



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

September 13th 2016

BlueLine Rentals, LLC

Attention: Cliff Eckberg 9401 New Trails Drive, Suite 150 The Woodlands, TX 77380

Subject: **The City and County of San Francisco, General Services Administration's Fleet Management Central Shops Facility Project**
Offer to Purchase Interest in Real Property
Property Address: 1975 Galvez Avenue, San Francisco, California
San Francisco County APN: Block 5250 Lot 016

Dear Mr. Eckberg:

The City and County of San Francisco (City) is working to acquire real property interests in San Francisco's Bayview neighborhood necessary for the construction of its General Services Administration's Fleet Management Central Shops Facility (Project). This includes the property that your business, BlueLine Rentals, LLC (formerly Volvo Construction Rentals, Inc.), occupies at 1975 Galvez Avenue in the City of San Francisco, County of San Francisco, State of California and further identified above (Property). The City has been acting as your landlord pursuant to the lease assumed by the City when escrow closed on the purchase of the Property earlier this year. A copy of the Lease Agreement is enclosed for your reference. (Attachment 1)

This letter and the accompanying paperwork contains material that comprises an offer of compensation pursuant to California Government Code Section 7267.2, in return for an executed Quit Claim Deed, disclaiming any and all interest your business may have in the Property; including but not limited to any leasehold interest, lease bonus value, and improvements to the real property.

The City has made no decision as to whether it would consider acquiring your leasehold interest by eminent domain. However, the City believes you are entitled to compensation for the net present value of your positive leasehold interest; meaning the present value of your below market lease for the term remaining on the lease.

The City's offer in the amount of **One Million Three Hundred Eighty-Eight Thousand and 00/100 Dollars (\$1,388,000.00)** is made in accordance with the requirements of Section 7267.2 of the California Government Code and represents the value of the property interest proposed to be acquired as determined by an independent state licensed and certified appraiser. If you wish to seek your own independent appraisal of the fair market value of the property interest proposed to be acquired, the City will pay the reasonable costs of this

appraisal, in an amount not to exceed \$5,000. The independent appraisal must be conducted by an appraiser with a certified general license issued by the California Office of Real Estate Appraisers.

Attached for your review are the following documents related to this offer:

- Summary Statement Relating to the Purchase of Real Property or an Interest Therein
- Appraisal Summary Statement and Summary of the Basis of Just Compensation
- Quit Claim Deed
- Settlement Agreement
- Property Acquisition Information Brochure
- Copy of existing Lease Agreement

Please review these documents closely. If the enclosed offer is acceptable to you, please:

- Sign three copies of the Settlement Agreement;
- Execute the original Quit Claim Deed and have the signatures notarized; and
- Return the signed documents to me at

The City and County of San Francisco
Real Estate Division
25 Van Ness, Suite 400
San Francisco, CA 94102

Under California law, your business may be entitled to compensation for loss of goodwill. You received the "Notice of Right to Claim Loss of Business Goodwill" by certified mail from the City in June. (Attachment 2) On June 14, 2016, BlueLine Rentals, LLC also received a Notice of Eligibility for relocation assistance in accordance with the City's Relocation Assistance Program. This is related to your business operation at the Property and the personal property you may own and have located on site. The benefits that may be available to your business under the Relocation Program are wholly separate from the compensation being offered herein. As you know, the City has retained Associated Right of Way Services, Inc., (AR/WS) to help with your relocation. Ms. Karen Eddleman of AR/WS can be reached by phone at (925) 691-8500 or by email at keddleman@arws.com.

Thank you for working with the City to help us move forward with this important Project. Should you have questions about the Project or need additional assistance please contact Jeff Suess on my staff at (415) 554-9873 or email at jeff.suess@sfgov.org.

Sincerely,



John Updike
Director of Property
City and County of San Francisco

cc: Ms. Karen Eddleman, SR/WA - Associated Right of Way Services, Inc.

Jeff Suess

Enclosures

- 1). Lease Agreement
- 2). Notice of Right to Claim Loss of Business Goodwill
- 3). Appraisal Summary Statement
- 4). Summary Statement Relating to the Purchase of Real Property or an Interest Therein
- 5). Quit Claim Deed
- 6). Settlement Agreement
- 7). Property Acquisition Information Brochure