 040616 and is incorporated by
18 reference; and

19 WHEREAS, On April 20, 2004, in Resolution No. 45-2004, the San Francisco
20 Redevelopment Agency also certified the Final EIS/EIR and made findings similar to those of
21 the Commission with regard to CEQA and the CEQA guidelines. Resolution No. 45-2004 is
22 on file with the Clerk of the Board of Supervisors in File No. 040616 and is incorporated by
23 reference; and
24
25

1 WHEREAS, On April 22, 2004, the Board of Directors of the Transbay Joint Powers
2 Authority (TJPA), by Resolution No. 04-004, approved the components of the Project within its
3 jurisdiction and adopted CEQA Findings, including a Statement of Overriding Considerations
4 and a Mitigation Monitoring and Reporting Program. Resolution No. 04-004 is on file with the
5 Clerk of the Board of Supervisors in File No. 041079 and is incorporated by reference; and

6 WHEREAS, On June 15, 2004, this Board adopted Motion No. 04-67, in Board File No.
7 040629, affirming the Commission's decision to certify the Final EIS/EIR. Motion No. 04-67 is
8 on file with the Clerk of the Board of Supervisors in File No. 040629 and is incorporated by
9 reference; and

10 WHEREAS, The Board of Supervisors in Resolution No. 612-04, adopted
11 environmental findings in relation to the Transbay Terminal, Caltrain Downtown Extension,
12 and Transbay Redevelopment Plan. Copies of said Resolution and supporting materials are in
13 Clerk of the Board of Supervisors File No. 41079. The Board of Supervisors, in Ordinance
14 No. 124-05 as part of its adoption of the Transbay Redevelopment Planm, adopted additional
15 environmental findings. Copies of said Ordinance and supporting materials are in Clerk of the
16 Board of Supervisors File No. 50184. Said Resolution and Ordinance and supporting
17 materials are incorporated by reference herein for the purposes of this Resolution; and

18 WHEREAS, The Board of Directors of the TJPA have approved addenda to the Final
19 EIS/EIR as follows: Addendum No. 1 (Resolution No. 06-011) (June 2, 2006); Addendum No.
20 2 (Resolution No. 07-013) (April 19, 2007); Addendum No. 3 (Resolution No. 08-003)
21 (January 17, 2008); Addendum No. 4 (Resolution No. 08-039) (October 17, 2008); and
22 Addendum No. 5 (Resolution No. 09-019) (April 9, 2009) (collectively, Addenda). The
23 Addenda and adopting resolutions are on file with the Clerk of the Board of Supervisors in File
24 No. 101409 and are incorporated by reference; and

1 WHEREAS, The Final EIS/EIR files and other Project-related Planning Department
2 files are available for review by this Board and the public. The Planning Department files are
3 available at 1660 Mission Street. Those files are part of the record before this Board and are
4 incorporated by reference; and

5 WHEREAS, The City's Planning Department has found that the acquisition of the
6 Subject Property for the Project is consistent with the General Plan and the Eight Priority
7 Policies of the City Planning Code Section 101.1 to the extent applicable; and

8 WHEREAS, The City and TJPA staff obtained appraisals of the Subject Property in
9 compliance with California Government Code Section 7267 et seq. and all related statutory
10 procedures for possible acquisition of the Subject Property, and submitted joint offers to the
11 Subject Property owner of record to purchase the Subject Property as required by California
12 Government Code Section 7267.2; and

13 WHEREAS, On October 14, 2010, the TJPA's Board of Directors adopted Resolution
14 No. 10-045, in which it found that (a) the public interest and necessity require the Project; (b)
15 the Project is planned to maximize the public good and minimize private injury; (c) the Subject
16 Property is necessary for the Project; (d) the City and the TJPA have made sufficient offers of
17 purchase and complied with all procedural prerequisites to the exercise of eminent domain;
18 and (e) acquisition of the Subject Property for the Project will fulfill the mandates of various
19 State and City laws, including San Francisco Proposition H-Downtown Caltrain Station
20 (November 1999), San Francisco Proposition K-San Francisco Transportation Sales Tax
21 (November 2003), California Public Resources Code Section 5027.1(a), and California Streets
22 and Highways Code Sections 2704.04(b) and 30914(c), all of which concern reconstruction of
23 the new Transit Center on the site of the existing Transbay Terminal and the new Transit
24 Center's accommodation of a Caltrain extension and high speed passenger rail line; and
25

1 WHEREAS, In adopting Resolution No. 10-045, the TJPA Board of Directors
2 recommended that this Board adopt a Resolution of Necessity to condemn the Subject
3 Property and initiate eminent domain proceedings to acquire the Subject Property for the
4 Project; and

5 WHEREAS, In adopting Resolution No. 10-045, the TJPA Board of Directors also
6 found that in the event that the City elects to adopt a Resolution of Necessity and initiate
7 eminent domain proceedings to acquire the Subject Property, the TJPA will bear the costs of
8 litigating any eminent domain action, and will provide all compensation ordered by the court
9 for the condemned Subject Property; and

10 WHEREAS, This Board finds and determines that each person whose name and
11 address appears on the last equalized County Assessment Roll as an owner of the Subject
12 Property has been given notice and a reasonable opportunity to appear and be heard on this
13 date on the matter referred to in California Code of Civil Procedure Section 1240.030 in
14 accordance with California Code of Civil Procedure Section 1245.235; now, therefore, be it

15 RESOLVED, That this Board, having reviewed and considered the Final EIS/EIR and
16 Addenda, and the record as a whole, finds that the action taken herein is within the scope of
17 the Project and activities evaluated in the Final EIS/EIR and Addenda, that the Final EIS/EIR
18 and Addenda are adequate for use by this Board for the action taken herein, and adopt the
19 Addenda for purposes of the action taken herein; and, be it

20 FURTHER RESOLVED, That this Board finds that since the Final EIS/EIR and
21 Addenda were finalized, there have been no substantial Project changes and no substantial
22 changes in Project circumstances that would require major revisions to the Final EIS/EIR and
23 Addenda due to new significant environmental effects or an increase in the severity of
24 previously identified significant impacts, and there is no new information of substantial
25

1 importance that would change the conclusions set forth in the Final EIS/EIR and Addenda;
2 and, be it

3 FURTHER RESOLVED, That this Board hereby adopts as its own and incorporates by
4 reference herein, as though fully set forth, the findings of the Planning Department that the
5 acquisition of the Subject Property is consistent with the General Plan and the Eight Priority
6 Policies of City Planning Code Section 101.1; and, be it

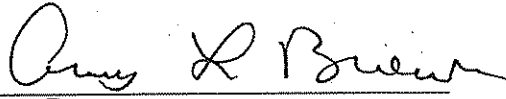
7 FURTHER RESOLVED, That by at least a two-thirds vote of this Board under
8 California Code of Civil Procedure Sections 1240.030 and 1245.230, this Board finds and
9 determines each of the following:

- 10 1. The public interest and necessity require the Project;
- 11 2. The Project is planned and located in the manner that will be most compatible with
12 the greatest public good and the least private injury;
- 13 3. The Subject Property is necessary for the Project;
- 14 4. The offer required by California Government Code Section 7267.2 has been made
15 to the owner of record of the Subject Property; and, be it

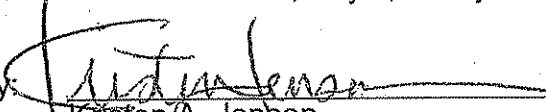
16 FURTHER RESOLVED, That the City Attorney is hereby authorized and directed to
17 take all steps necessary to commence and prosecute proceedings in eminent domain against
18 the owner of record of the Subject Property and the owner or owners of any and all interests
19 therein or claims thereto for the condemnation thereof for the Project, to the extent such
20 proceedings are necessary, and is authorized and directed to take any and all actions or
21 comply with any and all legal procedures to obtain an order for immediate or permanent
22 possession of the Subject Property, as described in Exhibit A and shown in Exhibit B, in
23 conformity with existing or amended law; and, be it

1 FURTHER RESOLVED, That this Board adopts as its own and incorporates by
2 reference herein, as though fully set forth, each of the findings made by the TJPA in adopting
3 Resolution No. 10-045 on October 14, 2010.

4
5 RECOMMENDED:
6 REAL ESTATE DIVISION, GENERAL SERVICES AGENCY

7 By: 
8 Amy Brown
9 Director of Real Estate

10 APPROVED AS TO FORM:
11 DENNIS J. HERRERA, City Attorney

12 By: 
13 Kristen A. Jensen
14 Deputy City Attorney

**EXHIBIT A
LEGAL DESCRIPTION**

CITY OF SAN FRANCISCO

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF HOWARD STREET,
DISTANT THEREON 250 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE
OF SECOND STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF
HOWARD STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 100
FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 25 FEET; THENCE AT A
RIGHT ANGLE SOUTHEASTERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 347.

EXHIBIT B
MAP

Mission St

Anthony St
Jessie St
Ecker Pl

TRANSBAY TRANSIT CENTER

Minna St

Natoma St

Howard St

580 Howard (3721/092-106)
588 Howard (3721/020)
564 Howard (3721/019)

60 Tehama (3736/089)

Folsom St

Hawthorne St

Tehama St

FREMONT/FOLSOM OFF-RAMPS

Clementina St

Second St

NEW BUS RAMPS

Essex St

First St

Fremont St

Beale St

Main St

Spear St

Stuart St

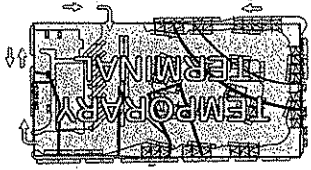
Embarcadero

Third St
Harrison St

Bryant St




I-80

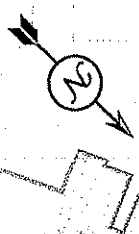
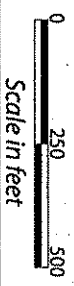
80



DOWNTOWN RAIL EXTENSION

Legend

-  Acquired
-  To be Acquired
-  Partial Acquisitions (pkg easements)



Index of Documents in Administrative Record for Board File Nos. 101435 and 101436

564 Howard Street, San Francisco (Block 3721, Lot 019)

Date	Document
Procedural	
10/14/10	TJPA Board of Directors Resolution No. 10-045
11/23/10	Letter from TJPA to San Francisco Board of Supervisors re: 564 Howard
	Assessor's Master Sheet – 564 Howard (FY 2009-2010)
	TJPA Notices of Public Hearing to Acquire Various Real Properties by Eminent Domain for Transbay Transit Center Program – 564 Howard
11/20/10	San Francisco Planning Department General Plan Consistency Determination – 564 Howard
Offer Letter	
01/19/07 (misdated 01/19/06)	Offer to purchase 564 Howard – TJPA to Claude and Nina Gruen (enclosures omitted)
09/15/09	Offer to purchase 564 Howard – City and TJPA to 564 Howard Street, LLC and H. Ellman (enclosures omitted)
10/26/10	Offer to purchase 564 Howard – City and TJPA to 564 Howard Street, LLC and H. Ellman <u>Enclosure 1</u> : Summary Appraisal Statement <u>Enclosure 2</u> : Relocation Assistance Brochure <u>Enclosure 3</u> : Eminent Domain Brochure <u>Enclosure 4</u> : Agreement for Purchase and Sale of Real Estate
Property Description and Maps	
10/26/10	Preliminary Title Report
	Legal Description and Map
	Map of 564 Howard in relationship to Transbay Project
	Map of 564 Howard in relationship to Transbay Project – aerial photo of train box
	Map of 564 Howard in relationship to Transbay Project – overhead drawing of west end of train box
	Map of 564 Howard in relationship to Transbay Project – overhead of two tower cable design bus ramp
	Map of 564 Howard in relationship to Transbay Project – overhead of single tower cable design bus ramp

Index of Documents in Administrative Record for Board File Nos. 101435 and 101436

564 Howard Street, San Francisco (Block 3721, Lot 019)

Date	Document
Correspondence	
01/25/06	Letter from Shute, Mihaly & Weinberger LLP (SMW) to Claude and Nina Gruen (enclosures omitted)
02/01/07	Letter from Claude Gruen to TJPA
05/25/07	Letter from TJPA to Claude and Nina Gruen (enclosures omitted)
05/29/07	Letter from Nina Gruen to TJPA
10/2007	Gruen application for Section 309 review
10/16/07	Letter from TJPA to Claude and Nina Gruen (enclosures omitted)
10/16/07	Letter from TJPA to Claude and Nina Gruen
07/08/08	Letter from SMW to Herman Fitzgerald
08/06/08	Letter from TJPA to Claude and Nina Gruen
04/21/09	Letter from Howard Ellman to SMW
10/26/09	Letter from TJPA to 564 Howard Street, LLC
11/08/10	Letter from Claude Gruen to City
Studies and Reports	
	Caltrans Highway Design Manual (excerpts)
	Cambridge Systematics – Caltrain Downtown Extension and Transbay Ridership Analysis
09/2007	TJPA Final Relocation Impact Study I
01/2010	TJPA Final Relocation Impact Study II
	TJPA Relocation Assistance Brochure - Business
	TJPA Relocation Assistance Brochure - Residential
NEPA/CEQA	
04/2004	Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project: Final Environmental Impact Statement/Environmental Impact Report and Section 4(f) Evaluation (Final EIS/EIR) <u>Volume I</u> : Chapters 1-8; Appendices A-G <u>Volume II</u> : Responses to Public Comments on the Draft EIS/EIR <u>Volume III</u> : Written Public Comments and Public Hearing Transcripts on the Draft EIS/EIR
04/22/04	TJPA Resolution No. 04-004
02/08/05	Federal Transit Administration: Record of Decision <u>Appendix A</u> : Mitigation Monitoring and Reporting Program <u>Appendix B</u> : Memorandum of Agreement between the FTA and the California State Historic Preservation Officer
05/25/06	Final EIS/EIR - First Addendum
04/19/07	Final EIS/EIR - Second Addendum
01/17/08	Final EIS/EIR - Third Addendum

Index of Documents in Administrative Record for Board File Nos. 101435 and 101436

564 Howard Street, San Francisco (Block 3721, Lot 019)

Date	Document
10/03/08	Final EIS/EIR - Fourth Addendum
04/09/09	Final EIS/EIR - Fifth Addendum
05/2010	Federal Railroad Administration: Reevaluation Updating the Transbay Program 2004 Final EIS (exhibits omitted except where noted) <u>Exhibit 6(a)</u> : Federal Transit Authority internal memo re: Environmental Clearance for advance construction on "train box" portion of Transbay Transit Center <u>Exhibit 6(b)</u> : Federal Railroad Administration letter to TJPA re: California allocation of High Speed Rail grants <u>Exhibit 9(a)</u> : California High-Speed Rail Authority: Report to the Legislature <u>Exhibit 9(b)</u> : California High-Speed Rail Authority Briefing April 2010 Meeting Agenda Item #7 re: Transbay Transit Center Design/Trainbox
08/04/10	Federal Railroad Administration: Record of Decision <u>Appendix A</u> : Mitigation Monitoring and Reporting Program <u>Appendix B</u> : Memorandum of Agreement Between the FTA and the California State Historic Preservation Officer
Transbay Legislation	
	Cal. Public Resources Code Section 5027.1
	Cal. Streets & Highway Code Section 2704.04
	Cal. Streets & Highway Code Section 30914
04/04/01	TJPA Joint Powers Agreement
11/02/99	San Francisco Proposition H
11/02/03	San Francisco Proposition K
03/02/04	San Francisco Regional Measure 2
11/04/08	California Proposition 1A
09/19/02	Senate Bill 1856 (Costa)
07/22/03	Assembly Bill 812 (Yee)
10/08/03	Senate Bill 916 (Perata)
12/19/01	Metropolitan Transportation Commission Resolution No. 3434
01/02/01	San Francisco Board of Supervisor Resolution No. 13-01
02/12/01	San Francisco Board of Supervisor Resolution No. 104-01
06/04/01	San Francisco Board of Supervisor Resolution No. 455-01
10/15/01	San Francisco Board of Supervisor Resolution No. 804-01
07/08/03	San Francisco Board of Supervisor Resolution No. 441-03
06/15/04	San Francisco Board of Supervisor Motion No. 04-067
10/07/04	San Francisco Board of Supervisor Resolution No. 612-04
06/21/05	San Francisco Board of Supervisor Resolution No. 124-05

Index of Documents in Administrative Record for Board File Nos. 101435 and 101436

564 Howard Street, San Francisco (Block 3721, Lot 019)

Date	Document
06/21/05	San Francisco Board of Supervisor Resolution No. 125-05
02/07/06	San Francisco Board of Supervisor Resolution No. 78-06
05/09/06	San Francisco Board of Supervisor Resolution No. 94-06
05/09/06	San Francisco Board of Supervisor Resolution No. 95-06
05/09/06	San Francisco Board of Supervisor Resolution No. 99-06

PROCEDURAL

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. 10-045

WHEREAS, The TJPA has determined that 60 Tehama Street, 564 Howard Street, 568 Howard Street, 8 condominium units in 85 Natoma Street, and easement interests held by the owner of 580 Howard in certain parking spaces and access in and through 85 Natoma in San Francisco (the "Properties") are required for the Transbay Transit Center Program; and

WHEREAS, The TJPA and the City and County of San Francisco ("City") made joint offers to the owners of the Properties to purchase each Property for its fair market value, in compliance with federal and state law, including California Government Code section 7267.2, as follows:

Property	Owner	Date of Offer	Amount of Offer
60 Tehama	Peter F. Byrne Revocable Trust	September 15, 2009	\$1,000,000
564 Howard	564 Howard Street, LLC	September 15, 2009	\$1,450,000
568 Howard	InvesMaster	September 15, 2009	\$6,200,000
85 Natoma #1	Patrick McNerney	August 2, 2010	\$1,230,000
85 Natoma #2	Steel Arc Properties, LLC	August 2, 2010	\$1,100,000
85 Natoma #3	Abbas A. Razaghi and the 2005 Heydayian/Nouri Family Trust	August 2, 2010	\$740,000
85 Natoma #4	Alyce Stanwood	August 2, 2010	\$780,000
85 Natoma #5	Terri Brown	September 15, 2009	\$1,250,000
85 Natoma #7	Abbas A. Razaghi and the 2005 Heydayian/Nouri Family Trust	August 2, 2010	\$765,000
85 Natoma #9	Wendy Roess-DeCenzo and Christopher John DeCenzo	August 2, 2010	\$2,850,000
85 Natoma #C1	Martin Properties, LLC	August 2, 2010	\$150,000
580 Howard -- easement interest in parking in and across 85 Natoma	580 Howard Historic Properties, LLC	August 2, 2010	9 indoor spaces at \$75,000 each 4 outdoor spaces at \$65,000 each

WHEREAS, The TJPA determined the fair market value for the Properties based on two independent appraisals of each Property and a review by a third-party appraiser; the TJPA obtained the Federal Transit Administration's (FTA) concurrence with the fair market value conclusion for each Property; and

WHEREAS, The Property owners have not accepted the TJPA's offers to purchase their respective Properties and the TJPA does not expect to reach a negotiated agreement for the purchase of these Properties; and

WHEREAS, The TJPA needs possession of the Properties in early 2011 to proceed with construction of the Transbay Program in a timely manner; and

WHEREAS, Acquisition of the Properties by eminent domain is authorized by law and falls within the scope of the City's authority to exercise eminent domain on the TJPA's behalf. The public interest and necessity require the Transbay Program, the project for which the Properties are to be taken. The Transbay Program is planned to maximize the public good and minimize private injury. The Properties are necessary for the Transbay Program. The City and the TJPA have made sufficient offers of purchase, and complied with all procedural prerequisites to the exercise of eminent domain; and

WHEREAS, The Final Environmental Impact Statement/Environmental Impact Report for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project (SCH. No. 95063004) (the "Final EIS/EIR"), certified in accordance with the provisions of the California Environmental Quality Act (Cal. Public Resources Code sections 21000 et seq.) and the State CEQA Guidelines (Cal. Code of Regulations Title 14, sections 15000 et seq.) and as subsequently amended, identifies the Properties as required for the Transbay Transit Center Program; and

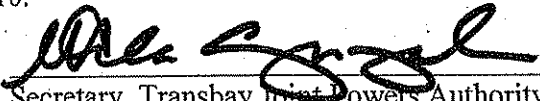
WHEREAS, The acquisition of the Properties for the Transbay Program will fulfill the mandates of various State and City laws, including San Francisco Proposition H-Downtown Caltrain Station (November 1999), San Francisco Proposition K-San Francisco Transportation Sales Tax (November 2002), California Public Resources Code Section 5027.1 (a), and California Streets and Highways Code Sections 2704.04 (b) and 30914 (c), all of which concern reconstruction of the new Transit Center on the site of the existing Transbay Terminal and the new Transit Center's accommodation of a Caltrain extension and high speed passenger rail line; now, therefore, be it

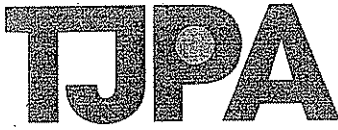
RESOLVED, That the TJPA recommends that the City Board of Supervisors adopt Resolutions of Necessity for the City to condemn on behalf of the TJPA the following properties, and initiate eminent domain proceedings to acquire the following properties for the Transbay Transit Center Program:

- 60 Tehama Street (Block 3736, Lot 88)
- 564 Howard Street (Block 3721, Lot 19)
- 568 Howard Street (Block 3721, Lot 20)
- 85 Natoma Street #1 (Block 3721, Lot 109)
- 85 Natoma Street #2 (Block 3721, Lot 110)
- 85 Natoma Street #3 (Block 3721, Lot 111)
- 85 Natoma Street #4 (Block 3721, Lot 112)
- 85 Natoma Street #5 (Block 3721, Lot 113)
- 85 Natoma Street #7 (Block 3721, Lot 115)
- 85 Natoma Street #9 (Block 3721, Lot 117)
- 85 Natoma Street #C1 (Block 3721, Lot 118)
- 9 easement interests in indoor parking spaces in and across the 85 Natoma garage
- 4 easement interests in outdoor parking spaces accessed across the 85 Natoma garage; and be it

FURTHER RESOLVED, In the event that the City elects to adopt the Resolutions of Necessity and initiate eminent domain proceedings to acquire the properties, the TJPA will bear the cost of litigating any eminent domain action, including compensation ordered by the court for the condemned property.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of October 14, 2010.


Secretary, Transbay Joint Powers Authority



TRANSBAY JOINT POWERS AUTHORITY

Maria Ayerdi-Kaplan • Executive Director

November 23, 2010

Board of Supervisors
City and County of San Francisco
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Board File Nos. 101435 and 101436

Re: Urging the Board of Supervisors to Pass a Resolution of Necessity Authorizing the Acquisition of 564 Howard Street, Assessor's Block 3721, Lot 019, by Eminent Domain for the Transbay Transit Center Program

Dear President Chiu and Honorable Members of the Board of Supervisors:

As you are aware, the Transbay Transit Center Program (Project) is a national model for transit-oriented development. The Project will combine transportation, housing, and other urban amenities to create a livable, revitalized neighborhood in downtown San Francisco. It will connect eleven transit systems under one roof, including future high-speed rail from Southern California; reduce traffic congestion; and lower carbon emissions. The Project also is a catalyst for economic expansion; it will create more than 125,000 direct, indirect, and induced jobs over the life of the Project, and the Transit Center will serve more than 100,000 transit riders each week day.

The City and County of San Francisco (City), Alameda-Contra Costa Transit Authority (AC Transit), the Peninsula Corridor Joint Powers Board (Caltrain), and the State of California Department of Transportation (Caltrans) (*ex-officio*) are the members of the Transbay Joint Powers Authority (TJPA). The TJPA is charged with the finance, design, development, construction, and operation of the Project, which has enjoyed the strong and continued support of the City and your Board. The TJPA recently received \$400 million in high-speed rail funds from the American Recovery and Reinvestment Act of 2009. This Project is one of the first high-speed rail projects to break ground in the nation.

The Project has three basic parts: a new multi-modal Transbay Transit Center on the site of the existing Transbay Terminal at First and Mission Streets, a tunnel extending Caltrain and California High-Speed Rail from the current railway terminus at Fourth and King Streets to the new Transit Center (DTX), and a Redevelopment Plan that will result in transit-oriented development of the area around the Transit Center, including 2,600 new homes, 35 percent of which will be affordable.

With the City's cooperation, the TJPA has successfully acquired thirteen properties for the Project through voluntary purchase-sale agreements with private property owners over the past five years. The TJPA also acquired one property, 80 Natoma, through a negotiated agreement following the filing of an eminent domain action by the City.

As described in the March 2004 Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/Environmental Impact Report (EIS/EIR) and subsequent addenda, the TJPA needs to acquire the property located at 564 Howard Street, Assessor's Block 3721, Lot 019 (the Property) for the Project. A copy of the Final EIS/EIR and addenda are on file with the Clerk of the Board of Supervisors in File Nos. 101435 and 101436, as are maps showing the relationship of the Property to the Project.

The TJPA has adopted a Relocation Assistance Program and has explained to owners and occupants of the Property that this program will assist them with relocation to replacement locations. Copies of information regarding the Relocation Assistance Program are on file with the Clerk of the Board of Supervisors in File Nos. 101435 and 101436.

As described in detail below, the City and the TJPA have made a joint offer to purchase the Property for its fair market value. The TJPA has made extensive efforts over the last three years to reach a negotiated resolution with the property owner. The owner has not accepted the TJPA's past offers and the TJPA does not expect to reach a negotiated agreement for the purchase of this Property at this time. Copies of the offers to purchase are on file with the Clerk of the Board of Supervisors in File Nos. 101435 and 101436.

The TJPA needs possession of the Property in early 2011 to proceed with scheduled construction of the Project. Acquisition of the Property by eminent domain is authorized by law and falls within the scope of the City's authority to exercise eminent domain on the TJPA's behalf. The City and the TJPA have complied with all procedural prerequisites to the exercise of eminent domain. Accordingly, on October 14, 2010, the TJPA Board of Directors adopted Resolution No. 10-045, urging the San Francisco Board of Supervisors to pass a Resolution of Necessity and to authorize the use of eminent domain to acquire the Property for the Project. A copy of the TJPA resolution is on file with the Clerk of the Board of Supervisors in File Nos. 101435 and 101436.

As described in the TJPA's Resolution, in the event that the City elects to adopt a Resolution of Necessity and initiate eminent domain proceedings to acquire the Property, the TJPA will bear all legal fees and costs of litigating any eminent domain action, and will be responsible for all compensation ordered by the court for the condemned Property.

Use of Eminent Domain

The California Constitution requires a public agency taking private property for public use to pay just compensation to the property owner. Prior to exercising eminent domain, however, federal and state law require that the agency make reasonable efforts to negotiate a voluntary acquisition of the property. The agency must offer to purchase the property for its fair market value, as determined by an independent appraisal.

If the property owner declines the agency's offer to purchase, then the agency may initiate eminent domain proceedings by adopting a Resolution of Necessity for the property that includes:

- a statement of the public use for which the property is to be taken;
- a reference to the statute that authorizes it to acquire the property by eminent domain;
- a description of the property; and
- findings that:
 - the public interest and necessity require the project for which the property is to be taken,
 - the project is planned to maximize public good and minimize private injury,
 - the property is necessary for the project, and
 - the public entity has made an offer to purchase the property for its fair market value as determined by an appraisal.

After adopting the Resolution of Necessity, the agency may file a complaint in eminent domain in the superior court of the county where the property is located. If the agency deposits with the court the probable amount of compensation for the property, which is its fair market value, then the court may award the agency possession of the property within 120 days to allow the agency to start construction of the project on the property. A judge resolves any legal challenges to the agency's right to use eminent domain, and either a judge or a jury decides the question of "just compensation" based on evidence presented by both sides. The agency pays the just compensation amount, and the court awards the agency title to the property.

The Resolution of Necessity

As described above, the City must make certain findings regarding the Project and the necessity of the Property for the Project. The Property is critical to the development of the Project and its acquisition falls within the scope of the City's authority to exercise eminent domain. The City and the TJPA have complied with all procedural prerequisites to the exercise of eminent domain. Thus, the City can make the requisite findings as follows.

Finding #1: The public interest and necessity require the project for which the property is to be taken.

The Project will be a national model for transit-oriented development, combining public transit, housing, and other urban amenities to create a livable, revitalized neighborhood in downtown San Francisco. In particular, the Transit Center will connect eleven transit systems under one

roof, including future high-speed rail from Southern California, thereby reducing traffic congestion and lowering emissions of carbon dioxide and other pollutants. The Project also will serve as a catalyst for economic expansion as it will create more than 125,000 direct, indirect, and induced jobs over the life of the Project; build 2,600 new homes; and serve more than 100,000 transit riders each week day.

The new Transit Center will be built on the current site of the Transbay Terminal in downtown San Francisco. The current Transbay Terminal was constructed in 1939 to facilitate rail travel across the San Francisco-Oakland Bay Bridge. Following World War II, the lower deck of the Bay Bridge was converted to automobile traffic and the Transbay Terminal became a bus only facility. As part of the Program, and because it was not seismically sound and could not meet current or future transportation needs of the region or the State, the bus terminal is currently under demolition. The new Transit Center will be a one million square foot regional transportation hub. The new bus ramp will provide safe and efficient access between the Transit Center, the Bay Bridge, and a new offsite bus storage facility. The Transit Center will feature a 5.4-acre public park on its roof and will include ground floor retail on Natoma and Minna streets, public art, and a public plaza/park for the benefit of the surrounding neighborhood.

The DTX will bring the Caltrain rail line underground into the heart of San Francisco, taking drivers off the road, eliminating many tons of carbon dioxide each year, and connecting San Francisco to the rest of California via the future California High Speed Rail. Extending Caltrain into the central business district will save commuters almost an hour a day in travel time, particularly those travelling to and from the Peninsula, approximately 33,000 of whom will use the Transit Center each weekday. The DTX is also designed to accommodate high speed rail and rail connections to the East Bay, making the new Transit Center the Northern California terminus for high speed rail. By connecting all major cities in California with a state-of-the-art transportation system, high-speed trains will increase mobility while reducing air pollution and greenhouse gas emissions.

This improved connectivity and design are particularly important because use of public transit is expected to increase dramatically over the next twenty years. By 2030, AC Transit ridership will increase by 140 percent without the new Transit Center, and by even more in response to the improved facility. During the same time period, Caltrain ridership is projected to increase by over 90 percent if its terminal remains at 4th and King Streets, and by almost 150 percent once the DTX brings riders to the downtown Transit Center. The outdated Transbay Terminal could not serve existing ridership adequately and clearly lacked capacity for such increases.

By improving the efficiency and connectivity of public transit, the Project also will reduce use of automobiles and resulting vehicle miles travelled. This, in turn, will save commuters both traffic delays and the cost of operating and maintaining their vehicles. It also will reduce accidents and emissions of greenhouse gases and other pollutants. Economists have estimated that these changes represent hundreds of millions of dollars of direct benefits to travelers, including both transit riders who enjoy more efficient service and drivers who enjoy less crowded roads. Overall, the Project offers enormous benefits to the local and regional economies.

The Project also will fulfill the mandates of various local and state laws. These include San Francisco Proposition H, passed in November 1999, which directs the City to extend Caltrain

from the current station to the Transit Center, and San Francisco Proposition K, passed in November 2003, which directs the City to expend transportation sales tax funds in part on the DTX. The Project also complies with California Public Resources Code Section 5027.1(a) and California Streets and Highways Code Sections 2704.04(b) and 30914(c), all of which endorse reconstruction of the new Transit Center on the site of the existing Transbay Terminal and the new Transit Center's accommodation of a Caltrain extension and high speed passenger rail line. Copies of the referenced legislation are on file with the Clerk of the Board in File Nos. 101435 and 101436.

In Motion No. 16773, the City's Planning Commission adopted findings certifying the Project's Final EIS/EIR and recognized that the Project is necessary and beneficial to the public for improvement of regional transit services and replacement of the existing, seismically inadequate Terminal. In Motion No. 04-067, the Board of Supervisors adopted the Planning Commission's findings. In Resolution No. 612-04, the Board of Supervisors adopted environmental findings in relation to the Project. In Ordinance No. 124-05, the Board of Supervisors adopted additional environmental findings as part of its adoption of the Transbay Redevelopment Plan. On November 20, 2010, the Planning Department issued a determination that acquisition of the Property for the Project is consistent with the General Plan and Eight Priority Policies. Copies of the referenced legislation and letter are on file with the Clerk of the Board in File Nos. 101435 and 101436.

The inadequacy of the old Transbay Terminal and the substantial benefits offered by the Project make clear that the public interest and necessity require the Project.

Finding #2: The project is planned to maximize public good and minimize private injury.

The Project has undergone years of intense planning. It is designed to promote mass transit ridership, optimize connectivity with other transit projects such as California High Speed Rail, enhance redevelopment opportunities, and generate thousands of jobs in San Francisco and statewide. To foster ridership and connectivity, the TJPA has coordinated its planning and design efforts with public transportation providers such as San Francisco Muni, Bay Area Regional Transit (BART), AC Transit, Caltrain, Amtrak, California High Speed Rail, Golden Gate Transit, SamTrans, Greyhound, WestCAT Lynx, and paratransit. The TJPA also has cooperated in the planning efforts of the City Planning Department and the San Francisco Redevelopment Agency to facilitate redevelopment of the Transbay Neighborhood and to ensure that the Project results in transit-oriented development.

To build a new state-of-the-art Transit Center and bus ramp that can accommodate the needs of these diverse transit providers under a single roof, the TJPA must acquire several private properties. To minimize displacement of businesses and residents, the TJPA has scrutinized Project alternatives and selected the Project design and alignment that achieves the goals of safety, efficiency, and convenience, while minimizing cost and the need to acquire right of way. The Final EIS/EIR and its addenda describe alternatives that the TJPA considered and rejected as inferior to the approved plan and design.

As set forth in Board of Supervisors Resolution No. 612-04, which authorized the acquisition of property located at 80 Natoma Street by eminent domain, the Project is also planned to minimize

private injury through mitigation measures that protect affected property owners and residents. A copy of the resolution is on file with the Clerk of the Board in File Nos. 101435 and 101436, and File No. 41079. The Final EIS/EIR and its addenda describe these measures, which include specific methods used to calculate fair market value and the provisions of relocation assistance to property owners and tenants. As one such measure, the TJPA has adopted a comprehensive Relocation Assistance Program that provides displaced persons the full assistance available under federal and state law, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Copies of materials related to the TJPA's Relocation Assistance Program are on file with the Clerk of the Board in File Nos. 101435 and 101436.

As demonstrated by each of these measures, the Project is planned to maximize public good and to minimize private injury.

Finding #3: The property is necessary for the project.

The Property is located on Howard Street, between First and Second Streets. The Property consists of approximately 2,500 square feet of land area and is improved with a two story office building containing about 7,000 square feet of gross building area. The building has no historic significance. The Final EIS/EIR and Addendum 1 to that document identify the Property as right of way that the TJPA will need to acquire for construction of the Project. The property owner has not disputed the TJPA's need to acquire the Property for the Project.

The TJPA requires the Property for construction of the bus ramp that will connect the new Transit Center to the Bay Bridge and offsite bus storage facility. Because the original Transbay Terminal and ramp structures were designed for rail traffic, ramps were needed at both ends of the Terminal; trains—and later, buses—flowed through the terminal from one end to the other. In particular, the existing bus ramp adjacent to 564 Howard carried only outbound traffic to the Bay Bridge. One benefit of the Project is the demolition and permanent removal of some five blocks of elevated bus ramps that served the original Terminal, including the existing ramp adjacent to 564 Howard.

As part of the Project, the TJPA plans to build a new bus ramp that will carry buses to and from the new Transit Center through a single access point at its west end. The TJPA is considering two alternative designs for the final span of the ramp connecting to the Transit Center: a two tower cable bridge and a single tower cable bridge. In both designs, the ramp structure will pass through and above the property at 564 Howard Street; the primary tower(s) and their foundations will be constructed on the 564 Howard property. Accordingly, the construction of the bus ramp requires demolition of the building at 564 Howard Street. Maps depicting the relationship of the Property to the Project, and to the new bus ramp in particular, are on file with the Clerk of the Board in File Nos. 101435 and 101436.

The TJPA also requires the Property for construction of the train box portion of the new Transit Center and the DTX tunnel. The DTX tunnel alignment will approach the Transit Center from Second Street, expanding to six tracks as it enters the lower levels of the Transit Center. The below-grade portion of the Transit Center will reach across Natoma Street toward the intersection of Second and Howard Streets. The rail tracks will pass under 564 Howard as they enter the Transit Center, and the portion of the Transit Center interfacing with the DTX tunnel

will be constructed under 564 Howard Street at the same time as the Transit Center. Construction of the train box requires demolition of the building at 564 Howard Street. Maps depicting the relationship of the Property to the Project, and to the train box and tunnel in particular, are on file with the Clerk of the Board in File Nos. 101435 and 101436.

The TJPA needs possession of the Property in early 2011 to proceed with scheduled construction of the Project. The TJPA has engaged a contractor to demolish existing Transbay facilities in preparation for construction of the new Transit Center and bus ramp; significant demolition work is ongoing. The TJPA expects to demolish the existing ramp adjacent to 564 Howard in Spring 2011. All of the demolition work is expected to be complete in May 2011. The TJPA plans to demolish the building on 564 Howard as soon as it receives possession of the Property, either by amending the current demolition contract, or by issuing a new demolition contract. To timely enter into a contract for the demolition of 564 Howard, the TJPA must have possession of the Property by April 2011.

The TJPA expects to award a contract for buttress, shoring, and excavation ("BS&E") related to the train box in December 2010. The TJPA plans to add the Property to the BS&E contract as soon as the TJPA receives possession of the Property. The TJPA plans to begin construction of the shoring wall prior to excavation of the train box in May 2011. The TJPA expects to award the contract for construction of the new ramp in early 2012 and to begin construction of the new ramp in early 2013.

In light of these requirements and the location of the Property, the Property is immediately necessary for construction and completion of the Project.

Finding #4: The public entity has made a sufficient offer of purchase.

On October 26, 2010, the City and the TJPA jointly offered to purchase 564 Howard for \$1,350,000. The joint offer fully complies with Government Code § 7267.2: it (1) establishes the amount that the agencies believe to be just compensation for the Property, which is not less than the approved appraisals of its fair market value; (2) extends an offer to the owner of record to acquire the Property for the full amount so established; (3) provides an informational pamphlet detailing the process of eminent domain and the owner's rights under the Eminent Domain Law; and (4) provides a sufficiently detailed written statement of, and summary of the basis for, the amounts established as just compensation.

The property owner disputes the TJPA's determination of fair market value and has provided an independent appraisal. (The TJPA notes that the just compensation for the purchase of the Property is not at issue in the hearing on the Resolution of Necessity. Rather, the necessity to acquire property for the Project is the sole issue presented by the Resolution.)

Nonetheless, the joint offer to purchase the Property for its full, assessed, fair market value is sufficient for the City to proceed with an action in eminent domain.

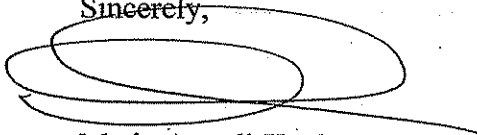
Recommendation

On October 14, 2010 the TJPA Board of Directors adopted Resolution No. 10-045, which included the findings that (1) the public interest and necessity require the Transbay Transit

Center Program, for which the property located at 564 Howard Street is to be taken, (2) the Project is planned to maximize public good and minimize private injury, (3) the Property is necessary for the Project, and (4) the City and the TJPA have made an offer of purchase for the fair market value of the Property as determined by an appraisal. Resolution No. 10-045 urges the San Francisco Board of Supervisors to adopt a Resolution of Necessity as required to condemn the Property on behalf of the TJPA for the Project.

Thank you for your long-standing and continued support of the Transbay Transit Center Program.

Sincerely,



Maria Ayerdi-Kaplan
Executive Director

Enclosure: Materials submitted to Board File Nos. 101435 and 101436

B07005

Real Property Master

Displayed: 11/05/2010

Read Only Block Lot Roll 2010 RollCde S Secured
 Vol 25 APN 3721 019 Year 2010 EvtDate 8/07/2001 Seq 001 VSC ENR 50
 Location 562 - 564 HOWARD ST Typ REG 0 REG ROLL Date 6/30/2010

Owner 564 HOWARD STREET LLC Bill Num Res# A0176
 Not.Date Next

Care Of _____ TransCde _____
 Address 564 HOWARD ST Date 2/19/1987
 CtyStZip SAN FRANCISCO CA 94109 Exl Date 8/07/2001

Status Cde * Taxable NewConst _____
 Use Code IND Industrial NC Date _____ Apl# _____
 Class Code I Industrial

Nbrhd Code 09-B Financial District South TempCode _____

CPI Factor 2370% ,TRA 1-016 TempDate _____

Tax Rate 1.1640 Acct # _____ Appr Id 222 4/28/2006

Last Sale _____ 0

Base Years 1994 506 Int 480 Penalty 0

Land 111,671 Improvement 111,671 Total L&I 223,342

Temp Land 0 Temp Impr 0 Total Temp 0

Pers Prop 0 Fixtures 0 Exemptions 0

Remarks 0 Taxable 223,342

F1=Hlp F2=Mnu F3=Ext/Sav F4=Vw F6=Prpgt F9=Chrs F12=Cncl F22=CanAsmt F24=Dup

Sent via US Mail on November 19, 2010:

Gruen Gruen + Associates
c/o Claude and Nina Gruen
564 Howard Street
San Francisco, CA 94105

Howard N. Ellman
Ellman Burke Hoffman & Johnson
601 California Street, 19th Floor
San Francisco, CA 94108

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with Section 1245.235 of the Code of Civil Procedure, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

- Date:** Tuesday, December 7, 2010
- Time:** 3:00 p.m.
- Location:** Legislative Chamber, Room 250 located at City Hall, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA
- Subject:** Public Hearing on Adopting Resolution to Acquire Real Property by Eminent Domain; authorize acquisition of real property commonly known as 564 Howard Street, San Francisco, California (Assessor's Parcel No. Block 3721, Lot 019) by eminent domain for the public purpose of constructing the Transbay Transit Center Program.

Said public hearing will be held to make findings of whether the public interest and necessity require the City and County of San Francisco to acquire, by eminent domain, the following real property on behalf of the Transbay Joint Powers Authority (TJPA): fee ownership of the real property commonly known as 564 Howard Street, San Francisco, California (Assessor's Parcel No. Block 3721, Lot 019) (Property), by eminent domain, for the public purpose of constructing the Transbay Transit Center Program (Project); adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting findings of consistency with the General Plan and City Planning Code Section 101.1. A description of the Property is set forth in **Schedule 1**, available in the official file for review in the Office of the Clerk of the Board.

The purpose of said hearing is to hear all persons interested in the matter. You have a right to appear and be heard on the matters referred to in California Code of Civil Procedure Section 1240.030, including, but not limited to, whether: (1) the public interest and necessity require the Project; (2) the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (3) the Property sought to be acquired is necessary for the Project; and (4) the City and the TJPA have made the offer required by California Government Code §7267.2 to the owner(s) of record of the Property.

Owners of the property who have been notified of such public hearing and who, within fifteen (15) days after the mailing of such notice, have filed a written request to do so, may appear and be heard at the public hearing. The Board, at its discretion, need not give an opportunity to any other person to appear and be heard.

The procedure of the Board requires that the finding of public interest and necessity be made by a two-thirds vote of all its members.

At the close of the public hearing, a vote will be made on a resolution entitled **“Resolution authorizing the acquisition of real property commonly known as 564 Howard Street, San Francisco, California (Assessor’s Parcel No. Block 3721, Lot 019) by eminent domain for the public purpose of constructing the Transbay Transit Center Program; adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting findings of consistency with the General Plan and City Planning Code Section 101.1.”**

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on these matters may submit written comments prior to the time the hearing begins. These comments will be made part of the official public record in these matters and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA, 94012.

Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Thursday December 2, 2010.

SCHEDULE 1

**Legal description for the fee simple interest in real property commonly known as
564 Howard Street, San Francisco, California (Assessor's Parcel No. Block 3721, Lot 019)**

CITY OF SAN FRANCISCO

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF HOWARD STREET,
DISTANT THEREON 250 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE
OF SECOND STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF
HOWARD STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 100
FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 25 FEET; THENCE AT A
RIGHT ANGLE SOUTHEASTERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 100 VARA BLOCK NO. 347.

Sent via US Mail on November 19, 2010:

Geologica, Inc.
564 Howard Street
San Francisco, CA 94105

Geologica, Inc.
c/o David Klimberg
2625 Alcatraz Avenue, #504
Berkeley, CA 94701

Brian F. Aubry, Agent for Service
Geologica, Inc.
88 Surrey Street
San Francisco, CA 94131

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BEING A PORTION OF 100 VARA BLOCK NO. 347.

OFFER LETTER



TRANSBAY JOINT POWERS AUTHORITY
Maria Ayerdi - Executive Director

Claude and Nina Gruen
564 Howard Street
San Francisco, CA 94109

January 19, 2006

Re: 562-564 Howard Street; Block 3721, Lot 19

Dear Mr. and Ms. Gruen:

This letter constitutes an offer by the Transbay Joint Powers Authority (TJPA) to purchase the above property for \$1,690,000. This amount is the fair market value of your property as reflected in the attached Summary Appraisal Statement. The Summary Appraisal Statement provides a summary of the basis of the appraisal. The TJPA's offer is the full amount of the appraisal. Also attached is a proposed Agreement for Purchase and Sale of Real Estate containing the terms on which the TJPA proposes to purchase the Property. I would be happy to answer any questions that you have concerning the Summary Appraisal Statement or the proposed Agreement.

As the owner of property acquired by a public agency, you may be entitled to relocation assistance. The attached Guide entitled "Your Rights and Benefits as a Displaced Business or Nonprofit Organization Under the Uniform Relocation Assistance Program" should answer most questions concerning relocation assistance. If you have any questions that are not answered by this Guide, please do not hesitate to contact me.

Under Code of Civil Procedure Section 1263.025, should you elect to obtain an independent appraisal, the TJPA will pay for the actual reasonable costs of the appraisal up to \$5,000, subject to the following conditions:

(a) You, not the TJPA, must order the appraisal. Should you enter in to a contract with the selected appraiser, the TJPA will not be a party to the contract.

(b) The selected appraiser must be licensed by the California Office of Real Estate Appraisers (OREA).

(c) Appraisal cost reimbursement requests must be made in writing and submitted to the TJPA within 90 days following the date the selected appraiser requests payment from you for the appraisal. At the time of your request for reimbursement, you should also provide to the TJPA copies of the contract (if a written contract was made), the appraisal report, and invoice(s) for all work completed by the appraiser. The cost of the appraisal must be reasonable and justifiable.

(d) The TJPA will reimburse you for an appraisal that meets the above requirements from the escrow at the Closing.

We look forward to working with you to arrive at a mutually satisfactory agreement.

Very truly yours,

Harry J. Quinn
Real Estate Coordinator

cc Maria Ayerdi, Executive Director



Amy L. Brown
Director of Real Estate



September 15, 2009

Via Certified Mail

564 Howard Street, LLC
c/o Howard N. Ellman
Ellman Burke Hoffman & Johnson
601 California Street, 19th Floor
San Francisco, CA 94108

Re: 564 Howard Street (Block 3721, Lot 19): Offer to Purchase

Dear 564 Howard Street, LLC and Mr. Ellman:

On January 19, 2007, the Transbay Joint Powers Authority (TJPA) made an offer to purchase 564 Howard Street (Block 3721, Lot 19), San Francisco, California (the "Property") from Claude and Nina Gruen based on a July 20, 2006 appraisal of the Property. The Gruens did not accept that offer and the TJPA revokes that offer.

This letter constitutes a new, joint offer by the City and County of San Francisco ("City") and the TJPA to purchase the Property from 564 Howard Street, LLC for One Million Four Hundred Fifty Thousand Dollars (\$1,450,000) for the unencumbered fee simple interest in the Property.

The amount of the offer is the fair market value of the Property, as reflected in the attached Summary Appraisal Statement (dated March 11, 2009). The Summary Appraisal Statement provides a summary of the basis of the appraisal. The City's and the TJPA's joint offer is the full amount of the appraisal. Also attached is a proposed Agreement for Purchase and Sale of Real Estate containing the terms of the proposed purchase of the Property. We would be happy to answer any questions that you have concerning the Summary Appraisal Statement or the proposed Agreement.

As the owner of property acquired by a public agency, 564 Howard Street, LLC may be entitled to relocation assistance. The attached Relocation Assistance Brochure should answer most questions concerning relocation assistance. If you have any questions that are not answered by this guide, please do not hesitate to contact me.

Letter to c/o Howard N. Ellman
Ellman Burke Hoffman & Johnson
September 15, 2009
Page 2

We also attach an information pamphlet detailing the process of eminent domain and your rights under the Eminent Domain Law.

Under Code of Civil Procedure Section 1263.025, should 564 Howard Street, LLC elect to obtain an independent appraisal, the TJPA will pay for the actual, reasonable costs of the appraisal up to \$5,000, subject to the following conditions:

(a) 564 Howard Street, LLC, not the City or the TJPA, must order the appraisal. Should the property owner enter a contract with the selected appraiser, the City and the TJPA will not be parties to the contract.

(b) The selected appraiser must be a Certified General Appraiser with experience in appraising property in eminent domain actions, and licensed by the California Office of Real Estate Appraisers (OREA).

(c) Appraisal cost reimbursement requests must be made in writing and submitted to the TJPA. The property owner must provide a copy of the invoice for all work completed by the appraiser.

We look forward to working with you to arrive at a mutually satisfactory agreement.

Very truly yours,

CITY AND COUNTY OF SAN FRANCISCO
a Municipal Corporation.



Amy L. Brown, Director of Property

TRANSBAY JOINT POWERS AUTHORITY



for Harry Quinn, Right of Way Acquisition Agent

Letter to c/o Howard N. Ellman
Ellman Burke Hoffman & Johnson
September 15, 2009
Page 3

Enclosures (1) Summary Appraisal Statement
 (1) Relocation Assistance Brochure
 (1) Eminent Domain Brochure
 (1) Agreement for Purchase and Sale of Real Estate

cc (w/o encls): Maria Ayerdi-Kaplan
 Andrew Schwartz
 Kristen Jensen



Amy L. Brown
Director of Real Estate



October 26, 2010

Via Certified Mail

564 Howard Street, LLC
c/o Howard N. Ellman
Ellman Burke Hoffman & Johnson
601 California Street, 19th Floor
San Francisco, CA 94108

Re: 564 Howard Street (Block 3721, Lot 19): Offer to Purchase

Dear 564 Howard Street, LLC and Mr. Ellman:

On September 15, 2009, the City and County of San Francisco ("City") and the Transbay Joint Powers Authority (TJPA) made a joint offer to purchase 564 Howard Street (Block 3721, Lot 19), San Francisco, California (the "Property") from 564 Howard Street, LLC for the unencumbered fee simple interest in the Property. The joint offer was the full amount of a March 11, 2009 appraisal of the Property. 564 Howard Street, LLC did not accept that offer, and the City and the TJPA revoke that offer.

This letter constitutes a new, joint offer by the City and the TJPA to purchase the Property from 564 Howard Street, LLC for \$1,350,000 for the unencumbered fee simple interest in the Property. If others own interests in the Property, they may be entitled to share in that purchase price.

The amount of the offer is the fair market value of the Property, as reflected in the attached Summary Appraisal Statement (date of value September 17, 2010). The Summary Appraisal Statement provides a summary of the basis of the appraisal. The City's and the TJPA's joint offer is the full amount of the appraisal. Also attached is a proposed Agreement for Purchase and Sale of Real Estate containing the terms of the proposed purchase of the Property. We would be happy to answer any questions that you have concerning the Summary Appraisal Statement or the proposed Agreement.

As the owner of property acquired by a public agency, 564 Howard Street, LLC may be entitled to relocation assistance. The attached Relocation Assistance Brochure should answer most questions concerning relocation assistance. If you have any questions that are not answered by this guide, please do not hesitate to contact me.

As required by state law, we also attach an information pamphlet detailing the process of eminent domain and your rights under the Eminent Domain Law.

I:\Managers\Admin AB\TJPA 564 Howard.doc

Office of the Director of Real Estate • 25 Van Ness Avenue, Suite 400 • San Francisco, CA 94102
(415) 554-9850 • FAX: (415) 552-9216

Under Code of Civil Procedure Section 1263.025, should 564 Howard Street, LLC elect to obtain an independent appraisal, the TJPA will pay for the actual, reasonable costs of the appraisal up to \$5,000, subject to the following conditions:

(a) 564 Howard Street, LLC, not the City or the TJPA, must order the appraisal. Should the property owner enter a contract with the selected appraiser, the City and the TJPA will not be parties to the contract.

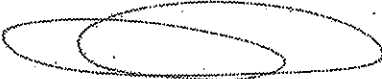
(b) The selected appraiser must be a Certified General Appraiser with experience in appraising property in eminent domain actions, and licensed by the California Office of Real Estate Appraisers (OREA).

(c) Appraisal cost reimbursement requests must be made in writing and submitted to the TJPA. The property owner must provide a copy of the invoice for all work completed by the appraiser.


We look forward to working with you to arrive at a mutually satisfactory agreement. Please contact the TJPA's legal counsel, Deborah (Keeth) Miller at 415-552-7272, at your earliest convenience to discuss this offer.

Very truly yours,

TRANSBAY JOINT POWERS AUTHORITY


~~Robert Beck, PE, Senior Program Manager~~
Maria Ayerdi-Kaplan, Executive Director
Date: 10/27/10

CITY AND COUNTY OF SAN FRANCISCO,
DEPARTMENT OF REAL ESTATE


Amy L. Brown, Director of Real Estate
Real Estate Division, General Services Agency
Date: 10/26/10

Enclosures - Summary Appraisal Statement
- Relocation Assistance Brochure
- Eminent Domain Brochure
- Agreement for Purchase and Sale of Real Estate

cc: (w/o encls): Maria Ayerdi-Kaplan
Deborah Miller
Kristen Jensen

PROPERTY DESCRIPTION



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. 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 hereto) 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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Nebraska corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Morris Evans
Countersigned



Chicago Title Company

BY *[Signature]* President

ATTEST *[Signature]* Secretary



Chicago Title Company

ISSUING OFFICE: 2150 John Glenn Drive, Suite 300 • Concord, CA 94520
925 288-8000 • FAX 925 521-9562

PRELIMINARY REPORT

Amended

Title Officer: Meg Heppell

Title No.: 09-**160117**-A-MH

Locate No.: CACT17738-7738-2369-0000160117

TO: Chicago Title Company-San Francisco
455 Market Street, Suite 2100
San Francisco, CA 94105

ATTN: Sue Trowbridge
YOUR REFERENCE: 160250402

SHORT TERM RATE: No

PROPERTY ADDRESS: 562-564 Howard Street, San Francisco, California

EFFECTIVE DATE: October 26, 2010, 07:30 A.M.

The form of policy or policies of title insurance contemplated by this report is:

ALTA Owner's Policy (6/17/06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee
2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

564 Howard Street L.L.C.
3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

MH\MH 04/28/2009

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING at a point on the northwesterly line of Howard Street, distant thereon 250 feet northeasterly from the northeasterly line of Second Street; running thence northeasterly along said line of Howard Street 25 feet; thence at a right angle northwesterly 100 feet; thence at a right angle southwesterly 25 feet; thence at a right angle southeasterly 100 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 347.

APN: Lot 19 Block 3721.

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.

2. **The herein described property** lies within the boundaries of a Mello-Roos Community Facilities District ("CFD"), as follows:

CFD No: 90-1
For: School Facility Repair and Maintenance
Disclosed by: Notice of Special Tax Lien recorded July 5, 1990 in Book F160, Page 1044 and by Supplemental Notice of Special Tax Lien recorded July 11, 1990, in Book F165, Page 1 et. seq., Official Records of the City and County of San Francisco

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the City and County of San Francisco. The tax may not be prepaid.

Further information may be obtained by contacting:

San Francisco Unified School District
Office of the Superintendent for Business
135 Van Ness Ave.
San Francisco, CA 94102
Phone (415) 241-6024

3. **The fact** that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.

Redevelopment Agency: Redevelopment Plan for the Transbay Project Area
Recorded: April 4, 2006, Instrument No. 2006-I224836, of Official Records

4. **Covenants, conditions and restrictions** in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: April 4, 2006, Instrument No. 2006-I224839, of Official Records

5. **Any facts, rights, interests, or claims** which may exist or arise by reason of the following facts disclosed by survey, Job No. ABN 3721 LOT 019, dated September 25, 2007 prepared by Bureau of Street Use and Mapping Dept of Public Works:

ALONG NORTHWESTERLY BOUNDARY

- a) gap of 0.17' between Lot 19 and Lot 29
- b) bldg cor. 0.12' ne'ly and 0.05' se'ly

ALONG NORTHEASTERLY BOUNDARY

- c) flue pip 0.07' ne'ly
- d) bldg cor. 0.25' ne'ly and on property line +/- sw'ly

ALONG HOWARD STREET

- e) overhang 2.92' se'ly 51'+/- up
- f) bldg cor. 0.12' ne'ly and on property line +/- se'ly
- g) bldg cor. 0.10' ne'ly

6. **Any rights of the parties in possession** of a portion of, or all of, said land, which rights are not disclosed by the public record.

This Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

7. Before issuing its policy of title insurance, this Company will require for review, the following documents from the Limited Liability Company named below.

Limited Liability Company: 564 Howard Street L.L.C.

- (a) A copy of its operating agreement and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- (b) Confirmation that its Articles of Organization (LLC-1), and Certificate of Amendment (LLC-2), any restated Articles of Organization (LLC-10) and/or Certificate of Correction (LLC-11) have been filed with the Secretary of State.
- (c) If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member.
- (d) If the Limited Liability Company was formed in a foreign jurisdiction, evidence satisfactory to the Company, that it was validly formed, is in good standing and authorized to do business in the state of origin.
- (e) If the Limited Liability Company was formed in a foreign jurisdiction, evidence satisfactory to the Company, that it has complied with California "doing business" laws, if applicable.

After review of the requested documents, the Company reserves the right to add additional items or make additional requirements prior to the issuance of any policy of title insurance.

8. This Company will require an Owner's Affidavit to be completed by the party(ies) named below before any title assurance requested under this application will be issued.

Party(ies): 564 Howard Street L.L.C.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

END OF ITEMS

Note 1. The name(s) of the buyer(s) furnished with this application for Title Insurance is/are:

Transbay Joint Powers Authority

If these names are incorrect, incomplete or misspelled, please notify the Company.

Note 2. Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

Tax Identification No.:	Lot 19 Block 3721
Fiscal Year:	2010 - 2011
1st Installment:	\$1,418.77
2nd Installment:	\$1,418.77
Exemption:	None
Land:	\$111,671.00
Improvements:	\$111,671.00
Personal Property:	\$0.00

Note 3. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.

Note 4. The Company is not aware of any matters which would cause it to decline to attach the CLTA Endorsement Form 116 indicating that there is located on said land commercial structure known as 562-564 Howard Street, San Francisco, California to an Extended Coverage Loan Policy.

Note 5. There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.

Note 6. Effective December 19, 2008 consider City of San Francisco Transfer Tax
 \$100 to \$250,000 at \$2.50 per \$500 (\$5.00 per thousand)
 \$250,000 to \$1,000,000 at \$3.40 per \$500 (\$6.80 per thousand)
 \$1,000,000 or more but less than or Equal to \$5,000,000 at \$3.75 per \$500 (\$7.50 per thousand)
 More than \$5,000,000 at \$7.50 per \$500 (\$15.00 per thousand)

NOTE: These rates are for documents recorded on or after December 19, 2008, regardless of when the instrument was executed.

Note 7. No open deeds of trust: Confirm before closing

Note 8. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 9. Please contact Escrow Office for Wire Instructions.

NOTES: (continued)

Title No. 09-160117-A-MH
Locate No. CACTI7738-7738-2369-0000160117

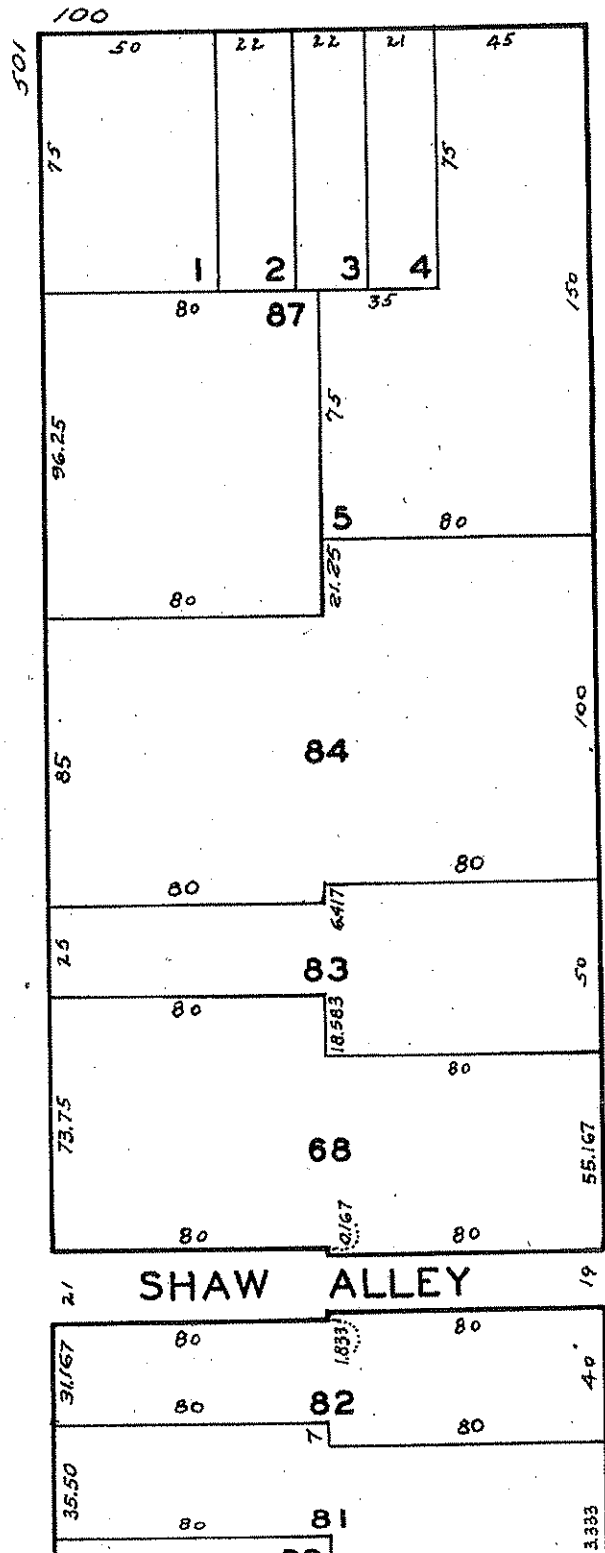
Note 10. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

Lots 7 to 9, 39 to 45, + 55 to 66 merged into Lot 6, "43"

Lots 17 merged into Lot 15A, 43"
 " 38 " " " 31 " "
 " 39 " " " 29 " "
 " 26-27 " " " 21 " "
 " 76 " " " 70 " "
 " 77 " " " 69 " "
 " 72 " " " 11 " "
 " 81A " " " 82 "52"
 " 67, 85 & 86 " " " 84 "52"

NA
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MISSION

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ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:

- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date— unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date— this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A
 - or
 - in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.

4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:

- (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
- (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
- (c) resulting in no loss or damage to the insured claimant;
- (d) attaching or created subsequent to Date of Policy; or
- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**SCHEDULE B, PART I
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:

PART I

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. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency 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 the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, 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 the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgage insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency 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 the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, 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 the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that 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;
(b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy, or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency 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 the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, 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 the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. Land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date – this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	1.00% of Policy Amount or <u>\$ 2,500.00</u> (whichever is less)	\$ <u>10,000.00</u>
Covered Risk 15:	1.00% of Policy Amount or <u>\$ 5,000.00</u> (whichever is less)	\$ <u>25,000.00</u>
Covered Risk 16:	1.00% of Policy Amount or <u>\$ 5,000.00</u> (whichever is less)	\$ <u>25,000.00</u>
Covered Risk 18:	1.00% of Policy Amount or <u>\$ 2,500.00</u> (whichever is less)	\$ <u>5,000.00</u>

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to, advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount:

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Effective through November 1, 2014

Fidelity National Financial, Inc.
Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access To Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company
CTC – Chicago Title Company

FNF Underwriter
CTIC – Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 or 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

FEE REDUCTION SETTLEMENT PROGRAM (CTC and CTIC)

Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in *The People of the State of California et al. v. Fidelity National Title Insurance Company et al.*, Sacramento Superior Court Case No. 99AS02793, and related cases.

DISASTER LOANS (CTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% or 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 32% or 50% of the appropriate title insurance rate, depending on the type of coverage selected.

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING at a point on the northwesterly line of Howard Street, distant thereon 250 feet northeasterly from the northeasterly line of Second Street; running thence northeasterly along said line of Howard Street 25 feet; thence at a right angle northwesterly 100 feet; thence at a right angle southwesterly 25 feet; thence at a right angle southeasterly 100 feet to the point of beginning.

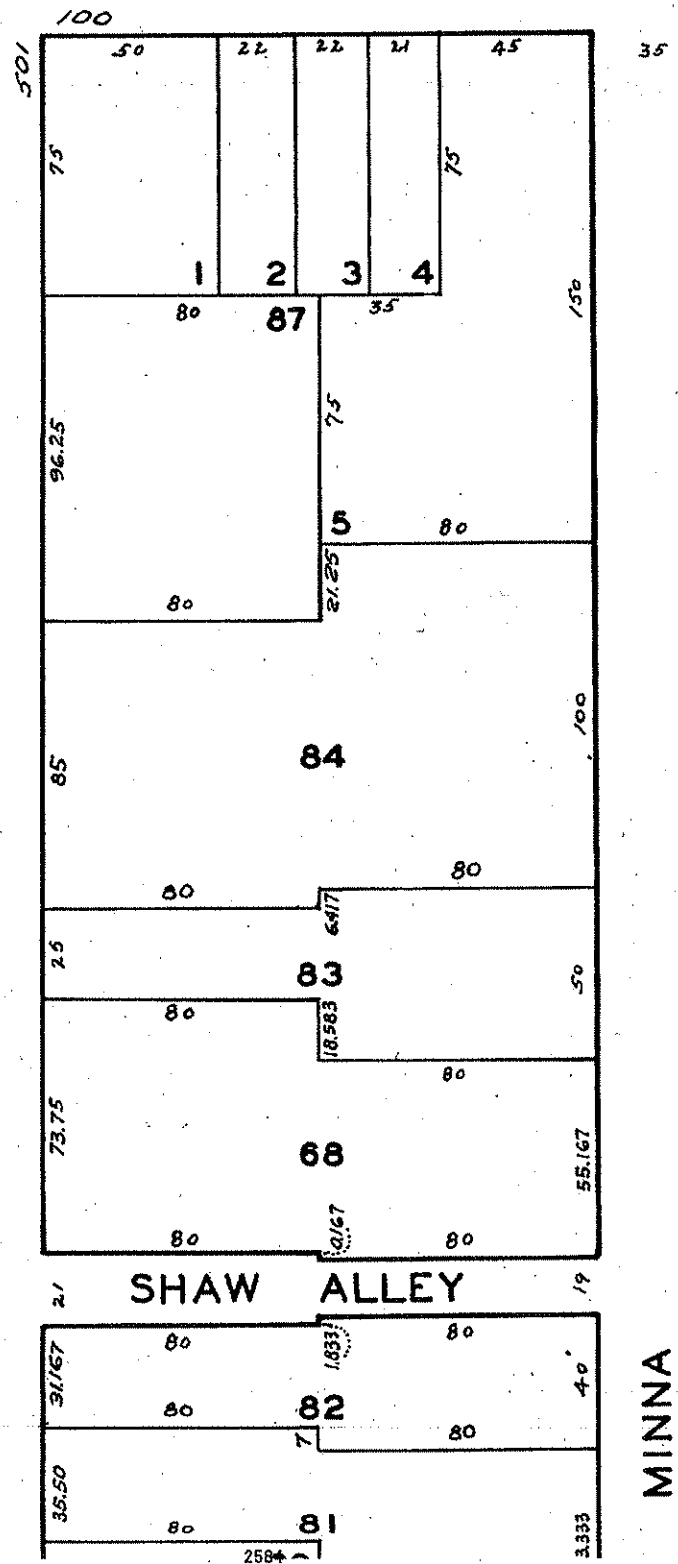
BEING a portion of 100 Vara Block No. 347.

APN: Lot 19 Block 3721

Lots 7 to 9, 39 to 45, + 55 to 66 merged into Lot 6, "43"

Lots 17	merged into	Lot 15A, "43"
" 38	"	" 37
" 39	"	" 29
" 26-27	"	" 21
" 76	"	" 70
" 77	"	" 69
" 12	"	" 11
" 81A	"	" 82 "52"
" 67, 85 + 86	"	" 84 "52"

N
W
S



© COPYRIGHT SAN FRANCISCO CITY & COUNTY ASSOCIATION

S T A T E P R O P E R T Y

MISSION

MINNA

SHAW ALLEY

6

2584

3333

564 Howard St. (3721/019)

Embarcadero

Steuart St

Spear St

Main St

Beale St

Fremont St

First St

Essex St

Second St

DOWNTOWN RAIL EXTENSION

Hawthorne St

Mission St

Howard St

Folsom St

Third St

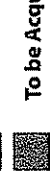
Harrison St

Bryant St

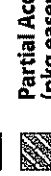
Legend



Acquired



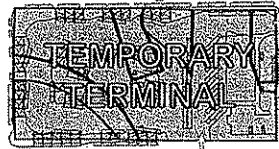
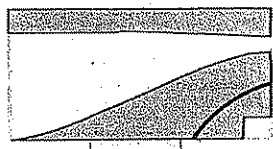
To be Acquired



Partial Acquisitions (pkg easements)



Scale in feet



TRANSBAY TRANSIT CENTER

FREMONT/FOLSOM OFF RAMP

NEW BUS RAMP

Subject Property

Minna St

Natoma St

Tenama St

Clementina St

I-80



Jessie St

Ecker Pl

Shaw Alley

Anthony St

85 Natoma (3721/109-119)

580 Howard (3721/092-106)

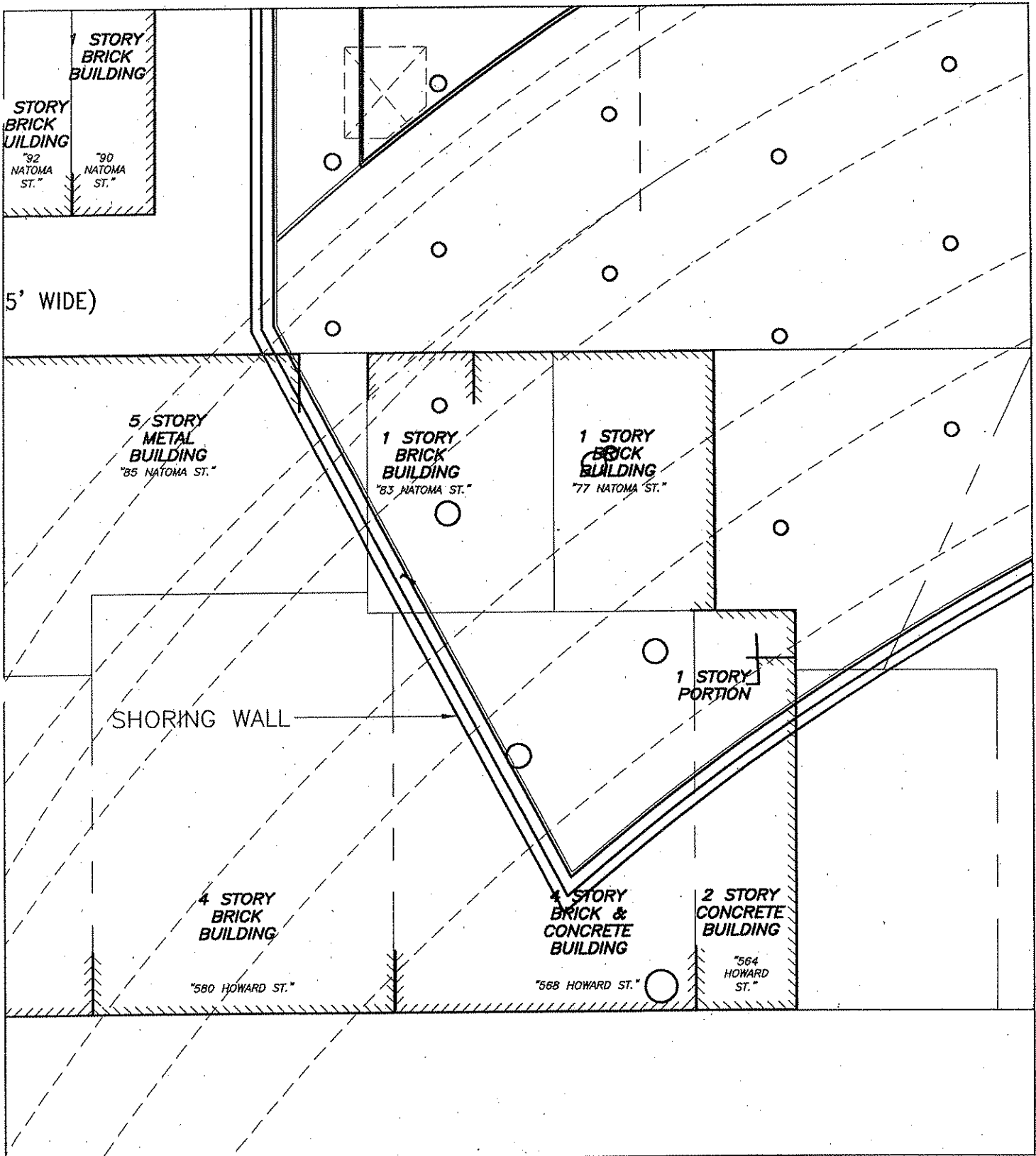
568 Howard (3721/020)

564 Howard (3721/019)

60 Tehama (3756/068)

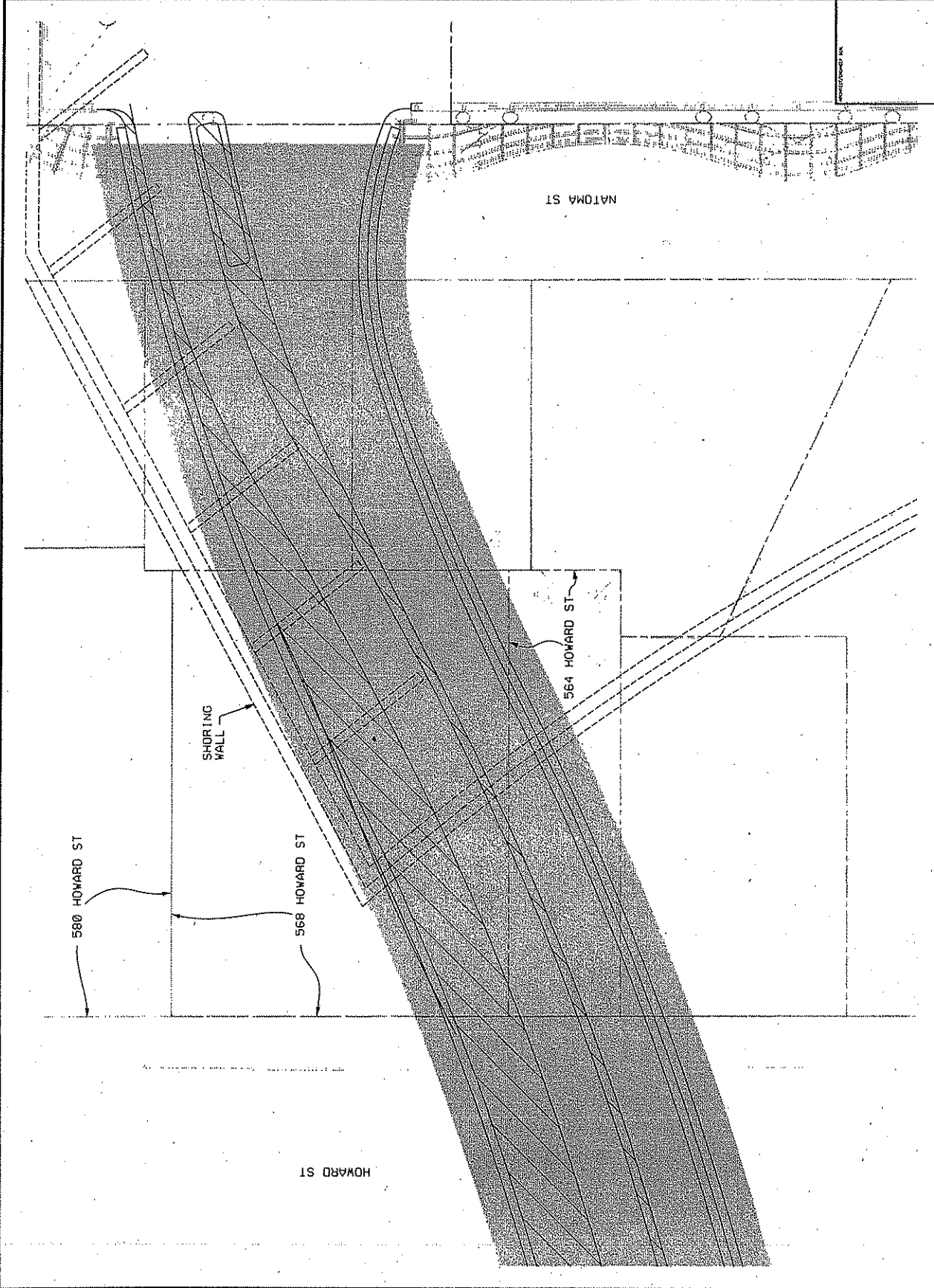


Phase 1 Train Box




	<p>DRAWING TITLE: SHORING WALL LAYOUT ARCHITECTURAL LAYOUT</p>	<p>SCALE: 1/32" = 1'-0" PROJECT NO.</p> <p>DATE: 09/17/10 0803-00</p>	<p>SKA-1045</p> <p>DRAWN BY: GR CHECKED BY: PM</p>
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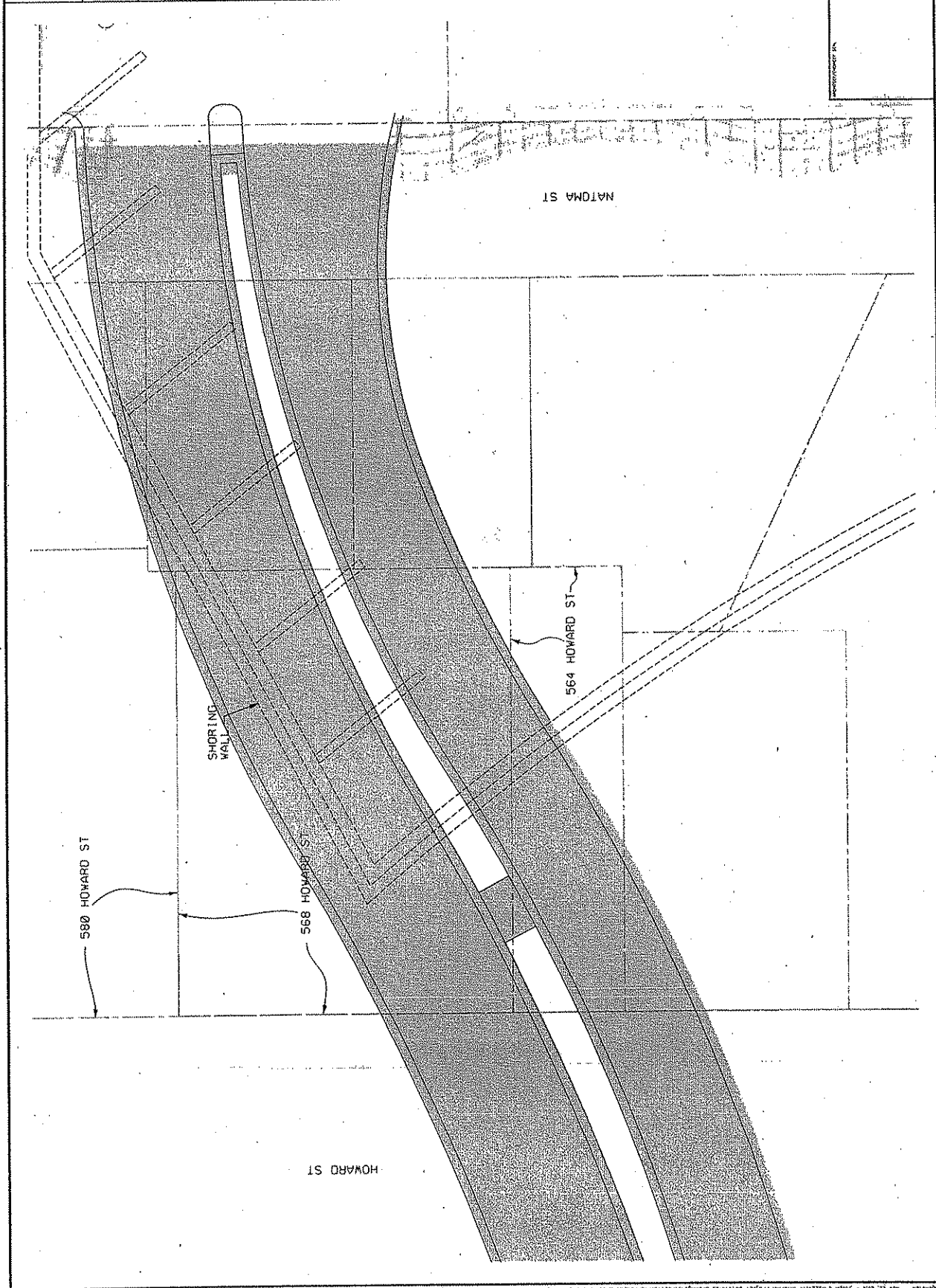
ARUP TRANSPORTATION GROUP 100 MARKET STREET, SUITE 1100 SAN FRANCISCO, CA 94102 TEL: 415 774 2000 FAX: 415 774 2006		REVISIONS NO. DATE DESCRIPTION		PROJECT NO. 05-0000000000 SHEET NO. 05-0000000000	
PROJECT: TRANSBAY TRANSIT CENTER PROGRAM BUS RAMP SAN FRANCISCO, CA ROUTE ACQUISITION 564 & 568 HOWARD STREET (CABLE BRIDGE)		DESIGNER: J. LOPEZ PROJECT MANAGER: R. COFFIN PROJECT ENGINEER: O. LIU DATE: 11/14/10 DRAWN BY: [blank] CHECKED BY: [blank]		SCALE: [blank] DATE: [blank]	



SKETCH NOT FOR CONSTRUCTION

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 <p>TRANSPORTATION DIVISION</p> <p>ARUP SAN FRANCISCO OFFICE 400 WASHINGTON STREET, SUITE 2000 SAN FRANCISCO, CA 94102 415.774.2000 FAX 415.774.2001</p>		<p>PROJECT: TRANSBAY TRANSIT CENTER PROGRAM BUS RAMP SAN FRANCISCO, CA</p> <p>ROUTE ACQUISITION 564 & 568 HOWARD STREET (SINGLE TOWER BRIDGE)</p>		<p>PRINCIPAL ENGINEER - J. EDG PROJECT MANAGER - B. COFFIN PROJECT ENGINEER - O. LIU</p> <p>DATE: 11/12/2010 SCALE: AS SHOWN SHEET NO. 10 TOTAL SHEETS: 10</p>	
NO.	DATE	DESCRIPTION	BY	CHK	APP



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OF COUNSEL

January 25, 2006

Claude Gruen
Nina J. Gruen
564 Howard Street
San Francisco, CA 94105

County: San Francisco
Assessor's Parcel Number: Block 3721, Lot 19
Street Address: 562-564 Howard St.
San Francisco, CA

Re: Notice of Decision to Appraise and Notice of Land Acquisition Procedures

Dear Mr. Gruen and Ms. Gruen:

As you are aware, the Transbay Joint Powers Authority ("TJPA"), the City and County of San Francisco ("City"), the San Francisco Redevelopment Agency ("Agency"), and the Peninsula Corridor Joint Powers Board ("JPB") are engaged in a project that will: (1) construct a multi-modal Transbay Transit Center on the site of the present Transbay Terminal (at Mission and First Streets); (2) extend Caltrain commuter rail service from its current terminus at Fourth and Townsend Streets to the proposed new Transbay Transit Center; and (3) implement a Redevelopment Plan with related development projects ("the Project"). Our firm represents the TJPA on matters relating to the Project.

The Project will occupy an area generally located south of Market Street and east of Fourth Street in downtown San Francisco ("the Project Area"). We understand that you own, as co-trustees, property located at 562-564 Howard Street in San Francisco ("the Property"). This Property is within the Project Area and full acquisition of the Property may be required for the Project.

We are writing to you today to notify you of the TJPA's decision to appraise the Property and to describe the TJPA's land acquisition procedures and policies. The TJPA hopes that this letter will open a dialogue between you and the TJPA regarding the Project and the acquisition process.

Claude Gruen
Nina J. Gruen
January 28, 2006
Page 2

The TJPA's Decision to Appraise the Property.

The first purpose of this letter is to give you notice of the TJPA's decision to appraise the Property for potential acquisition for the Project. This notice is required by state law, 25 California Code of Regulations Section 6184. The TJPA has retained Chris Carneghi, MAI, of Carneghi-Blum & Partners, Inc., an independent real property appraiser in San Francisco, to make a fair market value appraisal of the Property. Mr. Carneghi will contact you regarding making arrangements for his appraisal of the Property. You and/or your representative are invited to accompany Mr. Carneghi during his inspection of the Property.

After Mr. Carneghi completes his appraisal of the Property, the TJPA will make you a written offer of just compensation to purchase the Property. The TJPA's offer will be no less than Mr. Carneghi's appraisal of the value of the Property. The TJPA will carefully consider any information that you would like to present regarding the value of the Property. The TJPA hopes that this process will result in a voluntary sale of the Property to the TJPA.

If you and the TJPA cannot reach a voluntary agreement, then the TJPA may recommend to the City that the City use eminent domain, also called "condemnation," to acquire the Property. The TJPA has no power of eminent domain. The City will decide whether to institute a formal condemnation proceeding against the Property as soon as possible following any recommendation by the TJPA.

Description of the TJPA's Land Acquisition Procedures.

The second purpose of this letter is to give you notice of the TJPA's land acquisition policies and procedures. This notice is also required by state law, 25 California Code of Regulations Section 6188. The policies and procedures are as follows:

- The basic objectives of the TJPA's land acquisition program are to make every reasonable effort to acquire expeditiously real property by agreements with property owners at the properties' fair market value so as to avoid litigation, to assure consistent treatment of all property owners located within a project area, and to promote public confidence in the TJPA's land acquisition practices. We have enclosed an informative booklet prepared by the California Department of Transportation titled "Your Property/Your Transportation Project," which will provide you with answers to questions that owners frequently ask concerning the land acquisition process.

- In the event that the TJPA decides to acquire the Property, the amount that you will be offered for the Property will be the amount that the TJPA will have determined to be just compensation based on an appraisal of the fair market value of the Property. The offer will not be less than the full amount of the TJPA's appraisal of the Property. The offer will disregard any decrease or increase in the fair market value of the Property prior to the date of valuation caused by the Project for which the Property is to be acquired, other than due to physical deterioration within the reasonable control of the property owner or occupant. The offer will not reflect any

Claude Gruen
Nina J. Gruen
January 28, 2006
Page 3

consideration of or allowance for any relocation assistance and payments or other benefit that the owner is entitled to receive under any agreement with the TJPA.

▪ If you reject the TJPA's offer of just compensation for the Property, and the City elects to condemn the Property, you are entitled to have the amount of compensation determined by a court of law under the Eminent Domain Law of the State of California (Code of Civil Procedure §§ 1230.010 *et seq.*).

▪ You will be entitled to receive full payment prior to vacating the real property being purchased unless you have elected to waive such entitlement. You are not required to pay recording fees, transfer taxes, or the pro rata portion of real property taxes that are allocable to any period after the passage of title or possession.

▪ In addition to receiving just compensation for any property acquired by the TJPA, you and/or any occupants of the Property may be eligible to receive relocation benefits under the California Relocation Assistance Act (Government Code §§ 7260 *et seq.*) and/or the federal Uniform Relocation Assistance and Real Property Act (42 U.S.C. §§ 4601 *et seq.*). This notice does not, however, constitute an offer to purchase the Property, nor does it establish eligibility of you and/or any occupant(s) of the Property for relocation assistance or relocation payments. Only those owners and/or occupants in occupancy at the time of the first written offer to purchase the Property may be eligible for relocation payments. All relocation services and benefits which you may be entitled to will be administered without regard to race, color, national origin, or sex, in accordance with Title VI of the Civil Rights Act of 1964 (41 U.S.C. §§ 2000d *et seq.*) and Section 162(a) of the Federal Highway Act of 1973 (23 U.S.C. § 324). Enclosed for your information are a copy of the Title VI statute and its implementing regulations, a booklet prepared by the California Department of Transportation titled "Working Together Works," a description of the Title VI complaint process, and a Discrimination Complaint Form.

▪ You, or your representative who has been designated in writing, shall be given the opportunity to accompany the TJPA's appraiser during inspection of the Property.

▪ The TJPA, the Agency, and the JPB will schedule construction of the Project such that any person or business legally occupying the Property shall have at least 90 days written notice of the date by which any occupant of the Property must vacate the Property, unless a court finds that the TJPA has an urgent need for possession of the property and that possession will not displace or unreasonably affect any person in actual and lawful possession of the property to be acquired, or unless there is an emergency situation that threatens the general health or safety of the community.

▪ If after acquisition of the Property the TJPA makes arrangements to rent the Property to you or your tenant(s) for a short term or for a period subject to termination by the TJPA on short notice, the rent will not exceed the lesser of the fair rental value of the Property to a short term occupier or the pro rata portion of the fair rental value for a typical rental period.

As noted above, Mr. Carneghi will contact you to make arrangements to appraise the Property. Please advise us if there is another person to whom we should direct our

Claude Gruen
Nina J. Gruen
January 28, 2006
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correspondence regarding the appraisal or other matters relating to the Property. Please let us know if you are represented by counsel on matters relating to acquisition of the Property.

The TJPA is interested in keeping affected property owners fully informed about the Project and the land acquisition process. Please feel free to contact me or Maria Ayerdi, Executive Director of the TJPA, at any time if you have any questions or concerns.

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP



ANDREW W. SCHWARTZ

Enclosures

cc: Maria Ayerdi (without enclosures)
Chris Carneghi (without enclosures)

February 1, 2007

Maria Ayerdi
Executive Director

Harry J. Quinn
Real Estate Coordinator

Transbay Joint Powers Authority
201 Mission St.
San Francisco, CA 94105

Re: Appraisal of 564 Howard Street

Dear Ms. Ayerdi and Mr. Quinn,

In line with your suggestion at our meeting on January 19th, I am writing my reaction to Mr. Chris Carneghi's appraisal of July 20, 2006. The appraisal propounds what it contends is the fair market value of our property at 562-564 Howard Street in San Francisco. The appraisal is seriously erroneous in the selection and use of comparables. The methodology used in the income approach to valuing the property is improper and the cost and revenue assumptions used in that valuation are inaccurate. Most importantly, Carneghi misrepresents the adaptive re-use potential of the property and therefore misstates the highest and best use of subject property.

In 1975, when we purchased 562-564 Howard Street, we did so because our analysis suggested that within 15 years this location would be as centrally located as any Downtown San Francisco site. In 2007, this prediction is inarguable. High end restaurants within three to four blocks include Town Hall, Hawthorne Lane, Flytrap, Umbria and Rickenbackers. At the corner of Second and Howard is a Zipcar office with Zip cars available in the parking lot across the street. The terminal is less than two blocks away, and BART and Muni can be reached within 2 ½ blocks. These excellent transit options eliminate the need for auto ownership and parking expenses.

The comparables located at Hyde, Folsom and Brannon Streets are adjacent to flop houses, sex shops, and other lower end uses. From a timing perspective, it is unlikely they will have the locational advantages of our building site even by 2020.

Below, for your consideration prior to our meeting of February 9th, I summarize first the misrepresentations of the property's locational characteristics that I believe have led Mr. Carneghi to select inappropriate comparables and fail to adjust them properly. Next, I utilize appropriate discounted cash flow methodology and accurate numbers in order to present two versions of the income approach to value the present structure for an office use; this approach and its results are compared to the Carneghi appraisal. The last section of this letter describes the actual highest and best use of the 564 Howard Street property.



Gruen Gruen + Associates
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Locational Boundaries and Appropriate Comparables

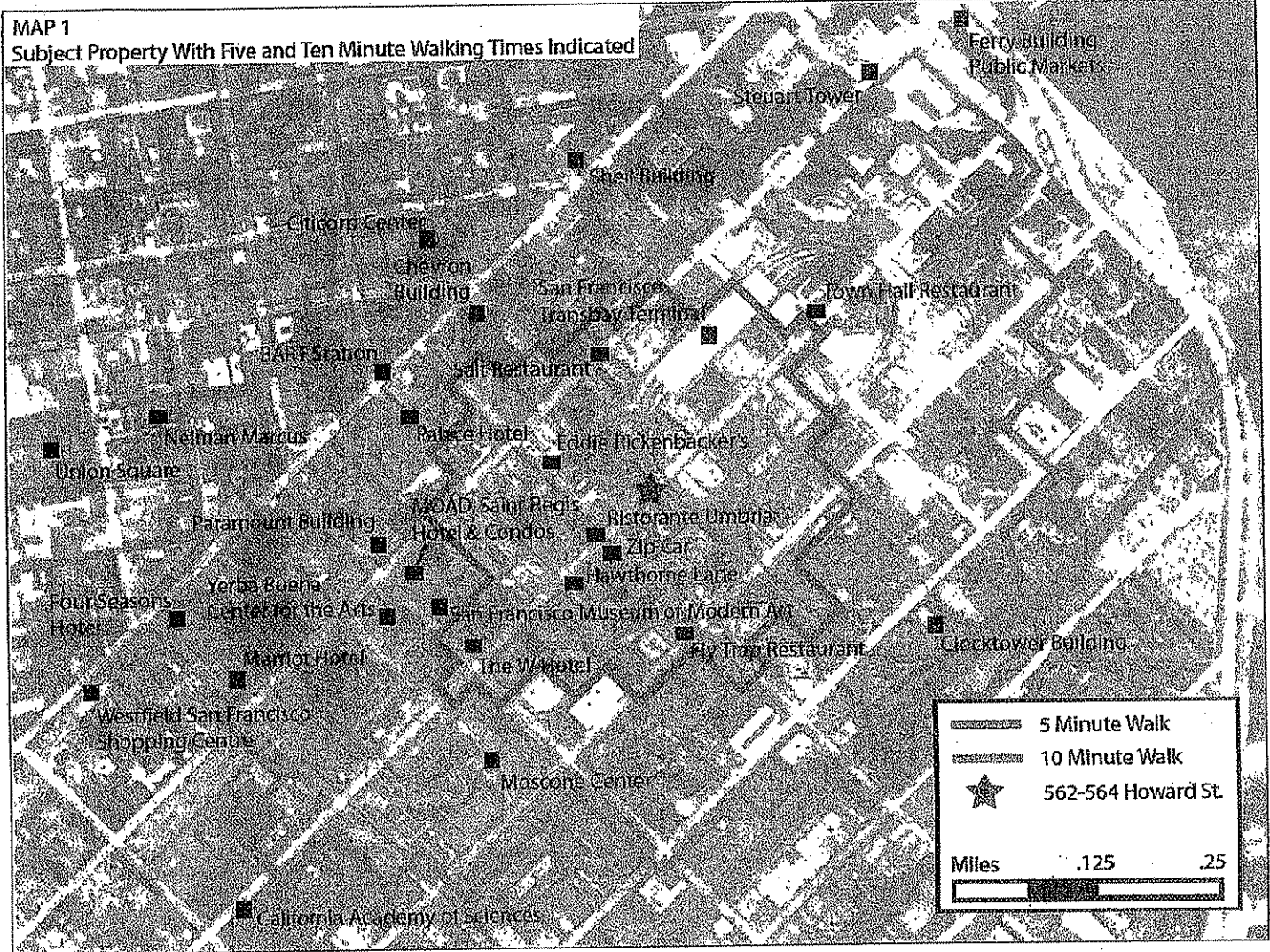
What constitutes a relevant and representative real estate comparable? The old saw, "There are only three things you need know about real estate: location, location, and location," suggests the answer to that question. True comparables are those within areas that share the same locational characteristics as the subject parcel. Locational characteristics include proximity to nearby *and similar* amenities such as restaurants, transportation linkages, and complementary service and goods providers. Locations are also very importantly defined, or branded if you will, by the character and prestige of the neighboring commercial tenants and residents. Market prices tend to be similar for sites that are similar in terms of such proximate location-determining characteristics and therefore constitute a definable sub-market of a larger urban area.

While the locational values of the South of Market sub-market between Fremont and Fourth Streets never sunk to the levels of areas such as the Tenderloin or north of Fourth Street, there was a time when prestigious commercial office tenants such as law firms, financial service providers or ocean shipping companies would not go "South of the Slot," as Market Street was referred to in those days.

But those days are long gone, so that by the July 20, 2006 valuation date stated in the Carneghi appraisal, 562-564 Howard Street was well placed within a locational sub-market that profitably caters to top paying commercial and residential tenants and owners. As mentioned above, subject property, 564 Howard Street, is only a short walk from a wide array of multi-star eating places, cultural and recreational institutions, 4- and 5-star hotels, as well as prestigious and complementary business and residential neighbors. In addition to being in a unique and valuable sub-market with many amenities that can be walked to in five minutes or less, subject property is located less than a 15-minute walk from the most important business, shopping and recreational agglomerations of San Francisco.

Map 1 outlines 5- and 10-minute walking times from the starred subject property. Shown on the map are some of the venues that cluster around subject property. Extending the walking time outline to 15 minutes would reach the Ferry Building on the east, AT&T Ball Park on the south and Union Square to the west.



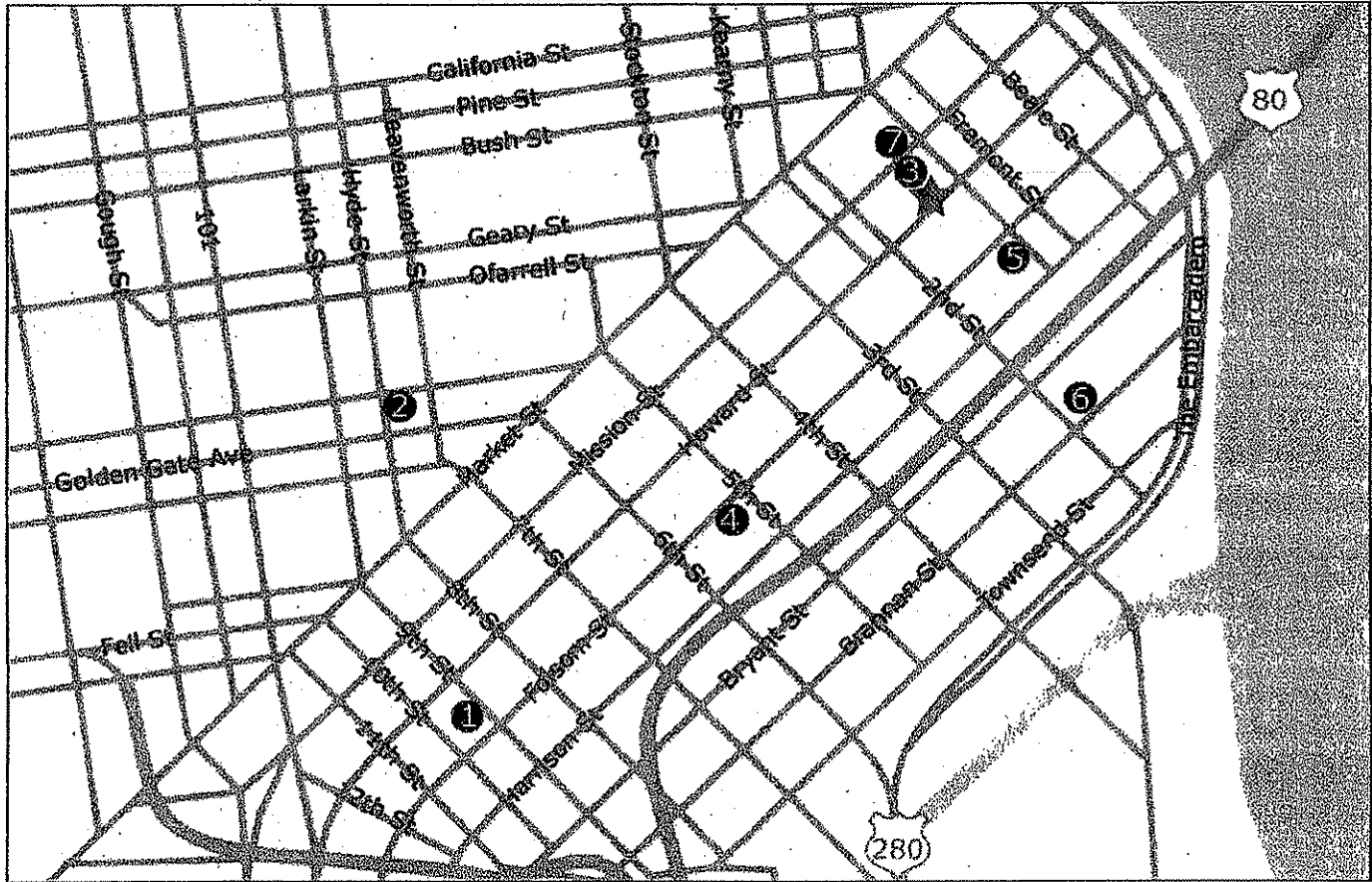


With the exception of comparables 7, 3, and to a very limited degree comparable 5, the market-determining characteristics of all the other addresses that Carneghi cites as comparable land sales are very different. 535 Mission Street (Carneghi's 3a and 3b) and 512-526 Mission Street (Carneghi's 7) are in the same sub-market, and therefore comparable to subject property. Guy Place, which is Carneghi's comparable 5, is a harder call because this now vacant lot is .40 miles from the subject site (according to Mapquest), and although it lies outside the 5-minute walking time range, could be a residential site with units that, while inferior to the Howard Street site, would still have the possibility of being high end. The two Mission Street sites are within less than 600 feet of subject property, also carry the C-3-O zoning designation and are to the north of subject property, which puts them and subject property closer to the historic financial center as well as restaurants and shopping



opportunities within the same sub-market. Map 2 shows the location of all the places Carnegie alleges to be land sale comparables.

MAP 2
COMPARABLE LAND SALES
Location Relative to 564 Howard Street



- | | |
|----------------------|--------------------------|
| ① 248-252 9th Street | ⑤ 4 Guy Place |
| ② 168 Hyde Street | ⑥ 270 Brannan Street |
| ③ 535 Mission Street | ⑦ 512-526 Mission Street |
| ④ 935 Folsom Street | |

The average price per square foot for all the alleged comparables which are located more than five minutes' walking distance from 562-564 Howard Street is \$468. As discussed more fully in the appendix to this letter, only the vacant lot at 4 Guy Place could be said to be within a comparable location (land sale comparable #5). The other addresses that are more than 5 minutes from subject property are clearly not comparable, for the reasons detailed in the appendix to this letter.



The locations of comparables 3b and 7, which one can easily walk to within 5 minutes, clearly are within the same sub-market as subject property. Their average price per square foot of land is \$1,412. But in spite of their close proximity to subject site, Carneghi states without any support evidence that subject parcel has inferior site utility and specific location to the two Mission Street comparables. I feel this is not true. If anything, for residential use, the Howard Street frontage is preferable rather than inferior to Mission Street.

It is not coincidental that the City paid very close to the price per square foot of land for the .75-acre Meyers property, which is between the alleys of Natoma and Minna Streets (less than 100 feet from subject property) as Tishman Speyer paid for the 535 Mission Street site (comparable 3b). The record shows that in spite of the Meyers property not having access to the arterial streets of Mission or Howard, the City paid \$1,775 per square foot for the land, which is only 3% less than the \$1,840 Carneghi cites as paid for 535 Mission Street, exclusive of the 16,308 transferable development rights that Carneghi values at \$132 per square foot of rights and subtracts as a discount from the value of comparable 3b. Therefore, while we have not yet engaged an appraiser of our own, the land value data on the Mission Street comparables presented by Carneghi should be \$1,800 per square foot, or \$4,500,000. If we were to hypothetically accept the \$544 price per square foot paid for the 4 Guy Place property as comparable (which we do not), so that if it were averaged with the two Mission Street properties with no adjustment for the inferior Guy Place location, the resulting average would be \$1,123. If applied to the 2,500-square-foot footprint or land value of subject property, that would suggest a value of at least \$2,806,000.

With regard to the refusal of Carneghi to accept the two Mission Street comparables (Carneghi's 3 & 7) as directly applicable to subject property, it would be disingenuous of me not to mention that even though Carneghi states that "on a density basis the subject is higher than all the comparables with the exception of 3 and 7," when reaching conclusions based on either comparable's per square foot of land or per door or residential units, he puts down the value of 564 Howard because he states that it cannot achieve its allowable residential density. He also implies that its residential units would not be as valuable as prices shown for residential units elsewhere. I will discuss these matters further, below, when considering the critical issue of highest and best use for the property. But because it does have some relevance to the identification of land value comparables, if you deem it helpful to your decision I would be happy to bring in a certified structural engineer who is familiar with the property to discuss with you the technical reasons why the property can not only achieve its density with the creation of highly attractive and desirable units, but that this can be done without losing the attractive high ceilings of the existing structure.

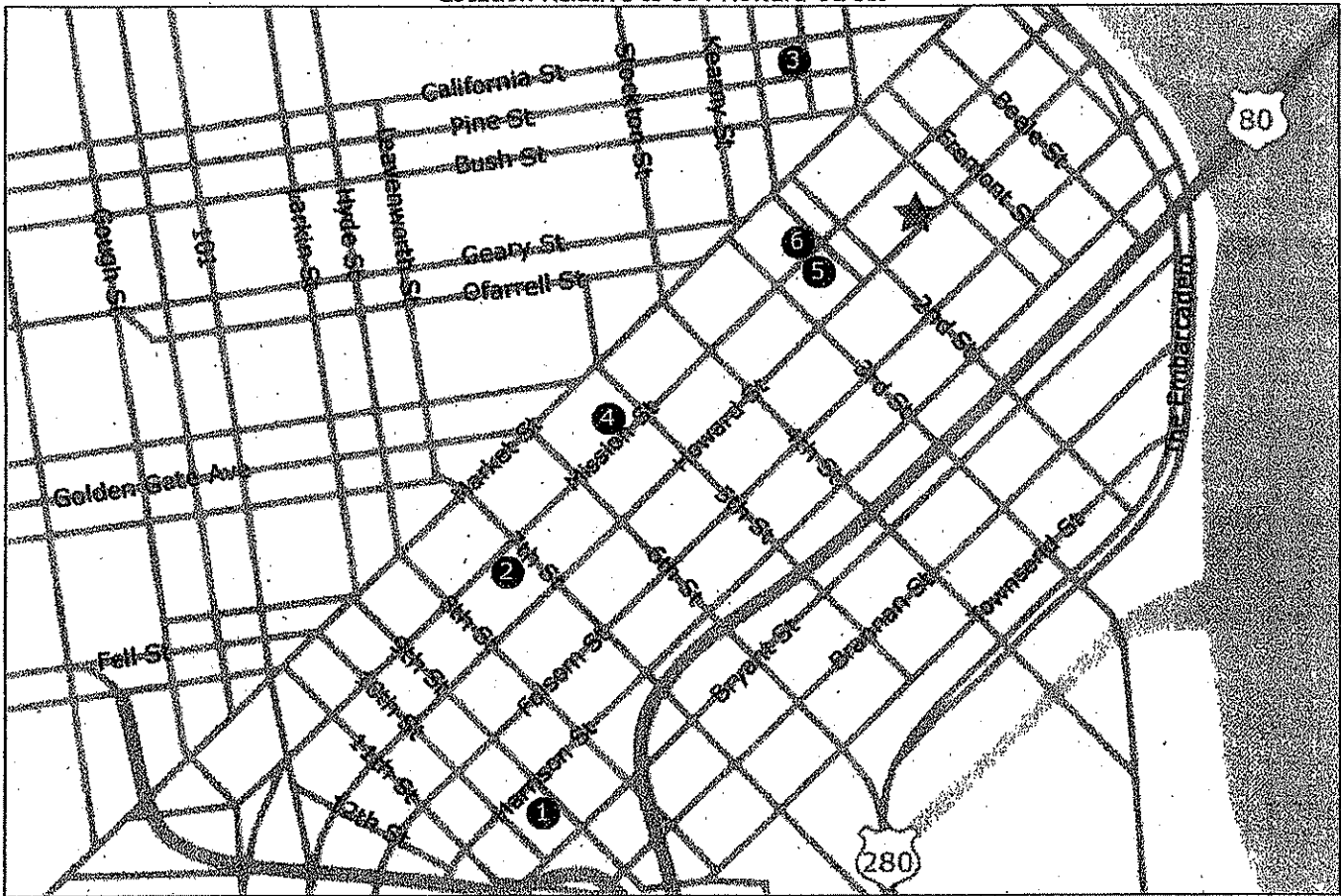
Subject Property As Improved

The Carneghi appraisal takes two approaches to valuing "Subject Property as Improved." The first presents six allegedly comparable sales of buildings, showing a price range from \$310 to \$516 per square foot. Map 3 shows the location of these six Carneghi "comparables" relative to 564 Howard Street. Many of the alleged comparables are not in the same sub-market. All the sales, with the possible exception of 434 Ninth Street, were negotiated within



or at the tail end of the "dot com" bubble, which temporarily lowered the value of smaller, older buildings. With the sole exception of the 434 Ninth Street property, all of the so-called comparable buildings are of masonry or reinforced brick construction. I believe this structural difference from the reinforced concrete construction of 564 Howard Street makes the buildings non-comparable in an area where earthquakes remain a distinct possibility, and the Ninth Street building is also in a much inferior location. Furthermore, none of the building sale comparables appear to be fully air conditioned on all floors, with high ceilings and excellent exterior lighting on the first two floors. The latter has been achieved by the construction of skylights in the middle of the structure.

MAP 3
COMPARABLE BUILDING SALES
Location Relative to 564 Howard Street



- | | |
|----------------------------|--------------------------|
| ① 434 9th Street | ④ 966 Mission Street |
| ② 1119-1121 Mission Street | ⑤ 641-643 Mission Street |
| ③ 217-221 Sansome Street | ⑥ 652-654 Mission Street |



The income approach used in the appraisal fails to utilize the industry-wide standard of utilizing a discounted cash flow (DCF) model when valuing the worth of real property based on its income potential. DCF is the best practices standard because it recognizes that real estate is durable, so that both buyers and sellers value its ability to produce income *over time*. Therefore, fair market values are estimated as a function of the present value of a future stream of income, with a future so-called residual value included at an assumed "going out" cap rate.

When we met with you on January 19th, we left you a copy of our discounted cash flow approach to value the existing structure after it had been adapted with the addition of seven more floors, to achieve a total of 15,085 square feet condominium development while retaining 1,912 square feet of retail and storage space in the existing basement and first floor. In Figures 1 and 1A, we present the results of estimating the value of the existing structure as-is for a continued office use with a DCF approach. That is, Figures 1 and 1A differ from the "Stabilized Income Statement" shown on page 26 of the appraisal not only in terms of basic methodology, but in terms of some of the revenue and expense assumptions. On the revenue side, the "comparable leases" shown on page 18 that are presumably drawn on as the basis of the \$19.00 per square foot of industrial gross rent, are all relatively short term leases, with most of them signed in 2005 as the market was beginning to recover from the dot com bubble. The market for office and retail space in the area has very decidedly turned up, so that higher initial rents could be charged for office or retail use on the first floor of subject property (none of the comparables cited on page 18 are for retail uses), and somewhat higher rents charged for offices uses on the second floor.

Rents are expected to climb even more significantly in the next few years. I have access to a valuation done of a Howard Street office building one block from subject property by a large, well respected national appraisal firm. They have projected rents to increase eight percent (8%) in both 2007 and 2008, and they forecast a ten percent (10%) rent hike in 2009. Thereafter, they forecast a three percent (3%) increase in rents for 2010 and 2011. I have included two DCF calculations valuing the existing structure, which Carneghi refers to as "Subject Property Improved." Figure 1 includes the higher property taxes that a buyer would pay after purchasing the building for \$2,743,565, as the discounted cash flow show on in Figure 1 assumes a sale to a willing and knowledgeable buyer. Therefore, among the costs included in the cash flow shown in Figure 1 are the annual property taxes that would result from the assumption that after the sale, the property would be reassessed to a value of \$3,000,000 and the property tax levied annually on that base amount.

Figure 1A shows the value of the existing structure to its present owners who, due to the vagaries of California's property tax laws, received a property tax bill for subject property for the years 2006-2007 for \$2,394.44. This amount is included in the base expenses in Figure 1A.

We have never considered selling the TDRs that are one of the assets of owning 564 Howard Street, as we have always intended to add floors above the present second floor of the structure. Therefore, we have never checked with the Planning Department whether our



building, which is next to the elevated bridge coming from the freeway with space in between the building and the freeway, qualifies for the "corner" category that would grant us a 9-1 FAR above the basement. TDRs are calculated by subtracting the gross existing built space above the street from the total gross space allowed under the FAR. While the rentable space on the first and second floors of 564 Howard Street equals 4,500 square feet, the gross area is 4,700 square feet. At the 6-1 FAR, the gross allowable space above the street would be 15,000 square feet, so that the owner of 564 Howard would have 10,300 square feet of TDRs to sell ($15,000 - 4,700 = 10,300$).

45785
23.5

If the Planning Department powers that be agree with us that conditions on the ground warrant a building in subject C-3-0 (SD) zoning classification to be allowed a 9-1 FAR, then the allowable gross built space above the street would be 22,500 square feet ($2,500 \times 9$). Subtracting the 4,700 of present gross square feet from the allowable 22,500 would bestow 17,800 square feet of TDRs on the owners of the building. Rather than run additional discounted cash flow analyses, we have split the difference between the two possible outcomes and assumed that the value of 14,050 TDRs would be added to the net present values of the net income streams shown in Figures 1 and 1A.

In comparables 3a and 3b of the Carneghi appraisal where TDR values are deducted from the sales of property for which TDRs have been purchased, Carneghi assumes that TDRs have a value of \$132 per square foot. While we have not researched the issue thoroughly, we have never been offered that much for our TDRs. Would-be buyers who have called us have suggested they would pay over \$30.00 per square foot, and although we've always told that there was no point in negotiating, as we had no intention of selling our TDRs, we never got the impression they would pay close to \$132. Based on our limited experience, we believe \$40 per square foot is a reasonable estimate. Therefore, we have added \$580,000 ($14,500 \times \$40 = \$580,000$) to the net present values shown in Figures 1 and 1A. Thus, in the case of a buyer of the property, the value of the existing structure, including the TDRs, that could be sold by the buyer would be \$3,323,565.

In the value analysis shown in the DCF in Figure 1A, the net present value based on income is \$3,061,840, because as long time owners, we continue to obtain the tax reducing benefits of Proposition 13. If we were to decide not to add seven stories to the building, which was our plan, we could augment the present value with the sale of the TDRs for \$580,000. Then, to us the value of the existing structure is \$3,641,840. The stabilized income approach and analysis used by Carneghi concluded that the existing structure was worth \$1,430,000.

Carneghi's stabilized income statement presented on page 26 of the appraisal assumed that subject property's rentable space on the ground floor is 2,335 sq. ft., 1,900 sq. ft on the second floor, and 2,250 sq. ft in the basement. We would be very glad to show you the actual lease we had with Rutherford and Chekene from March of 2000 to April of 2003. They paid rent of \$10,000 per month for 4,500 sq. feet on the lower level and first floor. That is an average of \$26.66 for both the first floor and basement, indicated in the lease and on the space as being 4,500 sq. feet. While the previous tenant, Boudin, had paid a somewhat lower rent, they also paid on the basis of 4,500 sq. feet on the first floor and basement. GG+A, a



corporation owned by Nina and myself, uses the second floor, which measures 2,200 square feet. In our pro forma, we've assumed 2,000 square feet of rentable space. Just correcting this measuring error in the Carneghi statement, which is done in the following pro forma, would increase annual income by seven percent (7%). As mentioned earlier, Carneghi deducted \$2,149,880 for the 16,308 square feet of transferable development rights (TOR's) purchased in order for 535 Mission Street to achieve its density. This would suggest a value of \$132 per square foot of TDS. Yet in the income approach valuation of "Subject Property as Improved" shown in the statement on page 26, the appraisal assigns no value to the 14,500 square feet of TDR's that the owner of 562-564 Howard Street could sell if additional units were not built on top of the existing structure.

We would be glad to share with you our records of expenses paid by the 564 Howard LLC. In the 32 years that Mrs. Gruen and I have owned all or a part of the building, I can assure you we have never had expenses close to the \$27,047 per year assumed in the Carneghi "Stabilized Income Statement."



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Figure 1
Discounted Cash Flow Analysis of Existing Office Use
Assuming Sale to Buyer Who Wishes to Keep the Structure "As Is"

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue												
Ground Fl. (2,500 sq ft)	2006 Rent @ \$20 per Square Foot*	\$64,000	\$68,320	\$64,182	\$66,077	\$68,059	\$70,101	\$72,204	\$74,370	\$76,601	\$78,899	\$81,266
2nd Floor (2,000 sq ft)	2006 Rent @ \$20 per Square Foot*	\$43,200	\$46,656	\$51,322	\$52,861	\$54,447	\$56,080	\$57,763	\$59,486	\$61,281	\$63,119	\$65,013
Basement (2,500 sq ft)	Rent @ \$8 per Square Foot*	\$20,000	\$20,600	\$21,218	\$21,856	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878
	Total	\$117,200	\$125,576	\$136,692	\$140,792	\$145,016	\$149,367	\$153,848	\$158,463	\$163,217	\$168,113	\$173,157
	Vacancy & Collection Loss @ 5%**	\$5,860	\$6,279	\$6,835	\$7,040	\$7,251	\$7,468	\$7,692	\$7,923	\$8,161	\$8,406	\$8,658
	Effective Gross Income	\$111,340	\$119,297	\$129,857	\$133,753	\$137,765	\$141,898	\$146,155	\$150,540	\$155,056	\$159,708	\$164,499
	Operating Costs @ \$2.39 PSF***	\$16,730	\$17,065	\$17,406	\$17,754	\$18,109	\$18,471	\$18,841	\$19,218	\$19,602	\$19,994	\$20,394
	Net Operating Income	\$94,610	\$102,233	\$112,451	\$115,999	\$119,656	\$123,427	\$127,315	\$131,322	\$135,454	\$139,714	\$144,105
	Sale in Year 12 at 4.5% Cap Rate											\$3,302,940
	Net Cash Flow	\$94,610	\$102,233	\$112,451	\$115,999	\$119,656	\$123,427	\$127,315	\$131,322	\$135,454	\$139,714	\$144,105
	Present Value of Net Cash Flow @ 4.5% Discount Rate	\$3,061,840										
	Property Taxes @ 1.14% of \$3,061,840	\$34,904	\$34,904	\$34,904	\$34,904	\$34,904	\$34,904	\$34,904	\$34,904	\$34,904	\$34,904	\$34,904
	Present Value of Property Taxes		\$318,275									
	Net Present Value of Cash Flow After Property Taxes		\$2,743,565									
	Sale of TDRS		\$580,000									
	TOTAL VALUE		\$3,323,565									

* 8% Increase per year first 2 years, then 10% for third year and then 3% per year, basement 3% per year. Previously leased ground floor and basement space for \$120,000 per year.
 ** Prior to notice of condemnation intent, over 32 years of ownership had not experienced vacancy and collection loss at the average rate used by the appraiser.
 *** 2% annual increase, including reserves, based on most recent actual figures.

Sources: Chris Cammeghi; Gruen Gruen + Associates.

Figure 1A
Discounted Cash Flow Analysis of Existing Office Use
Assuming Continued Ownership by 564 Howard LLC and Sale of our TDRs, Rather Than Adding Seven Stories

	2007 Year 1	2008 Year 2	2009 Year 3	2010 Year 4	2011 Year 5	2012 Year 6	2013 Year 7	2014 Year 8	2015 Year 9	2016 Year 10	2017 Year 11	2018 Year 12	
Space													
Ground Floor (2,500 sq. ft.)	2006 Rent @ \$20 per Square Foot*	\$54,000	\$58,320	\$64,152	\$69,077	\$68,059	\$70,101	\$72,204	\$74,370	\$76,601	\$78,899	\$81,266	\$83,704
2nd Floor (2,000 sq. ft.)	2006 Rent @ \$20 per Square Foot*	\$43,200	\$46,656	\$51,322	\$52,861	\$54,447	\$56,080	\$57,763	\$59,496	\$61,281	\$63,119	\$65,013	\$66,963
Basement (2,500 sq. ft.)	Rent @ \$8 per Square Foot*	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878	\$27,686
	Total	\$117,200	\$125,576	\$136,692	\$140,792	\$145,016	\$149,367	\$153,848	\$158,463	\$163,217	\$168,113	\$173,157	\$178,352
	Vacancy & Collection Loss @ 5%**	\$6,960	\$6,279	\$6,935	\$7,040	\$7,251	\$7,468	\$7,692	\$7,923	\$8,161	\$8,406	\$8,658	\$8,918
	Effective Gross Income	\$111,340	\$119,297	\$129,857	\$133,753	\$137,765	\$141,898	\$146,155	\$150,540	\$155,056	\$159,708	\$164,499	\$169,434
	Operating Costs @\$2.39 PSF***	\$16,730	\$17,085	\$17,406	\$17,754	\$18,109	\$18,471	\$18,841	\$19,218	\$19,602	\$19,994	\$20,394	\$20,802
	Net Operating Income	\$94,610	\$102,233	\$112,451	\$116,000	\$119,656	\$123,427	\$127,315	\$131,322	\$135,454	\$139,714	\$144,105	\$148,632
	Sale in Year 12 at 4.5% Cap Rate											\$3,302,940	
	Net Cash Flow	\$94,610	\$102,233	\$112,451	\$116,999	\$119,656	\$123,427	\$127,315	\$131,322	\$135,454	\$139,714	\$144,105	\$3,451,572
	Present Value of Net Cash Flow @ 4.5% Discount Rate												\$3,051,840
	Sale of TDRs												\$580,000
	TOTAL VALUE												\$3,641,840

* 8% Increase per year first 2 years, then 10% for third year and then 3% per year, basement 3% per year. Previously leased ground floor and basement space for \$120,000 per year.
 ** Prior to notice of condemnation intent, over 32 years of ownership had not experienced vacancy and collection loss at the average rate used by the appraiser.
 *** 2% annual increase, including reserves, based on most recent actual figures.

Sources: Chris Carnegie; Guen Gruen + Associates.

The Highest and Best Use

Re-reading the above makes me feel like the man who sat quietly reading his newspaper and talking to his wife in their small apartment while totally ignoring the fact that an elephant had entered the room. Relevant to the Carnegie appraisal, the elephant in the room is that the highest and best use for subject property is incorrectly stated. On page 2, the appraisal reads, "The highest and best use as vacant is for assemblage for a high density residential development." The appraisal then goes on to argue that, "It would be difficult to achieve a high density on such a small site without assemblage.The existing office building is functional and could continue in service until such future time as a development site including the subject is assembled and a project approved by the City." Then, in spite of stating that 20 units, or a density of 348 acres, would be allowed, the appraisal goes on to base its highest and best fair market value on an erroneously based value of the site as raw land, including a deduction of \$60,000 to demolish the existing structure.

At our January 19 meeting, we left you a copy of a plan that meets all city codes and adds seven condominium floors, as well as adapting the existing second floor to condominium use. That is the highest and best use for subject property. The business plan and DCF value of the existing ground floor and basement, as adapted, was left with you along with the plan. In August of 2006, we also gave a copy of both the architectural plan and business plan to your appraiser, Mr. John C. Clifford. If you would like and when you think it would be appropriate to do so, we would be glad to bring our architect and structural engineer to meet with you and answer any questions you may have about the technical feasibility and code conformity of the adaptive re-use of the existing structure that is the highest and best use.

Meeting of February 9th

Nina and I look forward to being with you on the 9th at your offices. If you have any questions in the meantime, please do not hesitate to call or email us.

Sincerely,

Claude Gruen
Manager
564 Howard Street LLC

CG/jl

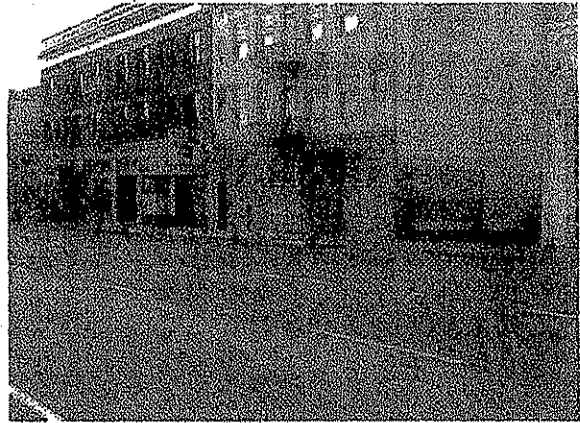
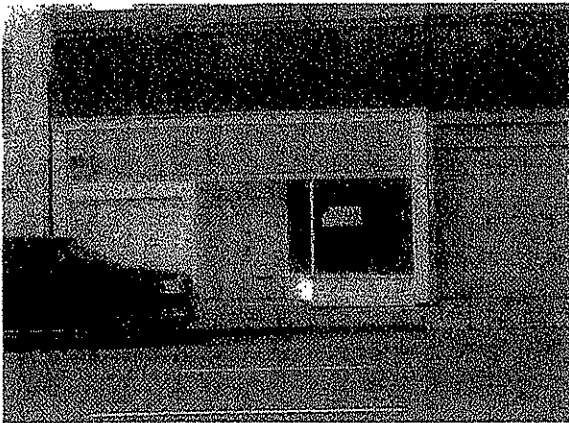


Appendix

The Non-Comparable Land Sale Comparables

As mentioned in the letter to which this is appended, only two of the properties listed on pages 15 and 16 are in the same real estate sub-market as 562-564 Howard Street. The other six, which are discussed below, are in differing sub-markets. In addition to being in differing sub-markets -- most extremely different -- several of the cited land parcels are situated much less favorably with regard to the view, access and other site-related characteristics. Both Nina and I visited all of the sites. I took snapshots of the six so-called "comparables" and they are included with our comments below.

#1. 248-252 Ninth Street



This property is on the east side of Ninth Street between Howard and Folsom. The existing structure, with a For Lease sign on it, can charitably be described as funky looking. This block of Ninth Street, which is south of Howard, has the feel of an old fashioned skid row, with some industrial uses, no observable amenities attractive stores or appetizing eating places. The neighborhood is several rungs down scale from subject property, with no sign of any even nascent gentrification. The property is located 1.5 miles from 562-564 Howard Street.



#2b. 168 Hyde Street



This alleged comparable land sale is on the corner of Turk and Hyde Streets in the heart of the Tenderloin. The structure that remains suggests the property had once been a gas station. We visited at 10:30 on a Monday morning. Given the crowd of homeless people on the street in front of the flop house only two doors down from 168 Hyde, I was hesitant to leave Nina in the car alone when I took pictures. This alleged comparable is 1.3 miles from 562-564 Howard Street, but in market terms it's much further away.

#4. 935 Folsom Street

The snapshot we took of the property at 935 Folsom did not come out well, but it is at the corner of Falmouth, on the south side of Folsom. It is only a few feet from the CW Hotel, a flop house to the west of the property. On the same side of the street but across Falmouth is "Folsom Gulch," a business with a banner indicating it is "committed to pleasure," selling sex toys, leather, DVDs and the like. Across the street is a large auto repair shop, another adult recreation store and an industrial building with a fortress-like façade. When Nina and I walked through that neighborhood, we both agreed that at its very worst, in the early 1970s before any of the new building and construction on Howard Street, it was never anything close to as bad as the location and building on Folsom. This "comparable" is .89 miles from subject property.



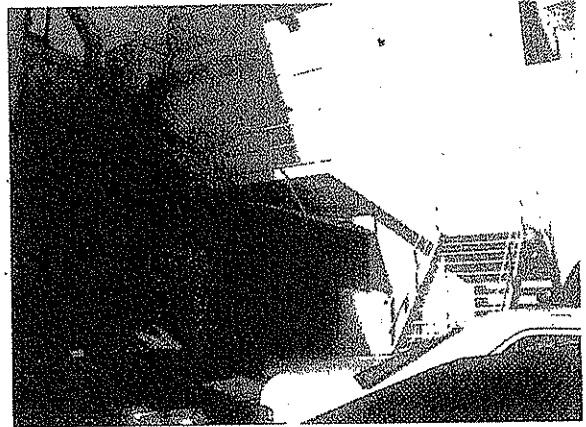
#5. 4 Guy Place



Number 4 Guy Place did not appear to have any building on it. It may be that in what is now a hole with an old concrete ramp going down to it that there was once a building. There is a sign indicating it is a construction zone, but there was no sign of any work being done when we visited on Monday, January 29. The site is on the lower part of Guy Place, just a little bit from where Guy Place goes into First Street. We note that while it may be possible to construct a building on the site, it is, in fact, a very narrow site with adjoining trees and no vacancy next to it that would allow construction or steel to easily be put into the building. Once again, it bears no similarity to either the location or the structure or siting of 564 Howard Street. While the neighborhood is much better than any of those described above, the access, views, and juxtaposition on the alley it fronts are greatly inferior to 562-564 Howard, although only .4 miles to the southeast.



#6. 270 Brannon



Like Guy Street, the 270 Brannon address is in a very acceptable neighborhood, although further from the center of town and .60 miles to the south of 562-564 Howard. But the building site is not really on Brannon. It is behind a large parking lot that faces Brannon and through which all visitors and workers must walk to get to the low slung industrial building. It is difficult to understand how this site can have any but the as-is use, as a new or expanded structure would have neither access to the street nor views of anything but parked cars and blank walls.





May 25, 2007

Claude and Nina J. Gruen
Gruen Gruen + Associates
564 Howard Street
San Francisco, CA 94105

Subject: Transbay Transit Center Program
General Information Notice and Request for Meeting
Affected Property Address: 564 Howard Street, San Francisco, California

Dear Mr. and Mrs. Gruen:

The Transbay Joint Powers Authority ("TJPA") is pursuing the possibility of purchasing certain properties in San Francisco in order to allow for the development of the Transbay Transit Center Program ("Transbay Program"). The Transbay Program is a regional transportation and housing plan that consists of three interconnected elements: (1) replacing the outmoded and seismically unsafe Transbay Terminal with a new multi-modal Transbay Transit Center that will accommodate local and regional bus operators and commuter and intercity rail; (2) extending Caltrain 1.3 miles from Fourth and King streets into the new Transbay Transit Center at First and Mission streets; and (3) creating a new transit-friendly neighborhood with 3,400 new homes (35% of which will be affordable), and mixed use commercial development.

As you know, the property that you own and your business occupies at 564 Howard Street, San Francisco, California, ("Property") is one of several properties in the area that might be purchased for the Transbay Program.

If the TJPA acquires the Property, your business would be relocated in order to allow for the construction of the Transbay Program. The TJPA will provide relocation assistance to all eligible businesses that are required to relocate, in compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the California Relocation Act. It is important that the TJPA understand how the Transbay Program might affect you and your business if the TJPA purchases the Property. The TJPA is in the process of preparing a Draft Relocation Impact Study ("Study") that considers the needs of the residential and business occupants of properties that the TJPA may purchase and addresses the issue of available relocation sites within the community. The Study will also describe the TJPA's commitment to provide relocation assistance to residential and business occupants affected by the Transbay Program in accordance with federal and state relocation laws and regulations. The Study will be published for a 30-day public review and comment period before the TJPA Board of Directors considers whether to adopt the Study.

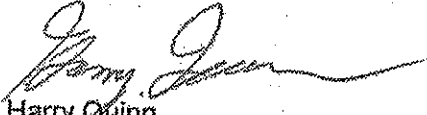
The TJPA has hired a relocation consultant, Associated Right of Way Services ("AR/WS"), to assist it in administering the TJPA's Relocation Assistance Program and providing relocation services. Ms. Terri Tran of AR/WS would like to meet with you, or an authorized representative

Claude and Nina J. Gruen
Gruen Gruen + Associates
May 25, 2007
Page 2 of 2

of your business, at a time convenient for you between June 4 and June 15, 2007, to discuss the TJPA's Relocation Assistance Program. Typically, the meetings last no longer than 30 minutes.


Please contact Ms. Tran at (800) 558-5151 to schedule a meeting and to discuss any questions related to relocation assistance and the services the TJPA will provide or provide AR/WS with contact information for an alternative person authorized to discuss matters relating to potential relocation of your business. We are enclosing the TJPA's Relocation Assistance Brochure for your information. For more general information about the Transbay Program, please contact Ms. Heather Barber, Government and Media Relations Manager for the TJPA (415-597-4620), or visit the TJPA's website: www.transbaycenter.org.

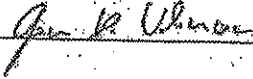
Sincerely,


Harry Quinn
Right-of-Way Coordinator
Transbay Joint Powers Authority

cc: Associated Right of Way Services, Inc.

Enclosure: Relocation Assistance Brochure
Transbay Transit Center information folder


Ms. Terri Tran, Relocation Advisor
Associated Right of Way Services, Inc.
2300 Contra Costa Blvd., #525, Pleasant Hill, CA 94523
(800) 558-5151 toll-free (925) 691-6505 fax
ttran@arws.com

Certification of Delivery	
<input checked="" type="checkbox"/> This Notice was sent via first class and certified mail on May 25, 2007.	
Signature: 	Date: May 25, 2007

TJPA

May 29, 2007

Harry J. Quinn
Right-of-Way Coordinator
Transbay Joint Powers Authority
201 Mission St. Suite 2750
San Francisco, CA 94105

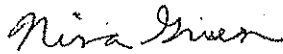
Re: Associated Right of Way Services

MAY 30 RECD

Dear Harry:

Claude and I see no need to set up an appointment with Ms. Terri Tran of AR/WS to discuss relocation assistance in the first two weeks of June. Until we know the timing of our potential taking, we do not want to spend time planning our relocation move.

Cordially,



Nina Gruen

NG/jl

Cc: Maria Ayerdi

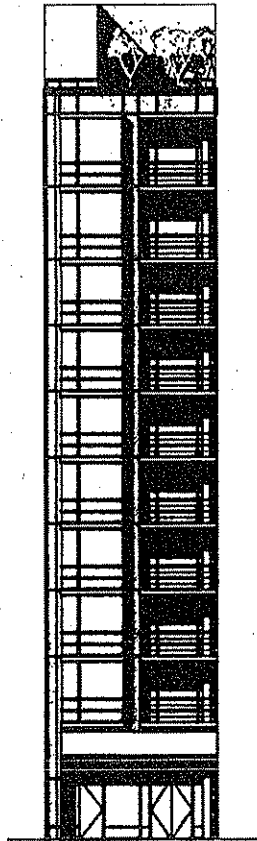


Gruen Gruen + Associates
564 Howard Street
San Francisco, CA 94105-3002
Tel: (415) 433-7598
Fax: (415) 989-4224
sf@ggassoc.com

564 Howard Street

Residential Condominium Project

Application & Exhibit Index



Application for Section 309 Review

Conditional Use Application

Environmental Evaluation Application

Tree Disclosure Statement

Property Description

Exhibit A - Architectural Exhibit

- Project Description
- Site Photos
- Site Plan
- Building Plans
- Building Elevations

Exhibit B - Maps & Labels

- 300 Foot Radius Map
- Area Notification Map
- Address Labels
- Address Index

07.1135E

Revised 2/99

DEPARTMENT OF CITY PLANNING: 450 McAllister Street, 5th Floor
San Francisco, CA 94102: (415) 558-6377

APPLICATION FOR A REVIEW OF A
C-3 (DOWNTOWN) PROJECT UNDER SECTION 309 OF THE
CITY PLANNING CODE

I. APPLICATION INFORMATION

1. Owner(s) of Record

564 Howard, LLC
Name

564 Howard Street
Address

San Francisco, CA 94105

2. Applicant

Claude Gruen
Name

564 Howard Street, 94105
Address

564 Howard, LLC
Company

415 - 989 - 7598
Phone #

3. Project Contact

Claude Gruen
Name

564 Howard Street, 94105
Address

564 Howard, LLC
Company

415 - 989 - 7598
Phone #

4. Architect Contact

Jack Munson
Name

500 Montaomerv St, 94111
Address

Fee Munson Ebert
Company

415-434-0320
Phone #

II. SITE INFORMATION

1. Address 564 Howard Street, San Francisco, CA-94105

2. Assessor's Block 3721 Lot(s) 019

3. Use (Zoning) District C-3-O

4. Height and Bulk District 450-S

5. Site size: Dimensions 25'-0" x 100'-0"

Area 2500 Sq Ft

Revised 3/90

6. Rated Buildings: N/A
 Address(es), Block/Lot(s)
7. Conservation District: N/A

III. GENERAL PROJECT DESCRIPTION

Use attachments if necessary to describe the following:

1. The exact legal description of the subject property: Use attachment.
2. Estimated project construction cost: \$7.9 Million
3. Building Characteristics
 - Height 111'-0"
 - Stories 10
 - Total gsf 22,500
 - Actual FAR 9:1
 - Estimated Amount of TDR Required 7500 sq ft

*Include ramps and aisles necessary to service parking in gross square footage. Short-term parking is defined as parking available to the general public on an hourly or daily basis. Long-term parking is parking leased for a period exceeding 24 hours.

4. Gross square footage of floor area, by type of use proposed and by alternatives, if any:

Office	<u>-</u> Floors		gsf
Retail	<u>1</u> Floors	<u>1,550 (Exempt)</u>	gsf
Residential	<u>19</u> units	<u>22,500</u>	gsf
Mechanical	<u>-</u> Floors		gsf
Other	<u>\</u> Floors		gsf

Parking

Total Parking*	<u>0</u> spaces	gsf
Short-term Parking*	<u>0</u> spaces	gsf
Replacement Short-term Parking*	<u>0</u> spaces	gsf
Long-term Parking*	<u>0</u> spaces	gsf
Additional Parking created thru Tandem/Valet	<u>0</u> long-term <u>0</u> short-term	
Parking s.f. applicable towards FAR	<u>0</u>	
Percentage of Total gsf	<u>0</u>	

Revised 2/90

Parking s f. not applicable towards FAR 0

Bicycle spaces required by Code 0

Bicycle spaces proposed 12

Number of spaces proposed in subsurface sidewalk vaults 0

Freight Loading

Spaces 0 van-sized 0 full-sized

Freight access (Street) 0

Freight egress (street) 0

Freight loading spaces required by Code 0

IV. COMPLIANCE

Section 309 requires that the Zoning Administrator determine that the project complies with Section 138 (Open Space), Section 139 (Downtown Park Fund), Section 146 (Shadows on Streets), Section 147 (Shadows on Publicly Accessible Open Spaces), Section 149 (Public Art), Section 102.8(b)(16) (Replacement Short-term parking), Section 313 (Office Affordable Housing Production Program) and Section 314 (Child Care).

A. Open Space (Section 138)

1. Size of Open Space

A full set of dimensioned floor plans of the project identifying areas excluded from the calculation of gross floor area from which the open space requirement is derived.)

2. Design of Open Space

*Private Balconies &
Roof Garden*

Type of open space (Urban Park, Plaza, Greenhouse, etc.)

Include a plan of the open space, showing the following (1/8" = 1'; or 1/16" = 1' for larger projects):

- Dimensions of open space including the calculations used to determine the amount of space
- notations as to levels, if appropriate
- calculations of all requirements that have to be quantified (e.g. number of sitting spaces, tables, etc.)
- trees and massing of plant material
- notations as to materials used, e.g. for paving
- indication of paving patterns
- location and type of food services (Cart, Separate fixed structure, within project building)
- location of rest rooms
- diagrams, to demonstrate sun exposure during critical hours appropriate for type
- statement of hours of availability
- other elements as provided in the Design Guidelines by type (e.g. movable walls for Greenhouses etc., windscreens)

See Exhibit A

B. Downtown Park Fund (Section 139)

Square footage Applicable to Downtown Park Fund 0

Total Payment to Downtown Park Fund 0

Revised 2/90

C. Shadows on Streets (Section 146)

Certain Streets in the downtown have setback requirements and exceptions may be granted from the requirement (See Code and Exceptions Section of Application)) On other streets, massing of new construction shall be shaped to minimize shadow impacts on public sidewalks, consistent with good design.

Describe streets which are shadowed by the Project, and times of year and hours of such shadows.

- *Shadow would be cast on the Transbay Loop and Natoma St parking, predominantly.*

D. Shadows on Publicly Accessible Open Spaces (Section 147)

Massing of new construction shall be shaped to minimize shadow impacts on publicly accessible open space not subject to Section 295 (Proposition K) requirements consistent with good design.

Describe publicly accessible open spaces which are shadowed by the Project, in terms of the amount of area shadowed, the duration of such shadows, and the importance of sunlight to the type of open space being shadowed.

- *No shadows are anticipated on existing public open spaces.*

E. Public Art (Section 149)

Projects shall supply publicly visible art work equal to 1 percent of the construction cost.

Describe the work(s) of art or art concept including:

-type of art piece (e.g. sculpture, relief, tapestry)

-medium (e.g. marble, wood, fiber)

-approximate dimensions

-Artist's residence by city

-budgeted cost for art piece

-construction cost of building as determined by the Superintendent of the Bureau of Building Inspection (Section 304 of the Building Code)

- *Not required if less than 25,000 G.S.F. Project total is 22,500.*

F. Replacement of Short Term Parking (Section 102.8(b)(16))

Short-term parking that is required to be replaced by the Commission pursuant to Section 309 is excluded from counting against gross floor area.

Describe existing short-term parking, operation and fee structure.

Describe amount of parking to be replaced and operation.

- *No short term parking provided. No short term parking currently exists.*

G. Office Affordable Housing Production Program (Section 313)

Describe number of housing credits required or amount of fee paid. If housing project selected for housing credit purchase, please identify.

- *No office use provided as part of project.*

H. Child Care Provision (Section 314)

Describe the method for compliance with the Child Care Provisions. In the case of fee payment, include the amount of fee. For direct provision, describe location and size of facility.

- *No office or hotel uses provided as part of this project.*

IV. EXCEPTIONS:

Describe Exceptions requested pursuant to Section 309(a) of the Planning Code. Make reference to specific criteria contained in Planning Code.

- *None.*

Revised 2/90

V. APPLICANT'S AFFIDAVIT:

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO 55

I (He) Claude Gruen, Manager of 564 Howard, LLC

(Print name of Applicant in full)

declare, under penalty of perjury, that I am (we are) the owner(s) or the authorized agent of the owner(s) of the property that is the subject of this application, that the statements herein and in the attached exhibits present the information required for this application to the best of my (our) ability, and that the facts, statements and information presented are true and correct to the best of my (our) knowledge and belief.

Signed Claude Gruen

ANLM128

Type of Application To Be Submitted: Conditional Use

1. Owner/Applicant Information

Property Owner's Name: 564 Howard LLC
Address: 564 Howard Street, San Francisco ZIP: 94105 Telephone 415 - 433 - 7598
Applicant's Name: 564 Howard, LLC
Address: 564 Howard Street, San Francisco ZIP: 94105 Telephone 415 - 433 - 7598
Contact for Project Information: Claude Gruen
Address: 564 Howard Street, San Francisco ZIP: 94105 Telephone: 415 - 433 - 7598

2. Location and Classification

Street Address of Project: 564 Howard Street ZIP: 94105
Cross Streets: Howard Street & 2nd Street
Assessors Block/Lot: 3721 019 Lot Dimensions: 25' x 100' Lot Area(SqFt): 2500 Sq Ft
Zoning District: C-3-OSD Height/Bulk District 450 - 5

3. Project Description

Please Check

Change of Use Change of Hours New Construction
Alterations Demolition Other

Describe what is to be done: The existing 2-story office building will be altered by an 8-story addition to the building and a change of use. The project will have ground floor retail and nine floors of residential units above. The 19, 1-2 bedroom units will be a mix of affordable and market rate housing.

Additions to Building:

Rear Front Height Side Yard

Present or Previous Use: Office
Proposed Use: Residential/Retail
Building Permit Application No. Pending Date Filed: 10/3/07

4. Action(s) Requested (Include Planning Code Section which authorizes action)

Project requests exemption from the rear yard setback required of C-3 districts, described in Section 134 of the SF Planning Code.

5. Applicant's Affidavit

Under penalty of perjury the following declarations are made:

- a: The undersigned is the owner or authorized agent of the owner of this property.
- b: The information presented is true and correct to the best of my knowledge.

Signed Claude Gruen Date 10/3/07
Applicant or owner

Claude Gruen, 564 Howard LLC, Manager
(Print Name of Applicant in Full)

Address: 564 Howard Street Block and Lot No. 3721 019

CONDITIONAL USE FINDINGS

Pursuant to Planning Code Section 303(c), before approving a conditional use authorization, the Planning Commission needs to find that the facts presented are such to establish the findings stated below. In the space below and on separate paper, if necessary, please present facts sufficient to establish each finding.

- (1) That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community; and
- (2) That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:
 - (a) The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;
 - (b) The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;
 - (c) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;
 - (d) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs; and
- (3) That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan.

The rear yard requirements established by Section 134 of the San Francisco Planning Code, for C Districts, require a minimum rear yard depth equal to 25% of the total depth of the lot. SEC 134(a) states "These requirements are intended to assure the protection and continuation of established midblock, landscaped open spaces...consistent with the location of adjacent buildings."

The midblock, open space pattern is not established on Block #3721 or the existing building on Lot 019. Therefore, it is not necessary to preserve, and would be inconsistent with the location of adjacent buildings in the neighborhood.

The rear 25% of Lot 019 is currently in the shadow of the elevated Transbay Loop at the ground level. It would be better utilized by gaining access to light and air, at elevations above the adjacent vehicular bridge. The project's proposal to maximize the 25'-0" x 100'-0" lot, would allow more appealing residential units & ground floor retail to be developed as a benefit to the neighborhood. (Please see exhibit for building plans & elevations.) Additionally, the utilization of the rear 25% will not adversely affect traffic patterns, off-street loading, or other provisions of the Master Plan.

City Planning Case No.

Address 564 Howard Street

Block and Lot No. 3721 019

PRIORITY GENERAL PLAN POLICIES FINDINGS

Proposition M was adopted by the voters on November 4, 1986. It requires that the City shall find that proposed projects and demolitions are consistent with eight priority policies set forth in Section 101.1 of the City Planning Code. These eight policies are listed below. Please state how the project is consistent or inconsistent with each policy. Each statement should refer to specific circumstances or conditions applicable to the property. Each policy must have a response. IF A GIVEN POLICY DOES NOT APPLY TO YOUR PROJECT, EXPLAIN WHY IT DOES NOT.

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

Project creates opportunity for new neighborhood serving retail/restaurant. Additionally, the new housing & residents will support existing neighborhood retail, as well.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

Proposed market rate & low-income housing support economic diversity. Scale of building will bridge the gap between the adjacent mid-rise buildings, and the high-rise buildings in the neighborhood.

3. That the City's supply of affordable housing be preserved and enhanced;

16% of units provide affordable housing.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

Project does not provide parking. Residents are anticipated to walk or use public transit to local amenities & workplaces.

PRIORITY GENERAL PLAN POLICIES FINDINGS

(Continued)

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

Project provides opportunity for neighborhood oriented retail service & residential employment.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

Project will include fully compliant structural system & life-safety system.

7. That landmarks and historic buildings be preserved; and

N/A

8. That our parks and open space and their access to sunlight and vistas be protected from development.

Project does not affect any existing parks due to taller buildings that are closer in proximity to those parks.

DATE: October 3, 2007

PROJECT ADDRESS: 564 Howard Street

ASSESSOR'S BLOCK/LOT 3721/019

ESTIMATED CONSTRUCTION COSTS

TYPE OF APPLICATION: Conditional Use

OCCUPANCY CLASSIFICATION: R-1, B

BUILDING TYPE: Type I Construction

TOTAL GROSS SQUARE FEET OF CONSTRUCTION 22,500

ESTIMATED SQUARE FOOTAGE:

BY PROPOSED USES: 22,500 Residential

1,550 Retail (Exempt from G.S.F)

ESTIMATED CONSTRUCTION COST \$7.9 Million

ESTIMATE PREPARED BY: F.M.E.

FEE ESTABLISHED: _____

Environmental Evaluation Application Checklist

Please submit all materials shown below. The staff planner assigned to the project will contact you if additional information is required in order for environmental review to proceed.

Submit These Materials With Application	Check Box to Indicate That Materials Are Provided
Application with all blanks filled in, plus a photocopy of the completed application	X
Public Notification Materials (To be submitted when a planner is assigned)	
Parcel map showing block and lot numbers within a 300-foot radius of the project site boundaries	<input type="checkbox"/>
Two sets of address labels of all property owners within a 300-foot radius of project site <u>and</u> directly adjacent property occupants, including those across the street	<input type="checkbox"/>
Photocopy of address labels	<input type="checkbox"/>
Two Sets of Project Drawings on 8.5" x 11", 11" x 17", or reduced size Site Plan, Floor Plans, Elevations, and Sections	X (See Exhibit A)
Two Sets of Photographs of the project site and adjacent properties, including those across the street, with viewpoints labeled	X (See Exhibit A)
Check payable to <u>San Francisco Planning Department</u> (see EE Application Fee Schedule)	X
Application signed by owner or agent	X
Letter from property owner(s) authorizing agent to sign Application	Owner Present
Tree Disclosure Statement, if required (see page 3 of this application packet)	X
Special Studies, if available or required (see pages 2 - 4 of this application packet) Examples include Phase I Site Assessments and Geotechnical Reports	Pending

Applicant's Affidavit - I certify the accuracy of the following declarations:

- a: The undersigned is the owner or authorized agent of the owner(s) of this property.
- b: The information presented and all attached exhibits required for this initial evaluation are true and correct to the best of my knowledge.
- c: I understand that other applications and information may be required.

Signed: Claude Gruen Date: 10/3/07
Agent or Owner

Print full name of applicant: Claude Gruen, 564 Howard, LLC, Manager
(For Staff Use Only) Case No. 1 07.1125E 1

Environmental Evaluation Application

Owner / Agent Information

Property Owner:	564 Howard, LLC	Telephone No.:	415 - 433 - 7598
Contact Person:	Claude Gruen	Fax No.:	415 - 989 - 4224
Address:	564 Howard Street	Email Address:	cgruen@ggassoc.com
	San Francisco, 94105		
Project Contact:	564 Howard, LLC	Telephone No.:	415 - 433 - 7598
Contact Person:	Claude Gruen	Fax No.:	415 - 989 - 4224
Address:	564 Howard Street	Email Address:	cgruen@ggassoc.com
	San Francisco, 94105		
CEQA Consultant:	N/A	Telephone No.:	
Contact Person:		Fax No.:	
Address:		Email Address:	

Site Information

Site Address(es):	564 Howard Street		
Nearest Cross Streets:	Howard Street & 2 nd Street		
Assessor's Block(s)/Lot(s):	3721 019	Zoning District(s):	C-3-OSD
Site Square Footage:	2500 Sq Ft	Height/Bulk District(s):	450-S
Present or Previous Use of the Site:			

Project Description Please Check All That Apply:

<input checked="" type="checkbox"/> Addition	<input checked="" type="checkbox"/> Change of Use	<input type="checkbox"/> New Construction	<input type="checkbox"/> Lot Split/Subdivision
<input type="checkbox"/> Alteration	<input type="checkbox"/> Demolition	<input type="checkbox"/> Zoning Change	<input type="checkbox"/> Other

Please Describe Proposed Use:	Residential Tower, with Ground Floor Retail		
Estimated Construction Cost:			
<small>Documentation supporting this estimate may be requested</small>	\$7.9 Million	Project Schedule:	January 2009
Previous Environmental Review:	N/A	Case No.:	N/A
Building Permit Application Number(s), if applicable:			

Written Project Description: Please include location; existing height, use, gross square footage, and number of off-street parking spaces; and proposed height, use, gross square footage, and number of off-street parking spaces. Attach additional sheet(s) if necessary.

(For Staff Use Only) Case No. 07-1-35E1

PROJECT SUMMARY TABLE

Please provide information on existing site conditions and proposed uses. You may round numbers. If you are not sure of the eventual size of the project, provide MAXIMUM estimates.

Category Gross Square Footage (GSF)	Existing Uses	Existing Uses To Be Retained	Net New Construction &/or Addition	Project Totals
Residential	-	-	22,500	22,500
Retail	-	-	1,550 (Exempt)	1,550 (Exempt)
Office	* 7,000	0	0	0
Industrial	-	-	-	-
Parking	-	-	-	-
Other (Specify Use)	-	-	-	-
TOTAL GSF	* 7,000		22,500	22,500
Dwelling Units	-	-	19	19
Hotel Rooms	-	-	-	-
Parking Spaces	-	-	-	-
Loading Spaces	-	-	-	-
Number of Buildings	1	0	1	1
Height of Building(s)	30'-0"		111'-0"	111'-0"
Number of Stories	2		10	10

* Gross Construction Area – Not per Planning Code definition of GSF

If there are features of your project not included in this table, please describe below. Attach separate sheets if needed.

PROJECT-SPECIFIC AND PROJECT AREA DESCRIPTION

1. Describe the project site, as it exists, including information on topography, soil stability, plants, and animals, and any cultural, historical, or scenic aspects. Describe any existing structures on the site and the use of the structures.

The project site currently has a 2-story office building that is approximately 30'-0" high. The existing building's exterior walls are located at the property line of the 25'-0" x 100'-0" lot, without any setbacks. The site is flat, with no landscaping or animals.

2. Describe the surrounding properties, including information on plant, animals, and any cultural, historical or scenic aspects. Indicate the type of land use, intensity of land use, and scale of development:

The project site is adjacent to the elevated Transbay Loop. Private parcels, used for leasable parking are located to the north & east of the project site, and are below the Transbay Loop. A 4-story office building is on the adjacent lot to the west. The front of the site (south) faces Howard Street.

3. If the proposed project includes residential development, include the number of units, anticipated schedule of unit sizes, range of sale prices or rents, and type of household size expected:

The project proposes 19 residential units: 8, two-bedroom, 1065 sq ft units & 11, one-bedroom, 475-600 sq ft units. The expected households would be individuals, couples, seniors, & professionals. Sale prices could range between \$335,000 – \$1,200,000.

4. If the proposed project includes commercial development, indicate the type, whether the business is neighborhood, city, or regionally oriented, square footage of sales area, estimated employment, and size, location, and access to loading facilities:

Neighborhood oriented Retail or Restaurant.

5. If the proposed project includes industrial development, indicate the type, estimated employment, typical hours of operation, and size, location, and access to loading facilities:

N/A

6. If the proposed project includes institutional uses, indicate the major function, estimated employment per shift, estimated occupancy, loading facilities, and community benefits to be derived from the project:

N/A

ENVIRONMENTAL ISSUES

Please respond to all questions below taking care to provide all the required information. If not applicable to your project, explain why. Attach separate sheets if needed.

- 1) Would the proposed project require any variances, special authorizations, or changes to the San Francisco Planning Code or Zoning Maps? If so, please describe.
The proposed project requires a conditional use approval, for exemption of the rear yard setback required in a C-3 district. A Conditional Use Application is in process.
- 2) List or describe any other related permits and other public approvals required for this project, including those required by city, regional, state, and federal agencies:
Standard Planning, Building, & Public Works permits.
- 3) Would the proposed project displace any existing housing or business use? If so, please describe.
The project would displace two businesses: Gruen Gruen + Associates and Geologica Inc.
- 4) Is the proposed project related to a larger project, a series of projects, or any anticipated incremental development? If so, please describe.
No.
- 5) Would the proposed project change the pattern, scale or character of the general area of the project? If so, please describe.
The project would be taller than the buildings that are immediately adjacent on Howard Street. However, the proposed 10-story building would bridge the gap in scale between the adjacent mid-rise buildings, and the high-rise buildings on Mission St, 2nd Street, Folsom St, & 1st Street.
- 6) Would the proposed project exceed any of the thresholds specified in the *Transportation Impact Analysis Guidelines for Environmental Review*? If so, please describe. You may request a determination of whether your proposed project requires a Transportation Study by the Department's Transportation Section (contact Bill Wycko at (415)-575-9048).
If a Transportation Study is required, two separate fees are necessary to cover Planning Department management and review of consultant-prepared transportation studies: 1) check payable to the San Francisco Planning Department (see EE Application Fee Schedule) and 2) check payable to MTA Department of Parking and Traffic for \$400.00.
No thresholds are exceeded.
- 7) Are any designated landmarks or rated historic buildings on the project site, or is the site within a historic district? If so, please describe.
No.

- 8) Would the proposed project exceed 40 feet in height as defined by the Planning Code (via new construction or additions)? If so, please explain and submit a Shadow Study Application, available online and at the Planning Information Counter at 1660 Mission Street.
Project exceeds 40 ft. Shadow would be cast on Transbay Loop and Natoma St parking, predominantly.
- 9) Would the proposed project change the scenic views or vistas from existing residential areas or public lands, or roads? If so, please describe.
No.
- 10) Would the proposed project remove trees located on private or public property? If so please submit a plot plan showing the location, diameter, height, common name, and botanic name of each such tree. Please also submit a Tree Disclosure Statement as part of the environmental application submittal. The form is available online and at the Planning Information Counter at 1660 Mission Street.
No trees exist on the site currently. Roof garden will include new plant life.
- 11) Is the site on filled land? Is the grade of the project site: (a) level or only slightly sloped, or (b) steeply sloped? Please explain and, if steeply sloped, provide a Geotechnical or Soils Report.
Site is level or slightly sloped. Geotechnical Report in process.
- 12) To your knowledge have any hazardous materials, including toxic substances, flammables, or explosives, ever been present on the site? If so, please attach a Phase I Environmental Site Assessment or hazardous material technical report and any additional related reports that are available.
No.
- 13) Would construction of the proposed project involve any soils-disturbing activities? If so, please describe, including depth of any excavation and cubic yards of any soil to be removed, and type of foundation system proposed for the project.
Additional 462 cu yds to be excavated, to increase basement depth.
- 14) Would the proposed project change any existing features of any bays, tidelands, beaches, or hills, or substantially alter ground contours?
No.

- 15) Please estimate the project's daily volume of water use, wastewater generation, and describe the type of stormwater handling. Would the proposed project substantially change the demand for municipal services (police, fire, water, sewage, etc.) or produce significant amounts of solid waste or litter? If so, please explain.
*30 residents (x) 80-100 gallons/day = 2400-3,000 gallons/day (rough estimate).
Specifications will include water efficient plumbing fixtures, gray water system, & roof top landscaping.*
- 16) Would the proposed project generate any nuisance odors? Would the proposed project substantially change dust, ash, smoke, fumes, or odors in the project vicinity? If so, please explain.

No.
- 17) Would the proposed project employ any noise reduction measures for building occupants? Would the proposed project substantially change existing noise or vibration levels in the project vicinity? If so, please explain.

No.
- 18) Would the project drain directly to natural waters (stream, bay, etc.)? Would the proposed project substantially change ocean, bay, lake, stream, or groundwater quality or quantity, or alter the existing drainage patterns? If so, please explain.

No.
- 19) Would the proposed project substantially increase fossil fuel consumption (electricity, oil, natural gas, etc.)? If so, please explain.

No.

PRIORITY GENERAL PLAN POLICIES

Proposition M was adopted by the voters on November 4, 1986. It requires the City to find that proposed projects and demolitions are consistent with the eight priority policies set forth in Section 101.1 of the City Planning Code. The eight policies are listed below. Please state how the project is consistent or inconsistent with each policy as it relates to the physical environmental issues. Each statement should refer to specific circumstances or conditions applicable to the property. Each policy must have a response. If not applicable to your project, explain why. Attach separate sheets if needed.

- 1) *That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;*
Project creates opportunity for new neighborhood serving retail/restaurant. Additionally, the new housing & residents will support existing neighborhood retail, as well.
- 2) *That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;*
Proposed market rate & low-income housing support economic diversity. Scale of building will bridge the gap between the adjacent mid-rise buildings, and the high-rise buildings in the neighborhood.
- 3) *That the City's supply of affordable housing be preserved and enhanced;*
16% of units provide affordable housing.
- 4) *That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;*
Project does not provide parking. Residents are anticipated to walk or use public transit to local amenities & workplaces.
- 5) *That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;*
Project provides opportunity for neighborhood oriented retail service & residential employment.
- 6) *That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;*
Project will include fully compliant structural system & life-safety system.
- 7) *That landmarks and historic buildings be preserved; and*
N/A
- 8) *That our parks and open space and their access to sunlight and vistas be protected from development.*
Project does not affect any existing parks due to taller buildings that are closer in proximity to those parks.



PLANNING DEPARTMENT

Tree Disclosure Statement

1. REQUIREMENTS

The Department of Public Works Code Section 8.02-8.11 requires disclosure and protection of landmark, significant and street trees located on private and public property, and that they be shown on approved site plans. A completed disclosure statement must accompany all building permit applications that include building envelope expansion, new curbcuts, new garages, and all demolition or grading permit applications.

Protected trees include street trees and both significant trees and landmark trees on or over a development. Protected trees *must be protected* according to a protection plan developed by a certified arborist before demolition, grading or construction begins. Any tree identified in this Disclosure Statement must be shown on the Site Plans with size of the trunk diameter; tree height, and accurate canopy dripline.

If the protected tree is to remain and if activity occurs within the dripline, prior to building permit issuance, a tree protection plan prepared by an International Society of Arboriculture (ISA) certified arborist is to be submitted to the Planning Department on a full-sized plan sheet. The protection plan must state specific measures which if applied before construction can reasonably be expected to preserve the health of the tree. Additionally, the arborist must include a written statement to the Department of Building Inspection (DBI) verifying that the specified protections will be in place before demolition, grading or building permit will be issued, unless the Department of Public Works (DPW) waives or modifies these requirements.

If the applicant seeks to remove a Protected Tree, the applicant must get a tree removal permit from DPW before the Planning Department permit is issued. Illegally removing a protected tree may constitute a violation of the San Francisco Public Works Code Section 8.11, which can lead to criminal and/or civil legal action and the imposition of administrative fines.

2. APPLICANT'S CERTIFICATION & CONTACT INFORMATION

I hereby attest under penalty of perjury that the information I have entered on this document is true and correct to the best of my knowledge, and that I have read and understood this form, and that I am the property owner or designee of the property owner, familiar with the property, and able to provide accurate and complete information herein.

Claude Gruen, 564 Howard, LLC

Manager

Print Name

Title

564 Howard Street

(415) 433 - 7598

Mailing Address: Street

Phone

San Francisco, CA 94105

cgruen@ggassoc.com

Mailing Address: City, State, Zip

Fax # or Email Address

3. PROTECTED TREES

The applicant must answer questions in the following table:

A	SIGNIFICANT TREES	Qty
	Are there any trees within 10-feet of a lot line abutting a public right-of-way that are above 20-feet in height, or with a canopy greater than 15-feet in diameter, or with a trunk diameter greater than 12-inches in diameter at breast height? (Check which boxes apply and document quantity of each tree type.)	
	<input type="checkbox"/> Trees on the subject property	
	<input type="checkbox"/> Trees on adjacent property overhanging the project site	
	<input checked="" type="checkbox"/> There are no such trees at these locations.	

If there is no sidewalk, the 10-foot distance is measured from the property line edge of the street. If there are no trees of the above size, go to item B. If any other above boxes are checked, the tree qualifies as a significant tree per DPW Code and is entitled to certain protections. The location and species of all such trees must be drawn on the site plans (if no plans are required for this application the trees must be drawn on the reverse side of this form).

B	LANDMARK TREES	Qty
	Are there any Landmark Trees on the project lot or on lots adjacent to the property? (Check which boxes apply and document quantity of each tree type.)	
	<input type="checkbox"/> Trees on the subject property	
	<input type="checkbox"/> Trees on the adjacent City right-of-way (street trees);	
	<input type="checkbox"/> Trees on adjacent property overhanging the project site	
	<input checked="" type="checkbox"/> There are no such trees at these locations.	

Landmark trees are trees that meet criteria for age, size, shape, species, location, historical association, visual quality, or other contribution to the City's character and have been found worthy of landmark status after public hearings at both the Urban Forestry Council and the Board of Supervisors. Temporary landmark status is also afforded to nominated trees currently undergoing the public hearing process. The Department of Public Works maintains the official "Landmark Tree Book" with all designated landmark trees in San Francisco. The location and species of all such trees must be drawn on the site plans (if no plans are required for this application the trees must be drawn on the reverse side of this form).

C	STREET TREES	Qty
	Are there any street trees on the public right-of-way adjacent to the property that are neither landmark trees nor significant trees? (Check which boxes apply and document quantity of each tree type.)	

<input type="checkbox"/>	Street trees bordering the subject property	
<input checked="" type="checkbox"/>	There are no such trees at these locations.	

Street trees and other public trees are afforded protections even if the trees are not large enough to be protected as landmark trees.

The undersigned agrees to the conditions of this form. I understand that knowingly or negligently providing false or misleading information in response to this disclosure requirement may lead to denial or rescission of your permit and may constitute a violation of the San Francisco Public Works Code Section 8.11, which can lead to criminal and/or civil legal action and the imposition of administrative fines.

Signature: Claude Gruen Please Print: Claude Gruen Date: 10/3/07
 Property Owner or Authorized Agent

If you have any questions about this form, or the information required, please contact the Planning Department for assistance at (415) 558-6377.

4. PLANNING DEPARTMENT DETERMINATION

THE INFORMATION BELOW IS TO BE COMPLETED BY PLANNING DEPARTMENT STAFF ONLY

SITE INFORMATION	TREE SUMMARY
<u>Project Address</u>	<u>Current number of street trees</u>
<u>Block / Lot (s)</u>	<u>Current number of other protected trees as noted herein</u>
<u>Alteration type</u>	<u>Total trees pre-project</u>
<u>Planning Quadrant</u>	<u>Total number of trees post-project</u>

- The proposed project has been declared to **not** have trees subject to any protections. (DCP STAFF: file this form in historical file.)
- to have protected trees subject to protections from construction. (DCP STAFF: ensure that plan set includes tree protection form. After review, file this form in historical file.)
- to have protected trees planned for removal. (DCP STAFF: file this form in historical file and notify DPW via urbanforestry@sfdpw.org.)

<u>Signature of Planner</u>	<u>Print Name of Planner</u>	<u>Date Signed</u>
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5. SITE PLAN

In the absence of a formal landscape plan, use this space to show street, curb, sidewalk, driveway, structure, and all tree locations as required. Protected trees must also include accurate tree height, canopy diameter, and trunk diameter.

See Exhibit A

564 Howard Street, San Francisco

Residential Condominium Project

Architectural Exhibit

SITE INFORMATION

Property Owner: 564 Howard, LLC
 Contact Person: Claude Gruen
 Address: 564 Howard Street
 San Francisco, CA 94105
 Phone: 415-789-7598
 Email: cgruen@ggassoc.com

Block #: 3721
 Lot#: 019
 Zoning District: C-3-OSD
 Height/Bulk District: 450-5

Site Square Footage: 2500 sf.
 F.A.R: 9:1

Occupancy: R-1, B
 Construction: Type I

AREA CALCULATIONS

Level	Gross Square Feet	
	Retail	Residential
Roof	0	0
10	0	2446
9	0	2446
8	0	2446
7	0	2446
6	0	2446
5	0	2446
4	0	2446
3	0	2446
2	0	2446
1	1550	0
Basement	0	**485
Total	*1550	22,500

* Exempt, per Section 102.9
 ** Tenant Storage

INDEX

PD-0.1 Site Photos
 PD-0.2 Site Photos
 PD-0.3 Site Plan
 PD-0.4 Basement Level Plan
 PD-0.5 Ground Level Plan
 PD-0.6 Level 2 Plan
 PD-0.7 Levels 3-10 Plan
 PD-0.8 Roof Plan
 PD-0.9 Elevations
 PD-0.10 Elevations

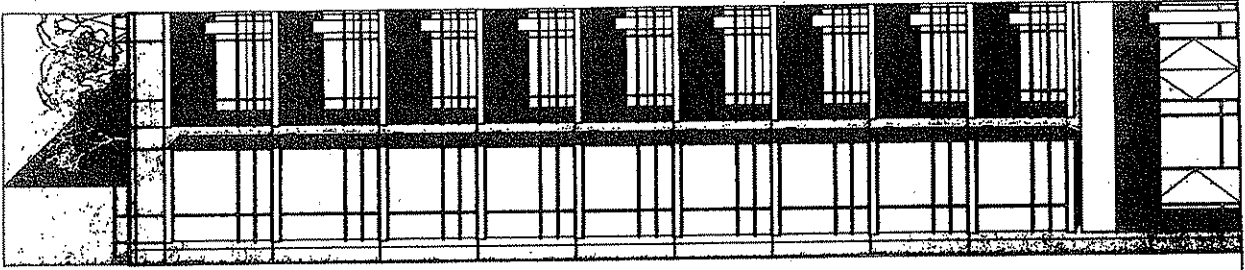
PROJECT DESCRIPTION

The existing 2-story office building will be altered by an 8-story addition to the building and a change of use. The project will have ground floor retail and nine floors of residential units above. The 19, 1-2 bedroom units will be a mix of affordable and market rate housing.

OPEN SPACE REQUIREMENTS

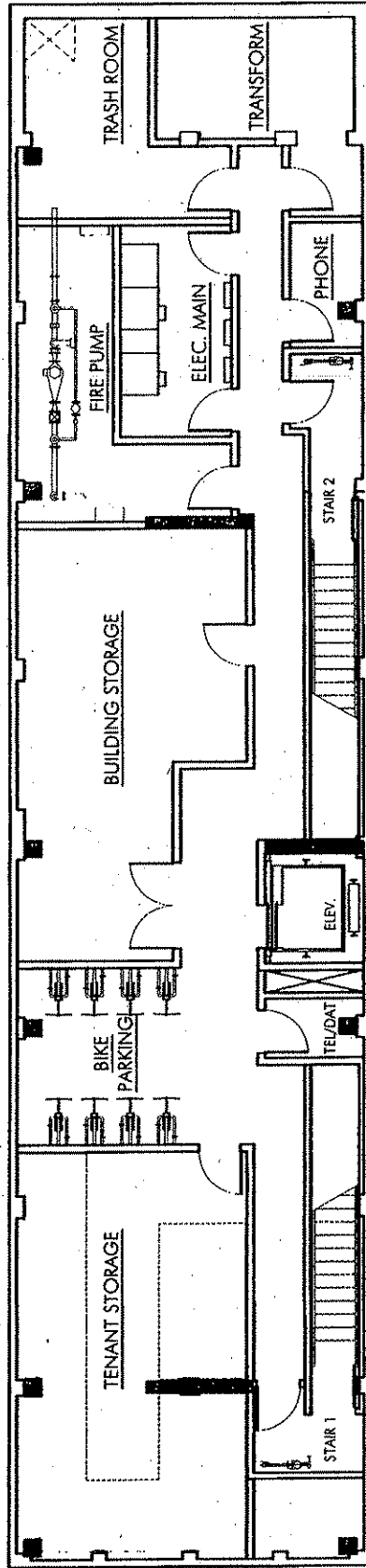
Private Open Space
 Floors 2-10, 9 units w/ Private Balconies
 36 Sq Ft Required Per Unit
 57 Sq Ft Provided Per Unit

Common Open Space
 Floors 2-10, 10 units without balconies
 10 units x 36sq ft x 1.33 =
 479 Sq Ft Required
 1120 Sq Ft Provided



ADJACENT PRIVATE PARCEL

PUBLIC RIGHT OF WAY



HOWARD STREET

BASEMENT LEVEL

1/8" = 1'

TENANT STORAGE 285 SF (USABLE)

GROSS SQUARE FOOTAGE 485 SF
(PER SF PLANNING CODE, SEC. 102.9)

0 4' 8'

564 Howard Street, San Francisco
Residential Expansion Study

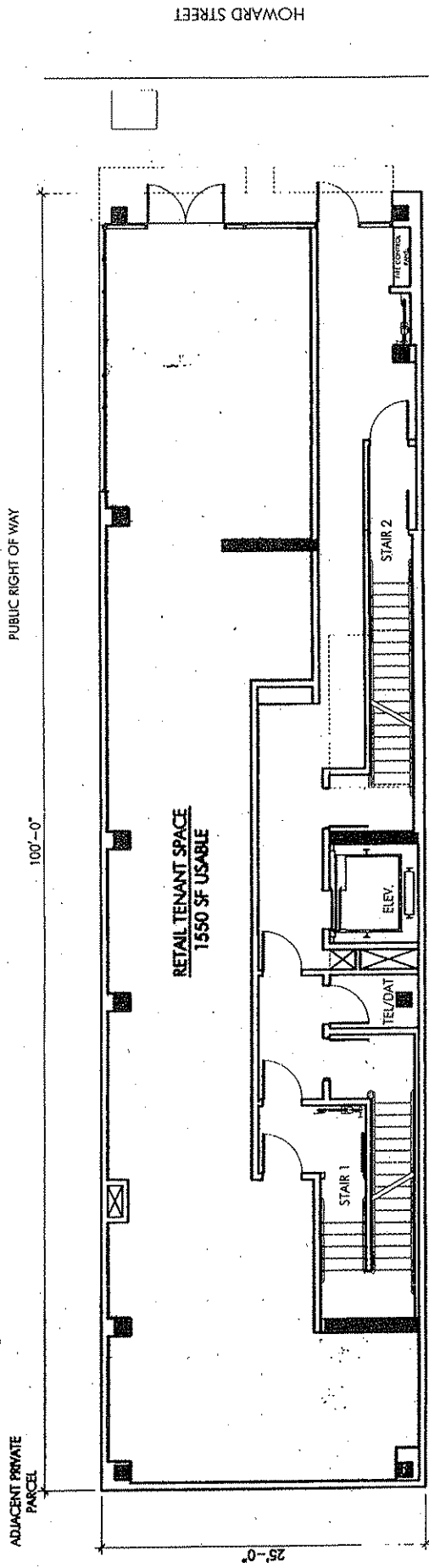
Gruen Gruen + Associates

554 Howard Street
San Francisco, CA 94105

October 3, 2007

PD-0.4

PEE MUNSON EBERT
ARCHITECTURE + DESIGN
San Francisco, California



GROUND LEVEL
1/8" = 1'

RETAIL TENANT SPACE 1550 SF (USABLE)

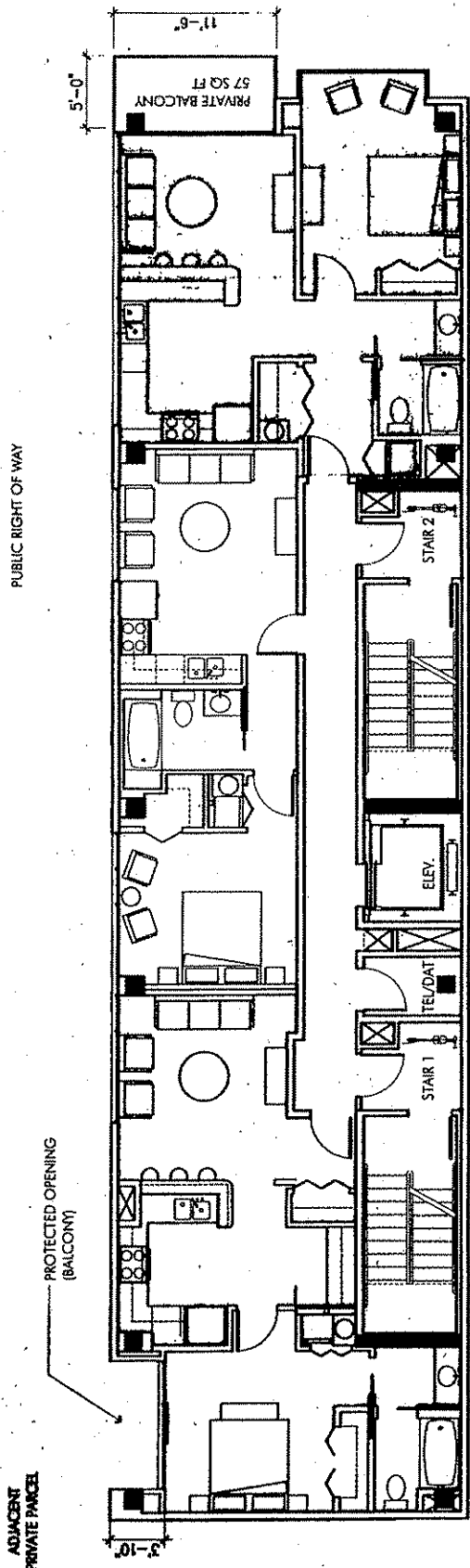


0 4 8'

Gruen Gruen + Associates
554 Howard Street
San Francisco, CA 94105
October 3, 2007

564 Howard Street, San Francisco
Residential Expansion Study
PD-0.5

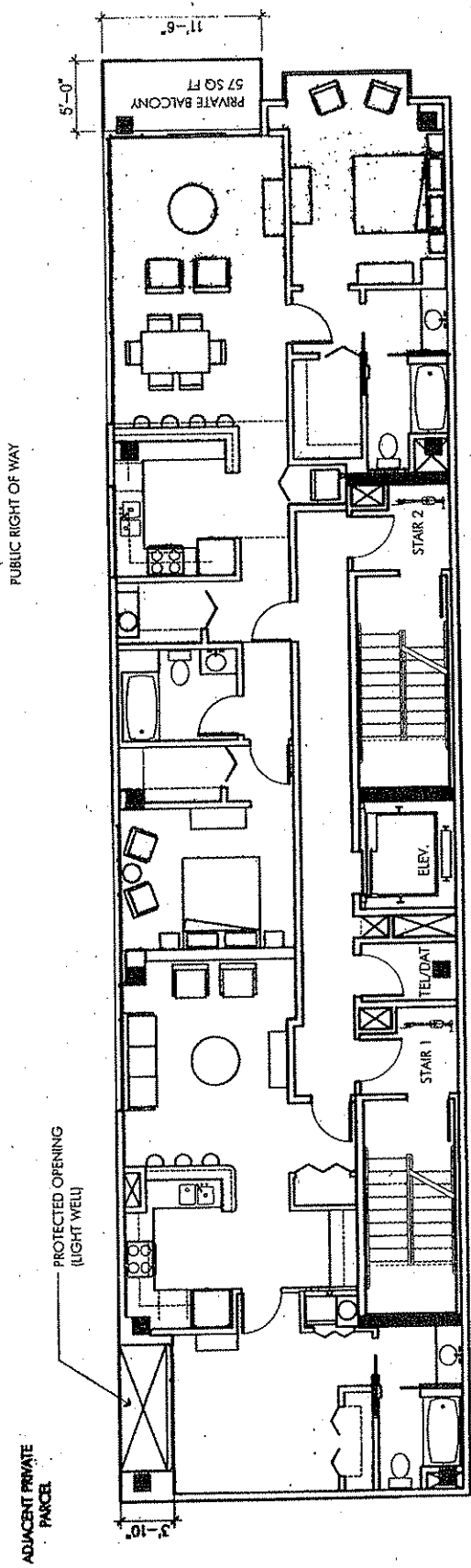
FEE MUNSON EBERT
ARCHITECTURE - DESIGN
San Francisco, California



LEVEL 2
1/8" = 1'

- 1 BEDROOM / 1 BATH 600 SF
- 1 BEDROOM / 1 BATH 475 SF
- 1 BEDROOM / 1 BATH 585 SF

GROSS SQUARE FOOTAGE 2446 SF
(PER SF PLANNING CODE, SEC. 102.9)



TYPICAL FLOOR 3-10
1/8" = 1'

▬	2 BEDROOM / 2 BATH	1065 SF
▬	1 BEDROOM / 1 BATH	620 SF
	GROSS SQUARE FOOTAGE	2446 SF
	(PER SF PLANNING CODE, SEC. 102.9)	

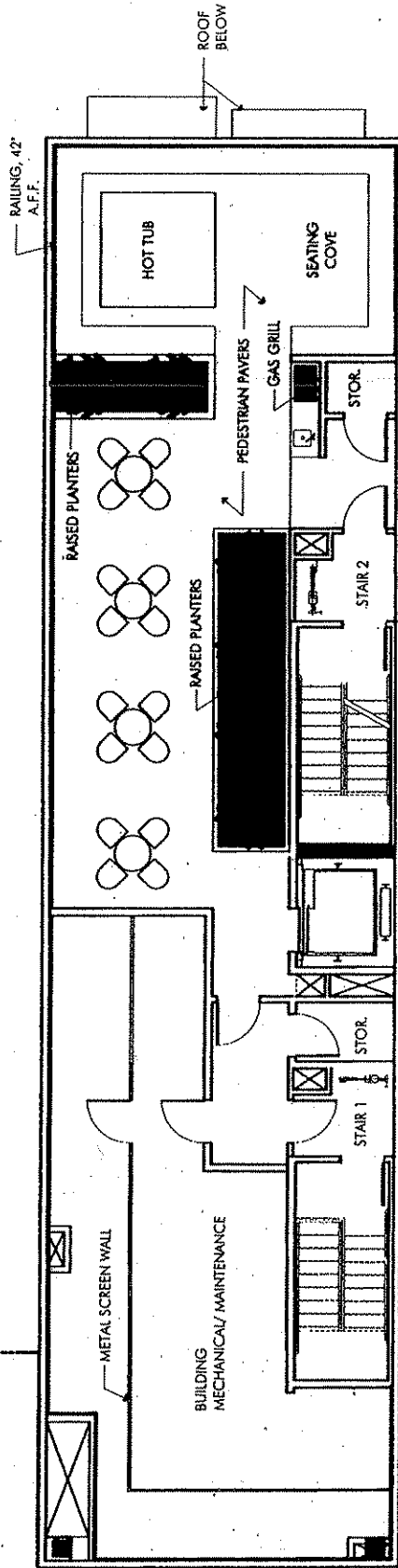
Given Gruer + Associates
 564 Howard Street
 San Francisco, CA 94105
 October 3, 2007
 PD-0.7

564 Howard Street, San Francisco
 Residential Expansion Study

FEE MUNSON EBERT
 ARCHITECTURE + DESIGN
 San Francisco, California

ADJACENT
PRIVATE PARCEL

PUBLIC RIGHT OF WAY



ROOF PLAN
1/8" = 1'

1120 SF (USABLE)

ROOF GARDEN
(BUILDING COMMON)

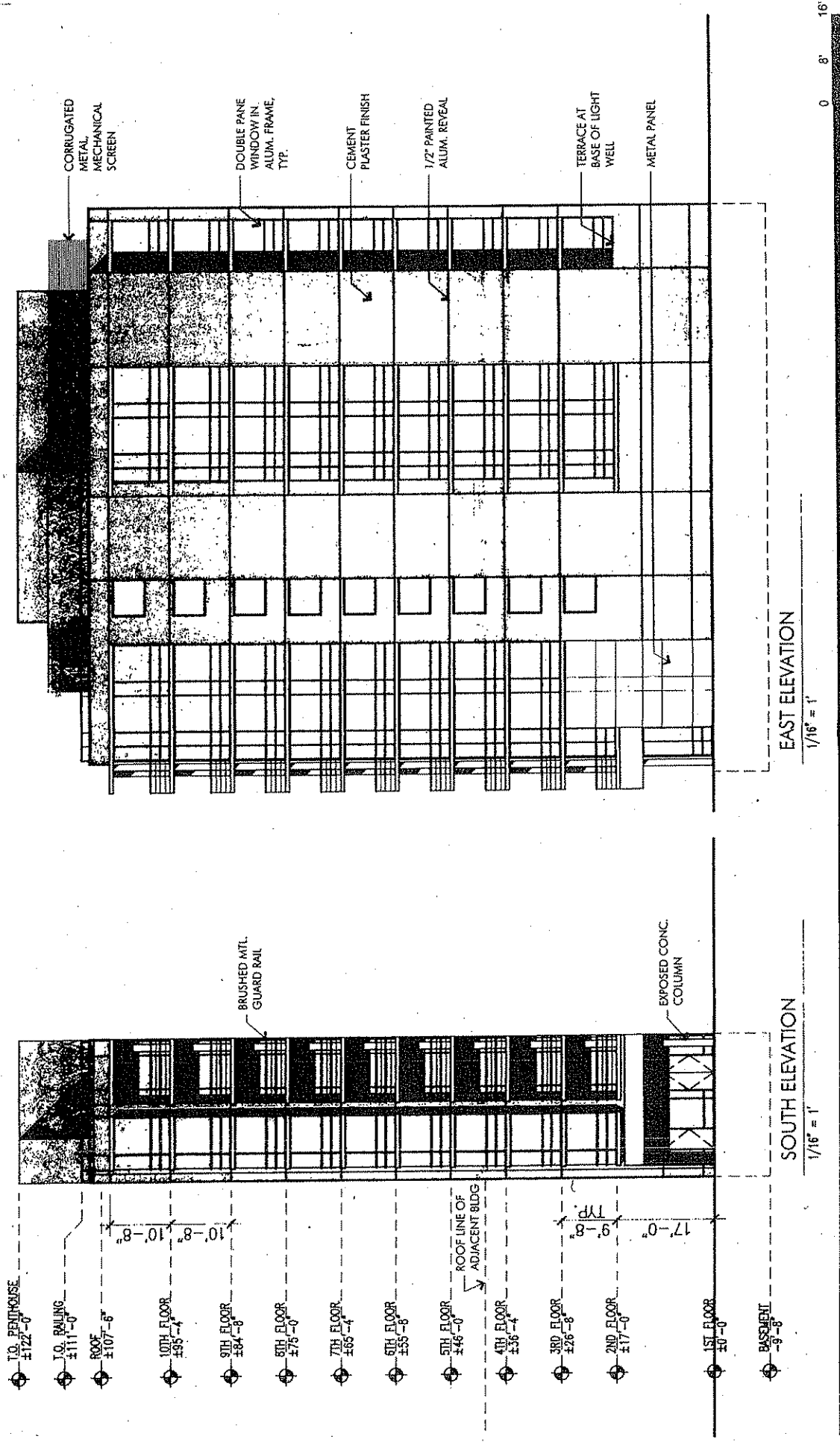
0 4 8'

Gruen Gruen - Associates
564 Howard Street
San Francisco, CA 94105
October 3, 2007

564 Howard Street, San Francisco
Residential Expansion Study

FEE MUNJON EBERT
ARCHITECTURE
San Francisco, California

PD-0.8



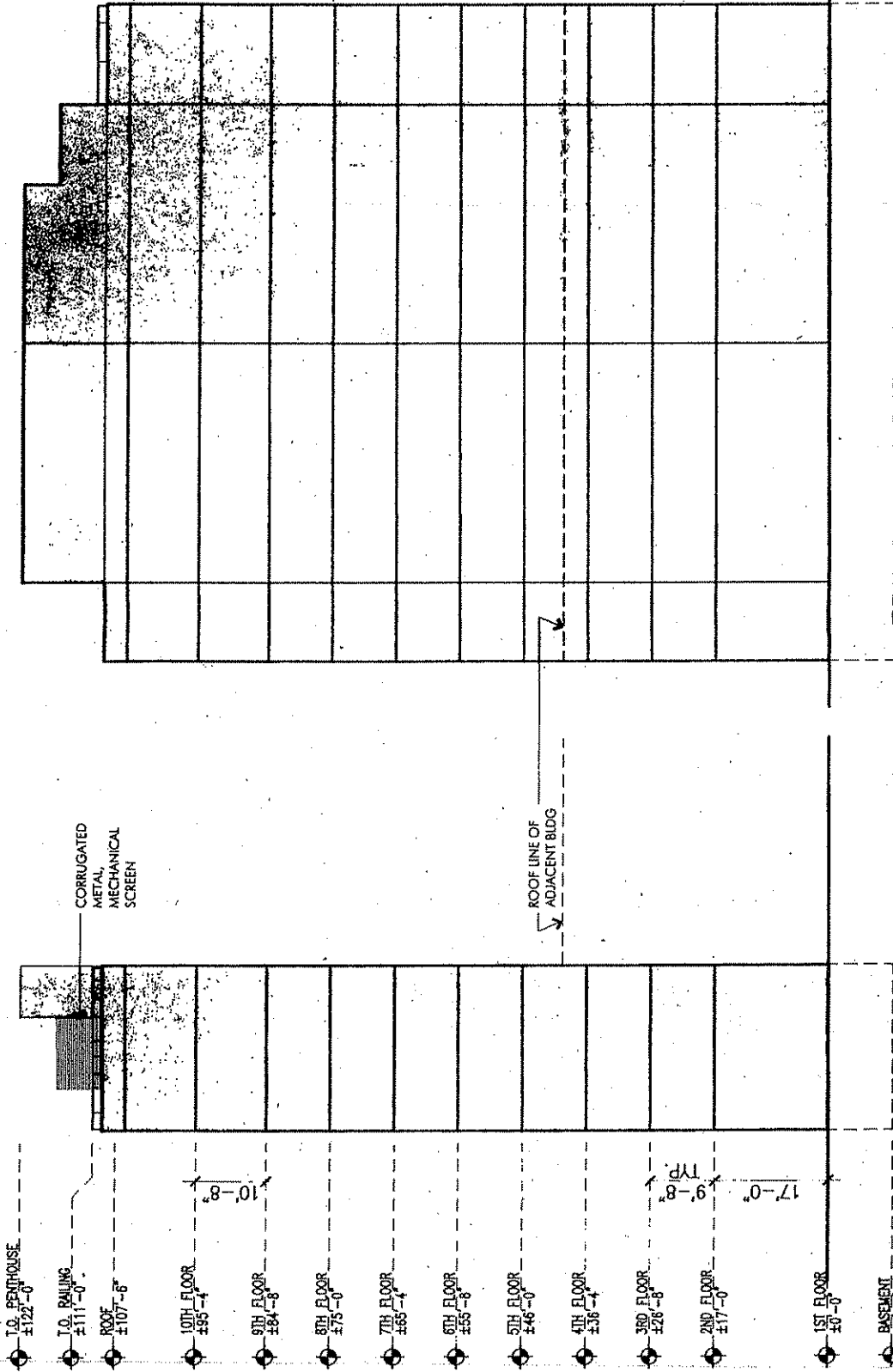
0 8' 16'

Gruen Gruen + Associates
 664 Howard Street
 San Francisco, Ca 94105
 October 3, 2007

564 Howard Street, San Francisco
 Residential Expansion Study

F I M I E
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 ARCHITECTURE • DESIGN
 San Francisco, California

PD-0.9



WEST ELEVATION
1/16" = 1'

NORTH ELEVATION
1/16" = 1'

0 8' 16'

564 Howard Street, San Francisco
Residential Expansion Study

Gruen Gruen + Associates
564 Howard Street
San Francisco, Ca 94105
October 3, 2007

PD-0.10

F I M I E
FEE MUNSON EBERT
ARCHITECTS - DESIGN
San Francisco, California

LAW OFFICES OF
HERMAN H. FITZGERALD
A PROFESSIONAL CORPORATION

HERMAN H. FITZGERALD
CHRISTINE C. FITZGERALD

345 LORTON AVENUE, SUITE 302
BURLINGAME, CALIFORNIA 94010
TELEPHONE (650) 348-5195
FACSIMILE (650) 348-3518

BOS-11, COB
Leg Deputy

File 101436

November 23, 2010

Certified Mail, Return Receipt Requested

Angela Calvillo
Clerk of the Board
Board of Supervisors
Room 244
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94012

File #101436

Re: Property Acquisition – 564 Howard Street, San Francisco, CA 94102
Resolution of Necessity for Acquisition of
Property by Eminent Domain

To The Honorable Board of Supervisors:

This Board of Supervisors (hereinafter "The Board" or "Board") has on its agenda for December 7, 2010, a hearing to consider adoption of a Resolution of Necessity for the acquisition of the above-entitled property (hereinafter "the subject property") by eminent domain. This office represents Claude and Nina Gruen, the owners of the property (hereinafter "the owner or owners"). We are submitting this letter on behalf of the owners in order to object to the Board's proposed action on several grounds, including (1) that adoption of the resolution would be in violation of law because the Board has failed to comply with applicable statutory procedures which are prerequisites to such a resolution, including the requirements of the California Environmental Quality Act ("CEQA"); and (2) the failure to furnish a proper Appraisal Summary Statement; and (3) the failure to conform to procedural requirements; and (4) the failure to make a proper Government Code 7267.2 offer; and (5) the failure to provide a form of the proposed resolution which effectively precludes any comment, objection, etc., by the owners, exacerbated by the inability to attend a meeting without sufficient notice; and (6) the Notice fails to satisfy the time requirements of CCP 1245.235 and CCP 1013.

A.

**THE BOARD MAY NOT ADOPT A RESOLUTION
OF NECESSITY BECAUSE IT HAS FAILED TO COMPLY
WITH STATUTORY PROCEDURES**

Sections 1245.230 et. seq., of the Code of Civil Procedure and Government Code Sections 7267.1 and 7267.2 set forth the procedures that must be followed prior to adoption of a resolution of necessity by a public entity. The Commission has failed to follow those procedures.

Under Government Code Section 7267.2, prior to adopting a resolution of necessity, the

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BOARD OF SUPERVISORS
SAN FRANCISCO
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BY _____
RC

Angela Calvillo
Clerk of Board
November 23, 2010
Page 2

condemnor must make an offer to the owners of interests in the subject property to acquire the property, which must contain a written statement of, and summary of the basis for, the amount it has established as just compensation. The Board has failed to make a bona fide offer under Government Code Section 7267.2 to the owners.

Case law has made it clear that the provisions of Section 7267.2 "are not merely discretionary guidelines, but mandatory requirements which must be observed by any public entity planning to initiate eminent domain proceedings through a resolution of necessity." City of San Jose v. Great Oaks Water Co., (1987) 192 Cal.App.3d 1005, 237 Cal.Rptr. 845, 849. Adoption of the proposed resolution is therefore premature until the Board complies with these requirements.

The Board has not made specific findings as required by law to establish the necessity of eminent domain proceedings, that the property in question is necessary for a proposed project, and that the project is planned or located in a manner that will be most compatible with the greatest public good and least private injury. Nor is there any credible evidence to support such conclusions.

The Board action in proceeding to consider the proposed resolution without complying with these mandatory requirements, among others, reveals that the true intent behind this proposed action is to compel the owners to convey their property interest to the Board at a lesser value.

Code of Civil Procedure section 1263.025(a) requires that the Board offer to pay the reasonable cost of an appraisal report. The Board has failed to make a bona fide offer to the owners to make such a payment.

B.

THE BOARD CANNOT ADOPT THE RESOLUTION UNTIL THE REQUIREMENTS OF CEQA HAVE BEEN MET

Similarly, the proposed resolution cannot validly be adopted until all of the requirements of CEQA and the State CEQA Guidelines have been met. California courts have established that public acquisition of property is a "project" within the meaning of CEQA, and therefore subject to all the requirements of CEQA and the State CEQA Guidelines. Nevertheless, the Board will be in clear violation of CEQA, as well as other provisions of law.

The legislative committee comment to Code of Civil Procedure Section 1240.030 provides in pertinent part as follows:

"Subdivision (a) [of the statute] prevents the taking of the property by eminent domain unless the public interest and necessity require the project. 'Public interest and necessity' include all aspects of the public good including but not limited to social, economic, environmental and aesthetic considerations

The San Jose, supra, case stated further at page 1017 as follows:

"We conclude that the City violated CEQA by failing to make a determination whether a subsequent or supplemental EIR was required by the redesign of the project, or whether an addendum to the final EIR would suffice. There should be an opportunity for public hearings

and comments prior to this determination. If at that time it does appear that the changes in the project design are sufficiently substantial to require revisions of the EIR - as appears to be the case from the evidence in the record - then a subsequent or supplemental EIR will be required."

The Board has failed to comply with the requirements of CEQA and has not addressed the significant effects on the environment which may be caused by the Board's proposed project.

Adoption of the proposed resolution is therefore premature until the Board complies with these requirements.

C.

**THE BOARD'S FAILURE TO SATISFY PUBLIC INTEREST
AND NECESSITY AND OTHER REQUIREMENTS OF THE EMINENT
DOMAIN LAW PRECLUDES THE ADOPTION OF THE RESOLUTION**

1. The proposed project is not planned or located in a manner that will be the most compatible with the greatest public good and least private injury. The Board has not properly or adequately evaluated or considered the private injury which will occur to the owners from the project, and has not weighed or balanced other alternatives which would lessen the private injury while permitting the proposed project.

2. The acquisition of the property as proposed is not necessary for the project.

3. The vote by the Board in deciding whether to adopt the Resolution of Necessity will be affected by a conflict of interest or other improper influence.

4. The proposed acquisition will not be used for the stated purpose within the time period required by law.

5. The proposed taking is of excess property not authorized by law.

6. The proposed taking is for a use not authorized by law.

7. The condemnor lacks the power to take the affected properties by eminent domain.

8. The proposed acquisition is not for a public use.

9. The Board is not authorized to acquire the properties for the stated use.

10. The property being acquired, and the totality thereof, is not necessary for the project.

11. Portions of the proposed taking are already devoted to an existing public use, and the proposed project and takings are not a more necessary public use.

Angela Calvillo
Clerk of Board
November 23, 2010
Page 4

D.

CONCLUSION

The owners object to the Resolution and request that this letter be submitted to the Board and included as an Exhibit to the hearing and part of the Administrative Record to serve as owners' objections to the adoption of the resolution, and further request the Board to allow the opportunity to appear and be heard at the Resolution Hearing to argue the objections if this office deems it necessary.

In the event that this letter cannot serve as the owners' formal objections, please advise me in writing substantiated with any legal basis.

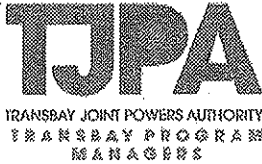
For the above reasons, it is respectfully submitted that the resolution not be passed.

Very truly yours,



HERMAN H. FITZGERALD

HHF:mdf
cc: Nina and Claude Gruen
L/Board.Gruen



October 16, 2007

Claude and Nina J. Gruen
Gruen Gruen + Associates
564 Howard Street
San Francisco, CA 94105

Subject: Notice of Eligibility to Receive Relocation Assistance
Owner of Leased, Occupied Real Property
Property Address: 564 Howard Street San Francisco, California

Dear Mr. and Mrs. Gruen:

The Transbay Joint Powers Authority (TJPA) plans to acquire property to develop the Transbay Transit Center Program (Program), which will replace the Transbay Terminal at First and Mission streets in San Francisco with a new Transit Center, and build a new neighborhood with approximately 3,400 new residential units. The property that you own at 564 Howard Street in San Francisco, California (Property) is one of several properties in the area that the TJPA would like to acquire for the Transbay Program.

Notice of Eligibility

Recently, the TJPA offered to purchase all or a portion of your Property. If the TJPA is successful in its efforts to acquire the Property, then the businesses that occupy your property would be required to relocate to allow for the construction of the Transbay Program. You would lose your ability to lease the real property to occupants. To allow you sufficient time to plan for the reestablishment of your investment real estate business in the event that the TJPA acquires the Property, the TJPA has determined that you are now eligible to receive relocation assistance as an owner of leased, occupied real property in accordance with the TJPA's Relocation Assistance Program.⁷

The TJPA's Relocation Assistance Program is explained in the enclosed Relocation Assistance Brochure. It is important that you understand the conditions described below and in

⁷ The TJPA's Relocation Assistance Program is required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Section 4601 et seq., and its implementing regulations, 49 CFR Part 24, as well as the California Relocation Act, Govt. Code Section 7260 et seq., and its implementing regulations, 25 Cal. Code Regs. Section 6000 et seq.

the enclosed brochure. Certain conditions must be satisfied before the TJPA will reimburse you for moving expenses related to the reestablishment of your investment real estate business.

Your Relocation Advisor

To help you during this process, the TJPA has contracted with Associated Right of Way Services, Inc. (ARWS), which specializes in providing relocation assistance. Mr. Joe Magdaleno of ARWS will serve as your Relocation Advisor and will work with you to provide relocation services. To ensure that you qualify for reimbursement of the eligible costs you incur, the TJPA strongly encourages you to work closely with your Relocation Advisor to plan your relocation before you incur any expenses.

Timing of Relocation

Assuming that the TJPA acquires the Property that you own, you will not be required to move your investment real estate business from the Property until at least 90 days after you receive a formal, written Notice to Vacate the Property. The TJPA does not anticipate that any business will be required to move prior to Sum '08.

Relocation Assistance

The TJPA's Relocation Assistance Program provides referrals to replacement property, help in filing claims for reasonable moving costs and other eligible relocation expenses, and other assistance to help you to reestablish your investment real estate business. You may be eligible to receive reimbursement for certain actual, reasonable, and necessary moving and related expenses (e.g., the cost to move personal property). In addition, you may be eligible for reimbursement of certain actual, reasonable, and necessary reestablishment expenses.

The potential reimbursement options, the kinds of expenses that are eligible for reimbursement, and the requirements for reimbursement are described in detail in the enclosed Relocation Assistance Brochure. In addition, your Relocation Advisor will work with you to help you to understand the relocation assistance that would be available so that you can make informed decisions as you plan your relocation.


Relocation Claims and Payments

Relocation expenses typically will be reimbursed after you submit to your Relocation Advisor a signed claim and all required documentation supporting the claim. Your Relocation Advisor will work with you to properly document your claims for reimbursement. Your Relocation Advisor will submit each complete claim to the TJPA for review and processing. The TJPA will make every effort to provide reimbursement for any approved, eligible portion of your claim in approximately 45 days.

If your investment real estate business is not owned by persons who are lawfully present in the United States, then the business may be ineligible to receive relocation payments and assistance. Your Relocation Advisor will ask you to certify that the business owner(s) are

lawfully present in the United States. Certification of residency status for business owners or a corporation must be on file with the TJPA in order to receive benefits.

It is important that you understand the matters explained above and in the brochure. Please work closely with your Relocation Advisor to search for available replacement sites, plan for your move, and file claims for payment. The contact information for your Relocation Advisor is:

 ASSOCIATED RIGHT OF WAY SERVICES, INC.
Mr. Joe Magdaleno Associated Right of Way Services, Inc. 2300 Contra Costa Boulevard, Suite 525 Pleasant Hill, CA 94523 (800) 558-5151 toll-free • (925) 691-6505 fax jmagdaleno@arws.com

Sincerely,



Harry J. Quinn
Right-of-Way Coordinator
Transbay Joint Powers Authority

cc: Associated Right of Way Services, Inc.

Enclosure: Relocation Assistance Brochure

Certification of Delivery	
<input type="checkbox"/>	This Notice was sent via first class and certified mail on _____.
<input type="checkbox"/>	This Notice was personally delivered on _____.
Signature:	Date:



October 16, 2007

Claude and Nina J. Gruen
Gruen Gruen + Associates
564 Howard Street
San Francisco, CA 94105

Re: Information Regarding Loss of Business Goodwill
Transbay Transit Center Project
Affected Property Address: 564 Howard Street, San Francisco, California

Dear Mr. and Mrs. Gruen:

The Transbay Joint Powers Authority (TJPA) plans to acquire property to develop the Transbay Transit Center Program (Program), which will replace the Transbay Terminal at First and Mission streets in San Francisco with a new Transit Center, and build a new neighborhood with approximately 3,400 new residential units. The TJPA has already provided you with information concerning your rights to claim Relocation Assistance in accordance with Federal Relocation Assistance laws and guidelines.

The purpose of this letter is to inform you of your rights with regard to compensation for loss of goodwill. California law provides that a business owner may be compensated for a loss of goodwill under Section 1263.510 of the California Civil Code of Procedures in the following circumstances:

- (a) The owner of a business conducted on the property taken, or on the remainder if such property is part of a larger parcel, shall be compensated for loss of goodwill if the owner proves all of the following:
1. The loss is caused by the taking of the property or the injury to the remainder.
 2. The loss cannot reasonably be prevented by relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill.
 3. Compensation for the loss will not be included in payments under Section 7262 of the Government Code.*
 4. Compensation for the loss will not be duplicated in the compensation otherwise awarded to the owners.

- (b) Within the meaning of this article, "goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage.

**Section 7262 of the Government Code refers to compensation to displaced persons for moving and related expenses as a part of the cost of the acquisition of real property for a public use. Compensation for the loss of goodwill under Section 1263.510 of the California Civil Code of Procedure will only be made to the extent such loss is not compensated for under Section 7262.*

At this stage of the TJPA's acquisition of the property in which you conduct a business, the TJPA does not have adequate information to determine whether you are entitled to compensation for lost business goodwill. If you feel that the TJPA's acquisition of the real property will result in a loss to you of business goodwill, and you wish to file a claim for loss of goodwill, you are required to submit the information requested below. This information will assist the TJPA in completing an appraisal concerning your claim for a loss of goodwill.

1. State of California Income Tax Return

True copies of your tax returns for the last five years or your period of ownership if less than five years, and Franchise Tax Board Form 3516, Request for Copy of Tax Return, which authorizes the Franchise Tax Board to provide certified copies of the returns directly to the TJPA. We can provide you with a copy of this form at your request.

2. Business Financial Statements

True copies of your Balance Sheets, Profit and Loss Statements and/or Cash Flow Statements for the current year to date and each of the prior five tax years or your period of ownership, if less than five years.

3. Tangible Assets

A list of the furniture, fixtures, machinery and equipment belonging to your business.

4. Intangible Assets

A list of such assets as patents, liquor licenses, etc.

5. Business Purchase Documentation

If you have purchased the business within the last five years, true copies of documentation (escrow instructions, purchase agreement, bill of sale, etc.) which provides details of the transaction including financing, the assets purchased, agreements not to compete, and how the total purchase was allocated to inventory, fixtures, equipment, licenses, goodwill, etc.

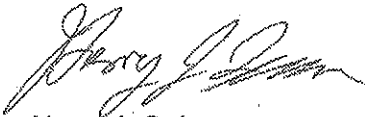
A loss of goodwill evaluation may include personal interviews by the TJPA's goodwill appraisers with the business owner. The interviews are usually held at the business location to afford the appraiser the opportunity to become familiar with your current business setting. An interview will be scheduled after we receive the requested information.

Your tax returns and all business records will be for confidential use by the TJPA solely for the purpose of evaluating any claim for loss of business goodwill.

Whether you are entitled to compensation for lost business goodwill need not be determined at this time. You may wait to claim compensation for a loss of business goodwill after you move your business and your business records, tax returns, or other documents demonstrate that you have suffered a loss of business goodwill. We recommend that you retain legal counsel to advise you on your rights to claim compensation for lost business goodwill and the timing of any such claim.

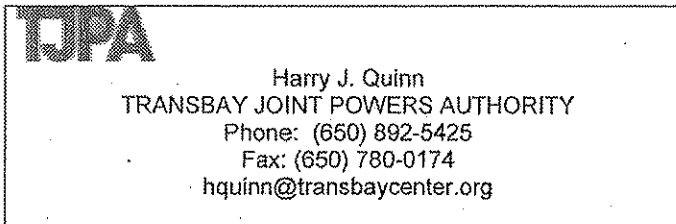
If any questions arise, please contact me at (650) 892-5425.

Sincerely,



Harry J. Quinn
Right-of-Way Coordinator
Transbay Joint Powers Authority

cc: Associated Right of Way Services, Inc.



Certification of Delivery	
<input type="checkbox"/>	This Notice was sent via first class and certified mail on _____.
<input type="checkbox"/>	This Notice was personally delivered on _____.
Signature:	Date:

SHUTE, MIHALY & WEINBERGER LLP
ATTORNEYS AT LAW

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MARK I. WEINBERGER (1948-2005)
FRAN M. LAYTON
RACHEL B. HOOPER
ELLEN J. GARBER
TAMARA S. GALANTER
ANDREW W. SCHWARTZ
ELLISON FOLK
RICHARD S. TAYLOR
WILLIAM J. WHITE
ROBERT S. PERLMUTTER
OSA L. WOLFF
MATTHEW D. ZINN
CATHERINE C. ENGBERG
AMY J. BRICKER
GABRIEL M.B. ROSS
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WINTER KING
KEVIN P. BUNDY
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ELENA K. SAXONHOUSE
AMANDA R. GARCIA
JEANNETTE M. MACMILLAN
ISAAC N. BOWERS

LAUREL L. IMPETT, AICP
CARMEN J. BORG, AICP
URBAN PLANNERS

July 8, 2008

Via Facsimile (650-348-3518) and US mail

Herman H. Fitzgerald
345 Lorton Avenue, Suite 302
Burlingame, California 94010

Re: Gruen Property at 564 Howard Street

Dear Mr. Fitzgerald:

I am Andrew Schwartz's colleague and assist him in representation of the Transbay Joint Powers Authority ("TJPA"). As Andrew mentioned in his June 9 letter to you, in the interest of good-faith negotiation, the TJPA is exploring the Gruens' assertion of the value of 564 Howard Street based on their proposal to add several floors of condominiums above the existing two-story office structure.

Thank you for providing the June 18, 2008 memo from Claude Gruen. We are in the process of reviewing Mr. Gruen's analysis. We appreciate Mr. Gruen's offer to make available Peter Culley's affidavit as to the capability of the existing structure to support additional floors. Please send the affidavit to our office at your convenience.

In addition, for the TJPA to conduct its own inquiry to verify the feasibility of the Gruens' proposal, would you please send to us at your convenience the following four categories of documents, to the extent they exist and are available:

- (1) structural plans ("as built drawings") for the existing building;
- (2) structural plans for the proposed addition;
- (3) structural calculations for the proposed addition; and
- (4) specifications for any construction documentation for the proposed addition.

Herman H. Fitzgerald
July 8, 2008
Page 2

Thank you in advance for your cooperation and courtesy.

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP



Deborah L. Keeth

[PATJPAROW\562-564 Howard\Letter to Fitzgerald 7-8-08.wpd]

ELLMAN BURKE HOFFMAN & JOHNSON

CITY AND COUNTY OF SAN FRANCISCO

601 CALIFORNIA STREET
NINETEENTH FLOOR
SAN FRANCISCO, CA 94108
415.777.2727
WWW.ELLMAN-BURKE.COM

HOWARD N. ELLMAN
415.296.1610 DIRECT TEL
415.296.1710 DIRECT FAX
HELLMAN@ELLMAN-BURKE.COM

April 21, 2009

Andrew W. Schwartz, Esq.
Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102

Re: 564 Howard Street

Dear Mr. Schwartz:

I write in response to your letter of April 13th in which you invited me to provide "comparables" to support a value of \$2,560,250.

Your valuation (and rejection of the one I proposed) starts with the assumption that the highest and best use of the property is limited to eight stories of residential above the ground floor retail. You then calculate the per-square-foot value of the developable residential units by dividing 19 (the potential number of units) into our proposed number, without regard to any value for the ground floor retail.

The ground floor exists today and would exist under all conditions in the future. Currently, that ground floor rents for \$4,000 per month triple net, a rent severely discounted due to the fact that the tenant is on a month-to-month lease under threat of condemnation – the possibility of being required to vacate the premises on a date that we are told is imminent, but that no one has stated with binding clarity. Prior to the current occupancy, the space had been rented for \$10,000 per month.

Even if you consider only the present rent and a capitalization rate of 7%, the ground floor would have a value of \$700,000. Many comparables demonstrate that ground floor retail space sells for more than the \$280 per square foot derived by dividing \$700,000 by 4,000 square

Andrew W. Schwartz, Esq.

April 21, 2009

Page 2

feet. For example, the 3,000 ground floor of One South Park sold for \$500 per square foot in June 2008.

If you subtract \$700,000 as the first floor value from \$2,560,250 and then divide the remainder by 19, you get a developable residential value of \$97,908, again assuming a low value for the retail. Sales where buyers paid more than this amount include the following:

Sale Date	Location	Number of Developable Units	Price per Developable Unit
04/18/2004	460 Clementina	6	\$111,687
06/27/2007	64-72 Townsend	74	\$124,324
08/07/2006	43-45 Lansing	265	\$113,208
03/04/2007	385-399 Fremont	200	\$120,000
2008	Sale of entitled land in Mission Bay by Signature		\$130,000

You have asked for comparables to suggest that the 2,500 square feet of land is worth more than \$1,024 per square foot. Those comparables include:

Sale Date	Location	Size of Lot (square feet)	Sale Price	Price per Square Foot of Land
09/08/2005	476-478 Jackson	1,299	\$1,990,000	\$1,513
08/2006	461 Bryant	2,000	\$2,050,000	\$1,025
05/2007	589-591 Howard	2,550	\$4,250,000	\$1,667
07/25/2007	405 Howard	75,794	\$247,000,000	\$3,258
08/16/2007	120 Howard	25,2223	\$71,444,662	\$2,845
08/16/2007	546 Bryant	1,999	\$1,900,000	\$1,000
09/04/2007	215-219 Kearny	1,525	\$2,600,000	\$1,705
03/07/2008	680 Folsom/50 Hawthorne	82,764	\$83,000,000	\$1,002

In my desire to give you a prompt response, I haven't yet gone through appraisers or even the recent CoStar in looking for comparables that exceed the target you have suggested. Instead, I relied on the existing records that Dr. Gruen maintained and information developed through recent contacts with individuals in the real estate community. I am sure you could hire an

Andrew W. Schwartz, Esq.
April 21, 2009
Page 3

appraiser who would give you distressed sales – and I could find one who would produce valuations based on long-term value rather than the aberrations of the current market. The market is currently influenced by distressed sales that debt-laden owners have been forced to make. Those conditions do not apply to Dr. Gruen and his family. Bear in mind that the very accepted definition of “fair market value” assumes a willing buyer and willing seller *neither under compulsion*. That basic premise should eliminate distressed sale valuations from the calculus that would be applied in this case.

If you wish to discuss the matter, please call.

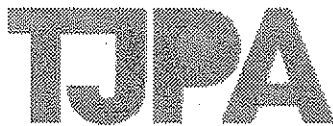
Very truly yours,



Howard N. Ellman

HNE/fif

cc: Dr. Claude Gruen
Mrs. Nina Gruen



098516

TRANSBAY JOINT POWERS AUTHORITY

Maria Ayerdi-Kaplan • Executive Director

October 26, 2009

564 Howard Street, LLC
Claude and Nina Gruen
564 Howard Street
San Francisco, CA 94105

Subject: Transbay Transit Center Program
Notice of Eligibility for Relocation Assistance and Goodwill
Owner of Leased, Occupied Real Property
Property Address: 564 Howard Street, San Francisco, California

Dear Mr. and Mrs. Gruen:

On October 16, 2007, the Transbay Joint Powers Authority (TJPA) provided Claude and Nina Gruen, as individuals, with a Notice of Eligibility to Receive Relocation Assistance related to the TJPA's planned acquisition of 564 Howard Street (the Property) for the Transbay Transit Center Program (the Program). On October 16, 2007, the TJPA provided Claude and Nina Gruen with information regarding claims for loss of business goodwill related to the Property. It is our understanding that title to the Property has changed from Claude and Nina Gruen to 564 Howard Street, LLC. As the new owner of the Property, 564 Howard Street, LLC, is entitled to all of the same rights and benefits that Claude and Nina Gruen were previously entitled to receive as individuals.

Please contact Mr. Joe Magdaleno of Associated Right of Way Services, at 925-691-8500 for any questions regarding this letter or the TJPA's relocation assistance services.

For questions regarding the Program, please contact me at 415-597-4620.

Sincerely,

Robert Beck, PE
Senior Program Manager

cc: Joe Magdaleno, Associated Right of Way Services, Inc.
Howard N. Ellman, Ellman Burke Hoffman & Johnson
Harry Quinn, PMPC

Certification of Delivery	
<input checked="" type="checkbox"/> This Notice was sent via first class and certified mail on _____	SHIPPED OCT 27 2009
<input type="checkbox"/> This Notice was personally delivered on _____	
Signature:	Date: 10/27/09

November 8, 2010

Amy L. Brown
Director of Real Estate
Real Estate Division
City and County of San Francisco
25 Van Ness Ave., Suite 400
San Francisco, CA 94102

NOV 09 2010
REAL ESTATE DIVISION

Via Certified Mail

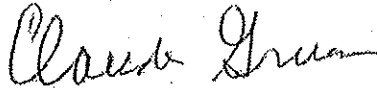
Re: 564 Howard Street (Block 3721, Lot 19): Offer of Purchase

Dear Ms. Brown:

Last week, Howard Ellman sent over your letter of October 26, 2010 offering to purchase our property at 564 Howard Street, along with its attachments.

We do not accept that offer, and ask that you send any future documents relative to our property directly to me with a copy to my legal counsel, Herman H. Fitzgerald of 346 Lorton, Suite 302, Burlingame, CA 94011.

Yours truly,



Claude Gruen
Manager
564 Howard LLC

CG/jl
Cc: Herman H. Fitzgerald



Gruen Gruen + Associates
564 Howard Street
San Francisco, CA 94105-3002
Tel: (415) 433-7598
Fax: (415) 989-4224
sf@ggassoc.com

Paper copies of documents in the following categories are located in the Master Binders:

Studies and Reports

NEPA/CEQA

Transbay Legislation

File Nos. 101432 and 101433	60 Tehama (3736-088)
File Nos. 101435 and 101436	564 Howard (3721-019)
File Nos. 101438 and 101439	568 Howard (3721-020)
File Nos. 101408 and 101409	85 Natoma #1 (3721-109)
File Nos. 101411 and 101412	85 Natoma #2 (3721-110)
File Nos. 101414 and 101415	85 Natoma #3 (3721-111)
File Nos. 101417 and 101418	85 Natoma #4 (3721-112)
File Nos. 101420 and 101421	85 Natoma #5 (3721-113)
File Nos. 101423 and 101424	85 Natoma #7 (3721-115)
File Nos. 101426 and 101427	85 Natoma #9 (3721-117)
File Nos. 101429 and 101430	85 Natoma #C1 (3721-118)
File Nos. 101441 and 101442	13 parking easement interests benefitted parcels: Block 3721, Lots 093-105 burdened parcels: Block 3721, Lots 109-118

SCH No.95063004
City Project No. 2000.048E

VOLUME I

**TRANSBAY TERMINAL /
CALTRAIN DOWNTOWN EXTENSION /
REDEVELOPMENT PROJECT**

in the City and County of San Francisco

**FINAL ENVIRONMENTAL IMPACT STATEMENT/
ENVIRONMENTAL IMPACT REPORT AND
SECTION 4(f) EVALUATION**

Pursuant to

National Environmental Policy Act of 1969, §102 (42 U.S.C. §4332); Federal Transit Laws (49 U.S.C. §5301(e), §5323(b) and §5324(b)); Section 4(f) of the Department of Transportation Act of 1966 (49 U.S.C. §303); National Historic Preservation Act of 1966, §106 (16 U.S.C. §470f); 40 CFR Parts 1500-1508; 23 CFR Part 771; Executive Order 12898 (Environmental Justice); and California Environmental Quality Act, PRC 21000 *et seq.*; and the State of California CEQA Guidelines, California Administrative Code, 15000 *et seq.*

by the

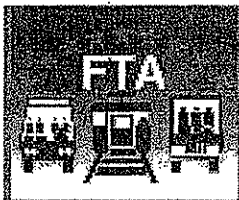
**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

and the

**CITY AND COUNTY OF SAN FRANCISCO,
PENINSULA CORRIDOR JOINT POWERS BOARD, AND
SAN FRANCISCO REDEVELOPMENT AGENCY**

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 NOV 24 AM 10:27
BY _____

March 2004



VOLUME II

**TRANSBAY TERMINAL /
CALTRAIN DOWNTOWN EXTENSION /
REDEVELOPMENT PROJECT**

in the City and County of San Francisco

**FINAL ENVIRONMENTAL IMPACT STATEMENT/
ENVIRONMENTAL IMPACT REPORT AND
SECTION 4(f) EVALUATION**

**RESPONSES TO PUBLIC COMMENTS ON THE
DRAFT ENVIRONMENTAL IMPACT STATEMENT/
DRAFT ENVIRONMENTAL IMPACT REPORT AND
DRAFT SECTION 4(f) EVALUATION**

by the

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

and the

**CITY AND COUNTY OF SAN FRANCISCO,
PENINSULA CORRIDOR JOINT POWERS BOARD, AND
SAN FRANCISCO REDEVELOPMENT AGENCY**

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 NOV 24 AM 10:29
BY _____

March 2004



VOLUME III**TRANSBAY TERMINAL /
CALTRAIN DOWNTOWN EXTENSION /
REDEVELOPMENT PROJECT**

in the City and County of San Francisco

**FINAL ENVIRONMENTAL IMPACT STATEMENT/
ENVIRONMENTAL IMPACT REPORT AND
SECTION 4(f) EVALUATION**

**WRITTEN PUBLIC COMMENTS AND
PUBLIC HEARING TRANSCRIPTS ON THE****DRAFT ENVIRONMENTAL IMPACT STATEMENT/
DRAFT ENVIRONMENTAL IMPACT REPORT AND
DRAFT SECTION 4(f) EVALUATION**

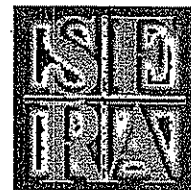
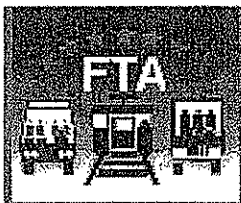
by the

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

and the

**CITY AND COUNTY OF SAN FRANCISCO,
PENINSULA CORRIDOR JOINT POWERS BOARD, AND
SAN FRANCISCO REDEVELOPMENT AGENCY**

March 2004





U.S. Department
of Transportation
Federal Transit
Administration

RECEIVED FEB 21 2005

REGION IX
Arizona, California,
Hawaii, Nevada, Guam

201 Mission Street
Suite 2210
San Francisco, CA 94105-1839
415-744-3133
415-744-2726 (fax)

FEB 8 2005

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 NOV 24 AM 10:28
BY *[Signature]*

Mr. Michael J. Scanlon
Executive Director
Peninsula Corridor Joint Powers Board
1250 San Carlos Ave
San Carlos, CA 94070

Re: Record of Decision; Transbay Terminal / Caltrain
Downtown Extension / Redevelopment Project

Dear Mr. Scanlon:

This is to advise you that the Federal Transit Administration has issued a Record of Decision (ROD) for the Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project. The comment period for the Final Supplemental Environmental Impact Statement closed May 4, 2004. The Federal Transit Administration's (FTA) Record of Decision (ROD) is enclosed.

Please make the ROD and supporting documentation available to affected government agencies and the public. Availability of the ROD should be published in local newspapers and should be provided directly to affected government agencies, including the State Inter-governmental Review contact established under Executive Order 12372.

Please note that if a grant is made for this project, the terms and conditions of the grant contract will require the grantee undertake the mitigation measures identified in the ROD.

Thank for your cooperation in meeting the NEPA requirements. If you have questions about our review, please call Mr. Jerome Wiggins at (415) 744-2819.

Sincerely,

[Signature]
Leslie T. Rogers
Regional Administrator

RECORD OF DECISION

Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project San Francisco, California

DECISION

The U.S. Department of Transportation, Federal Transit Administration (FTA), has determined that the requirements of the National Environmental Policy Act of 1969 (NEPA) have been satisfied for the Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project (Project) in San Francisco, California. The Project to which this Record of Decision (ROD) applies consists of the design, construction, and future operation of a multimodal transportation terminal, underground rail access tunnel to the terminal, and redevelopment of the surrounding area.

The Project consists of three main components: a multimodal transportation terminal designed to serve local and regional buses as well as commuter rail and proposed high speed rail, an approximately 1.3 mile underground passenger rail extension from the existing Fourth and Townsend Caltrain Station to the new terminal, and transit oriented redevelopment of the area surrounding the terminal. The Project also includes support components such as a temporary bus terminal facility to be used during construction, a new, permanent off-site bus storage/ layover facility, reconstructed bus ramps leading to the west end of the new Transbay Terminal, and a redesigned Caltrain storage yard.

The Project was adopted as the Locally Preferred Alternative by the Transbay Joint Powers Authority (TJPA) and was evaluated as the Refined West Loop Terminal / Second-to-Main Tunnel Alignment / Tunneling Option / Full Build Redevelopment in the Project's Final Environmental Impact Statement/Report (Final EIS/EIR) issued in March 2004. That Final EIS/EIR provides the complete description of the Project, which is the subject of this ROD. EPA published the Notice of Availability for the Final EIS/EIR on April 2, 2004, in the Federal Register. The local lead agencies for the Project are the City and County of San Francisco, and the Peninsula Corridor Joint Powers Board. The TJPA is the Project's sponsoring agency for all project components other than the Redevelopment Plan and will be responsible for building, operating, and maintaining the Project components related to the Transbay Terminal.

AGREEMENTS

FTA and TJPA have executed a Project Development Agreement (PDA) to set forth their intentions for compliance with FTA's Record of Decision and program requirements that will govern the Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project. FTA and TJPA acknowledge that this agreement may be modified from time to time to accommodate statutory or regulatory changes, changes to the Project, or changes to TJPA's project management or financing plans, as necessary or appropriate. The executed PDA is attached (Appendix D).

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. 06-011

WHEREAS, In April 2004, the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/ Environmental Impact Report ("Final EIS/EIR") (SCH #95063004) was certified by the City and County of San Francisco, the Peninsula Corridor Joint Powers Board, and the San Francisco Redevelopment Agency; and

WHEREAS, In April 2004 the Board of Directors of the Transbay Joint Powers Authority ("TJPA") approved the Locally Preferred Alternative ("LPA") of the Transbay Transit Center Program ("TTCP"); and

WHEREAS, The TJPA Board desires to refine the design and phasing of the Transbay Terminal/Caltrain Downtown Extension component of the LPA (the "Refined Project"); and

WHEREAS, In December 2005, Staff presented the Recommended Program Implementation Strategy of the Refined Project to the TJPA Board; on March 16 and May 25, 2006, Staff again provided the TJPA Board with the Recommended Program Implementation Strategy, and the Final Massing Study for the Transit Center Building that further documented the Refined Project; and

WHEREAS, Pursuant to Section 15164 of the California Environmental Quality Act ("CEQA," Pub. Res. Code §§ 21000 *et seq.*) and the CEQA Guidelines, the TJPA has prepared an Addendum to the Final EIS/EIR, which contains an analysis of the environmental impacts that may result from the proposed refinement of the LPA; and

WHEREAS, The Refined Project would not trigger the need for subsequent environmental review pursuant to Section 21166 of the Public Resources Code and Section 15162 of the CEQA Guidelines; and

WHEREAS, The Refined Project would not require major revisions of the Final EIS/EIR due to new or substantially increased significant environmental effects; and

WHEREAS, No substantial changes have occurred with respect to the circumstances under which the revisions to the Refined Project would be undertaken that would require major revisions of the Final EIS/EIR due to new or substantially increased significant environmental effects; and


WHEREAS, There has been no discovery of new information of substantial importance that would trigger or require major revisions of the Final EIS/EIR due to new or substantially increased significant environmental effects; and

WHEREAS, The TJPA Board has considered the Final EIS/EIR along with the Addendum to the Final EIS/EIR; now, therefore, be it

RESOLVED, That the TJPA Board:

1. Certifies that the Addendum to the Final EIS/EIR has been completed in compliance with CEQA and reflects the independent judgment of the TJPA; and
2. Adopts the Addendum to the Final EIS/EIR.

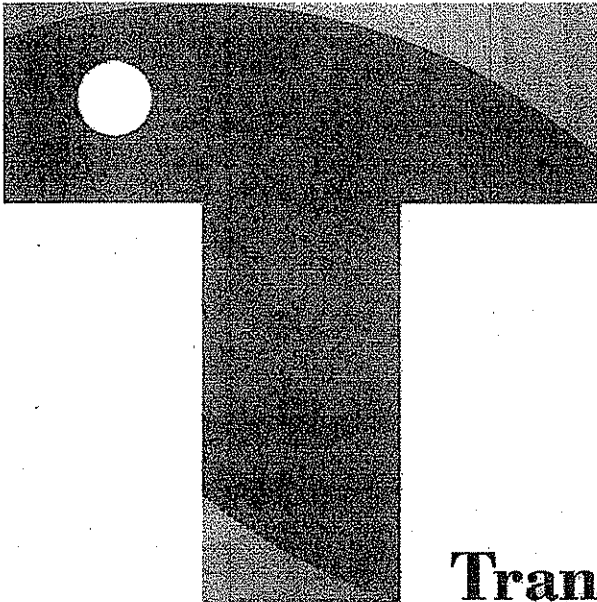
I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of June 2, 2006.


Secretary, Transbay Joint Powers Authority

Addendum for the Transbay Terminal/Downtown Extension/Redevelopment Project

Final Environmental Impact Statement/Report

May 25, 2006



Transbay Transit Center

URS

In association with
Hatch Mott McDonald & EPC Consultants
Consultants to the Transbay Joint Powers Authority

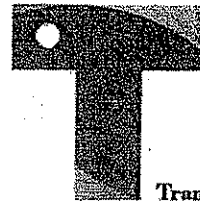


U.S. Department
of Transportation
**Federal Railroad
Administration**

Transbay Program Final EIS Reevaluation

Updating the Transbay Program 2004 Final EIS for Adoption by
the Federal Railroad Administration

May 2010



Transbay Transit Center

**FEDERAL RAILROAD ADMINISTRATION
RECORD OF DECISION
FOR THE
TRANSBAY TRANSIT CENTER TRAINBOX**

DECISION

The United States Department of Transportation, Federal Railroad Administration (FRA) has determined that the requirements of the National Environmental Policy Act (NEPA), 42 U.S.C. §§ 4321 et seq., have been satisfied for the train box at the Transbay Transit Center ("TTC" or "Transit Center") in San Francisco, California.

This decision has been made in accordance with the provisions of NEPA, which requires Federal agencies to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions, reasonable alternatives to those actions, and integrating public participation into the process. This document sets forth the Record of Decision of FRA for the granting of Federal funds for the train box at the TTC. In making this decision, FRA considered the entire record, including the information, analysis, and public comments contained in the portions of the Final Environmental Impact Statement/Environmental Impact Report¹ ("2004 EIS") for the Transbay Terminal/Caltrain Downtown/Extension Redevelopment Project ("Transbay Program") that cover Phase 1 of the Transbay Program, which was completed by the Federal Transit Administration ("FTA"). In addition, FRA prepared and has relied upon the May 28, 2010 Transbay Program Final EIS Reevaluation ("Environmental Reevaluation") of the Phase 1 portions of the 2004 EIS. Through the analysis contained in both the 2004 EIS and the Environmental Reevaluation, FRA has taken the requisite "hard look" at potential environmental impacts and has identified and independently evaluated the potential environmental effects associated with the project's alternatives.

This ROD has been drafted in accordance with NEPA, the Council on Environmental Quality (CEQ) Regulations implementing NEPA (most specifically 40 C.F.R. § 1505.2), and FRA's Procedures for Considering Environmental Impacts, 64 Fed. Reg. 28545 (May 26, 1999).

INTRODUCTION

FRA's proposed action is to provide up to \$400 million of funding under the American Recovery and Reinvestment Act of 2009 ("Recovery Act") to the Transbay Joint Powers Authority ("TJPA") to fund construction of a train box to accommodate future high-speed train ("HST") service at the TTC, which is an element of Phase 1 of the Transbay Program.

FTA and TJPA prepared the 2004 EIS as a joint environmental impact statement/environmental impact report to satisfy both the requirements of NEPA and the California Environmental

¹ An Environmental Impact Report (EIR) is an environmental document required under the California Environmental Quality Act (CEQA).

CAMBRIDGE
SYSTEMATICS

Caltrain Downtown Extension and Transbay Ridership Analysis

final report

prepared for

Transbay Joint Powers Authority

prepared by

Cambridge Systematics, Inc.



TRANSBAY JOINT POWERS AUTHORITY



Final Relocation Impact Study

September 2007



TRANSBAY JOINT POWERS AUTHORITY

Final Relocation Impact Study II

January 2010



TRANSBAY JOINT POWERS AUTHORITY



Relocation Assistance Brochure

Rights and Benefits Under the TJPA's Relocation Assistance Program for Businesses and Nonprofit Organizations

This brochure summarizes the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Section 4601 et seq., and its implementing regulations, 49 Code of Federal Regulations (CFR) Part 24, and the California Relocation Act, Govt. Code Section 7260 et seq., and its implementing regulations, 25 Cal. Code Regs. Section 6000 et seq.

Much of the content of this brochure was provided by The United States Department of Transportation, Federal Highway Administration, Office of Real Estate Services, Publication Number FHWA-HEP-05-031.



TRANSBAY JOINT POWERS AUTHORITY



Residential Relocation Assistance Brochure

Rights and Benefits under the TJPA's Relocation
Assistance Program for Residential Occupants

This brochure summarizes the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Section 4601 et seq.; and its implementing regulations, 49 Code of Federal Regulations (CFR) Part 24, and the California Relocation Act, Govt. Code Section 7260 et seq., and its implementing regulations, 25 Cal. Code Regs. Section 6000 et seq.

JOINT POWERS AGREEMENT
creating the
TRANSBAY JOINT POWERS AUTHORITY

The City and County of San Francisco, a municipal corporation and charter city and county duly organized and existing under its Charter and the Constitution of the State of California (the "City") and the Alameda-Contra Costa Transit District, a transit district duly organized and created in accordance with the Public Utilities Code of the State of California (commencing with Section 24501) (the "District") and the Peninsula Corridor Joint Powers Board-Caltrain, a joint exercise of powers agency comprised of the City and County of San Francisco, San Mateo County Transit District, and Santa Clara Valley Transportation Authority, duly created and organized in accordance with the Government Code of the State of California (commencing with Section 6500) (the "JPB") all of which entities shall be referred to herein collectively as the "Members," hereby enter into this Joint Powers Agreement (this "Agreement") creating the Transbay Joint Powers Authority (the "Authority"). All Members are public entities organized and operating under the laws of the State of California and each is a public agency as defined in Section 6500 of the Government Code of the State of California.

Recitals

- A. The State of California Department of Transportation currently operates and manages a bus transportation terminal in the City commonly known as the Transbay Terminal (the "Old Transbay Terminal") located on the site described in Exhibit A (the "Site").
- B. The Members recognize that the Old Transbay Terminal is underutilized and blighted, and can be developed to provide for regional, seamless, intermodal transit connections.
- C. Pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State of California the Members may jointly exercise any power common to them.
- D. The Members desire to jointly participate in the construction, development and operation of a new regional transit hub and related structures and ramps which will provide expanded bus and rail service and direct access to transit located in a new terminal building on the Site and/or property adjacent to the Site including bus storage/staging facilities in the vicinity of the Site, together with all necessary and essential ramps for access to and from the San Francisco-Oakland Bay Bridge from the new terminal building and to and from the bus storage/staging facilities, as well as a temporary bus facility with access to and from the San Francisco-Oakland Bay Bridge, all of which is more efficient and convenient for buses, trains, and the passengers using those systems.
- E. The Members intend to develop and construct a new transportation terminal on the Site, direct access ramps, links to regional transportation systems which includes the downtown extension of Caltrain from 4th and Townsend Streets to the new transportation terminal, a temporary terminal for use during construction of the new terminal, bus storage, and other facilities needed to develop the Site and/or property adjacent to the Site to its highest and best use.
- F. The Members intend to operate and manage the new transit terminal and related facilities (including but not limited to necessary bus storage/staging facilities and connecting ramps)

SF
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(9901)

City and County of San Francisco Voter Information Pamphlet and Sample Ballot

**Consolidated Municipal Election
November 2, 1999**

Check the back cover
of this
pamphlet for your
polling place address.

Prepared by the Department of Elections
City and County of San Francisco

Sales Tax for Transportation



PROPOSITION K

Shall the City implement a 30-year New Transportation Expenditure Plan directing transportation sales tax funds to improved maintenance of local streets, transportation for the elderly and disabled, the Central Subway, a citywide network of fast and reliable buses, the Caltrain Extension to a new Transbay Terminal, improvements to pedestrian and bicycle safety and other projects and continue the existing half-cent sales tax during implementation of the New Transportation Expenditure Plan and future Plan updates?

YES ←
NO ←

Digest

by the Ballot Simplification Committee

THE WAY IT IS NOW: The City charges a one-half cent sales tax to help pay for the transportation projects described in a spending plan approved by the voters in 1989. This tax will expire on April 1, 2010.

The San Francisco Transportation Authority directs use of the sales tax money. It can spend up to \$160 million (\$160,000,000) per year for the approved transportation projects, and can issue up to \$742 million (\$742,000,000) in bonds.

THE PROPOSAL: Proposition K is an ordinance that would continue the one-half cent sales tax, and replace the current transportation spending plan with a new, 30-year plan. Under the new plan, the money would be used for:

- Maintenance of local streets;
- Transportation for the elderly and disabled;
- Construction of a Central Subway;
- Upgrades to the bus system, including new buses, stations and dedicated lanes;
- A Caltrain extension to a new Transbay Terminal;
- Projects to improve pedestrian and bicycle safety;
- Support for regional transportation systems (BART, Caltrain, and ferries); and
- Replacing the roadway to Golden Gate Bridge (Doyle Drive).

The Transportation Authority could modify the plan if voters approved. The sales tax would continue as long as the new or modified plan is in effect.

The Transportation Authority would continue to direct use of the sales tax. It could spend up to \$485.175 million (\$485,175,000) per year and issue up to \$1.88 billion (\$1,880,000,000) in bonds, to be repaid from the one-half cent sales tax.

A two-thirds majority vote is required to approve this measure.

A "YES" VOTE MEANS: If you vote "Yes," you want to continue the one-half cent sales tax to pay for transportation projects described in a new 30-year spending plan, or future plans, and increase the amount of money the Transportation Authority may spend and borrow to pay for these projects.

A "NO" VOTE MEANS: If you vote "No," you do not want to make these changes.

Controller's Statement on "K"

City Controller Edward Harrington has issued the following statement on the fiscal impact of Proposition K:

Should the proposed ordinance be approved by the voters, the City would continue to collect an existing one-half cent sales tax dedicated to transportation projects. Revenue from this tax would also be used to match federal, state and regional transportation funding.

The current authorization for this tax expires March 31, 2010. The proposed ordinance would replace the current authorization with a new a 30-year authorization effective April 1, 2004 through March 31, 2034. The additional sales tax revenue which would be generated is approximately \$2.5 billion over the 30 year period.

How "K" Got on the Ballot

On July 29, 2003 the Board of Supervisors voted 11 to 0 to place Proposition K on the ballot.

The Supervisors voted as follows:
Yes: Supervisors Ammiano, Daly, Duffy, Gonzalez, Hall, Ma, Maxwell, McGoldrick, Newsom, Peskin, and Sandoval.

THIS MEASURE REQUIRES 66% AFFIRMATIVE VOTES TO PASS.

ARGUMENTS FOR AND AGAINST THIS MEASURE IMMEDIATELY FOLLOW THIS PAGE. THE FULL TEXT BEGINS ON PAGE 151.
SOME OF THE WORDS USED IN THE BALLOT DIGEST ARE EXPLAINED ON PAGE 28.



Regional Measure 2

2

REGIONAL MEASURE 2

Shall voters authorize a Regional Traffic Relief Plan that does the following:

YES

NO

1. Directs revenues generated through the collection of bridge tolls to provide the following projects:
 - a. Expand and extend BART.
 - b. New transbay commuter rail crossing south of the San Francisco-Oakland Bay Bridge.
 - c. Comprehensive Regional Express bus network.
 - d. New expanded ferry service.
 - e. Better connections between BART, buses, ferries, and rail.
2. Approves a one dollar (\$1) toll increase effective July 1, 2004, on all toll bridges in the bay area, except the Golden Gate Bridge?

ARGUMENTS FOR AND AGAINST THIS MEASURE IMMEDIATELY FOLLOW THIS PAGE

THIS MEASURE REQUIRES 50%+1 AFFIRMATIVE VOTES TO PASS.

ARGUMENTS FOR AND AGAINST THIS MEASURE IMMEDIATELY FOLLOW THIS PAGE.

CALIFORNIA GENERAL ELECTION

TUESDAY, NOVEMBER 4, 2008

The statutory deadline for placing legislative and initiative measures on the ballot was June 26.

However, a new state law that passed after the deadline requires that Proposition 1 be removed from the ballot and be replaced by Proposition 1A. Therefore, although you are receiving information about both measures in the two state voter guides, only Proposition 1A will appear on your November 4, 2008, General Election ballot.

★ OFFICIAL VOTER INFORMATION GUIDE ★

Certificate of Correctness

I, Debra Bowen, Secretary of State of the State of California, do hereby certify that the measure included herein will be submitted to the electors of the State of California at the General Election to be held throughout the State on November 4, 2008, and that this guide has been correctly prepared in accordance with the law.

Witness my hand and the Great Seal of the State in Sacramento, California, on this 18th day of September, 2008.

Debra Bowen



Debra Bowen
Secretary of State

★ SUPPLEMENTAL ★

This guide contains information regarding one additional measure that has qualified for the November ballot.

Senate Bill No. 1856

CHAPTER 697

An act to add Chapter 20 (commencing with Section 2704) to Division 3 of the Streets and Highways Code, relating to financing a high-speed passenger train system by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds.

[Approved by Governor September 19, 2002. Filed
with Secretary of State September 19, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1856, Costa. Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

Existing law creates the High-Speed Rail Authority with the responsibility of directing the development and implementation of intercity high-speed rail service.

This bill would enact the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, which, subject to voter approval, would provide for the issuance of \$9.95 billion of general obligation bonds, \$9 billion of which would be used in conjunction with available federal funds for the purpose of funding the planning and construction of a high-speed train system in this state pursuant to the business plan of the authority. Nine hundred fifty million dollars of the bond proceeds would be available for capital projects on other passenger rail lines to provide connectivity to the high-speed train system and for capacity enhancements and safety improvements to those lines. Bonds for the high-speed train system would not be issued earlier than January 1, 2006.

The bill would provide for the submission of the bond act to the voters at the general election on November 2, 2004.

The people of the State of California do enact as follows:

SECTION 1. (a) In light of the events of September 11, 2001, it is very clear that a high-speed passenger train network as described in the High-Speed Rail Authority's Business Plan is essential for the transportation needs of the growing population and economic activity of this state.

(b) The initial high-speed train network linking San Francisco and the Bay Area to Los Angeles will serve as the backbone of what will become

Senate Bill No. 916

CHAPTER 715

An act to amend Section 14531 of the Government Code, to amend Sections 182.5, 188.3, 188.4, 188.10, 30101, 30101.8, 30113, 30600, 30601, 30604, 30606, 30750, 30751, 30760, 30761, 30791, 30884, 30885, 30887, 30889.3, 30891, 30894, 30910, 30912, 30913, 30915, 30916, 30918, 30919, 30920, 30950, 30950.1, 30950.2, 30950.3, 30950.4, 30953, 30958, 30960, 30961, 31000, 31010, and 31071 of, to amend and renumber Section 188.10 of, to add Sections 188.53, 30881, 30910.5, 30914.5, and 30922 to, and to repeal Sections 30603, 30605, 30608.2, 30752, 30753, 30754, 30755, 30756, 30757, 30762, 30762.5, 30763, 30764, 30764.5, 30765, 30766, 30767, 30791.7, 30792, 30792.2, 30793, 30794, 30795, 30886, 30888, 30889, 30896, and 30956 of, to repeal Article 5 (commencing with Section 30200) and Article 7 (commencing with Section 30350) of Chapter 1 of Division 17 of, to repeal and add Sections 30102.5, 30890, 30911, 30914, 30917, 30921, and 30951 of, the Streets and Highways Code, and to amend Section 5205.5 of the Vehicle Code, and to amend Section 5 of Chapter 898 of the Statutes of 1997 relating to transportation, and making an appropriation therefor.

[Approved by Governor October 8, 2003. Filed with
Secretary of State October 9, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

SB 916, Perata. Toll bridge revenues: Treasure Island Development Authority.

Existing law generally makes the California Transportation Commission responsible for establishing the rates charged vehicles for crossing the state-owned toll bridges. Under existing law, the Metropolitan Transportation Commission (MTC) is authorized to adopt a toll schedule in lieu of the one adopted by the California Transportation Commission for the state-owned toll bridges in the San Francisco Bay Area. Existing law makes the MTC and the Bay Area Toll Authority (BATA), which is defined as the same body as the MTC, responsible for the programming, administration, and allocation of the revenue from the base toll charge collected from these bridges. Under existing law, a portion of this revenue is continuously appropriated to the Controller who is required to disburse these funds to the MTC to expend for purposes that reduce vehicular congestion on the bridges.

