



January 12, 2017

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

Re: **Purchase and Sale Agreement – Sale of 401 and 403 Old Bernal Avenue, Pleasanton, California – City of Pleasanton - \$4,200,000**

Dear Board Members:

The City and County of San Francisco, through its Public Utilities Commission (SFPUC), has jurisdiction over the above-referenced property (Property). This letter describes the SFPUC’s efforts to market and solicit bids to sell the Property.

- In a written statement dated December 18, 2015, the Assistant General Managers for each of the Water, Wastewater and Power Enterprises declared that the Property is not essential to the SFPUC’s utility needs.
- On the SFPUC’s behalf, the City’s Real Estate Division (City RED) issued a request for bids from commercial real estate brokers to sell the Property and five other underutilized properties under the SFPUC’s jurisdiction. The SFPUC instructed City RED to select Colliers (Broker) as the lowest responsible bidder. Cities RED negotiated and entered into an agreement with the Broker to market and assist the SFPUC in selling the properties.
- In the first half of 2016, City RED issued the required statutory notices to offer to sell the Property to public entities at fair market value for parks, open space, public housing and schools.
- Concurrently, the Broker marketed the Property for many weeks on commercial real estate platforms, posted signage on the Property, and produced offering memoranda and other marketing materials sent to potential buyers.
- Concurrently, the SFPUC ordered a MAI appraisal to determine the Property’s fair market value.
- After statutory notice period expired, the SFPUC, through the Broker, solicited bids from prospective Property buyers between October 12, 2016 and October 27, 2016. The SFPUC received three bids.

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- The City of Pleasanton was the highest responsible bidder at \$4.2 million.
- Thereafter, SFPUC staff and Pleasanton staff agreed to the terms and conditions of a Purchase and Sale Agreement (Agreement), subject to the approval of the SFPUC Commission, the Board of Supervisors and Mayor, and Pleasanton's City Council.
- On December 13, 2016, the SFPUC Commission determined that the Property is no longer required for SFPUC operational needs by Resolution 16-0263, dated December 13, 2016.
- On December 20, 2016, Pleasanton's City Council approved the Agreement.

Please contact me with any questions.

Sincerely,



Rosanna Russell  
Real Estate Director

cc: John Updike, City's Real Estate Division  
Jeff Suess, City's Real Estate Director