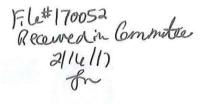


Understütiged Property



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Services of the San Francisco Public Utilities Commission

#### SFPUC Sale of Underutilized Property 401 & 403 Old Bernal Avenue, Pleasanton CA

February 16, 2017 Budget and Finance Committee Hearing

Rosanna Russell, Real Estate Director San Francisco Public Utilities Commission



- The SFPUC is selling underutilized property in order to offset costs for its capital improvement program.
- The SFPUC's Real Estate Services division (RES) has been working with the City's Real Estate Division (RED) to market and solicit bids for underutilized properties.
- RES has accepted offers for two properties, 401 & 403
  Old Bernal Avenue, Pleasanton and the Helen Drive Lots, Millbrae



### 401 & 403 Old Bernal Avenue





## **Property Description**

- Location: 401 & 403 Old Bernal Avenue, Pleasanton, CA (the "Property").
- Current Use: Vacant Land
- Size: 3.18 acres (138,521 square feet)
- Zoning: P-Public



- The SFPUC acquired 401 & 403 Old Bernal Avenue, Pleasanton (the "Property") in 1930.
- The Property was used for groundwater operations until 1949. The Property is the remaining portion of the Pleasanton Wells Property that was sold in 2000.
- On December 13, 2016, the SFPUC Commission declared the Property surplus to the SPFUC's utility needs.



- On behalf of the SFPUC, RED issued a request for proposal for commercial real estate brokerage services.
- Of the bids received, RED selected Colliers International due to its compliance with the bid terms and low commission rate.
- Colliers International's commission rate is 2.75%.



- The SFPUC complied with the California Surplus Property Statute and the San Francisco Surplus Property Ordinance.
- On behalf of the SFPUC, RED issued statutory notices to all required public entities (CA Government Code § 54222 and 50079) and housing sponsors (California Government Code § 5422(a).
- The SFPUC received no letters of interest from housing sponsors or public entities.



## **General Plan Conformance and CEQA**

### General Plan Conformance

 On November 6, 2016, the Planning Department found the sale of the Property consistent with the Eight Priority Policies of the Planning Code.

## CEQA

• The SFPUC's Bureau of Environmental Management determined that the sale of the Property is not a project under CEQA.

The SEPUC received no letters of interest from multing up to solve and the stars of interest from multing and the second stars.



# **Fair Market Value Determination**

- Appraisal
  - On May 6, 2016 the Associated Right of Way Services, an MAI Appraiser, valued the Property at \$4,158,000.
- Appraisal Review
  - On January 12, 2017, CBRE, Inc. reviewed and confirmed the original appraisal valuation.
- The City of Pleasanton was the highest responsible bidder with a \$4.2 million bid.



## **Bidding Process**

- Prior to soliciting formal bids, Colliers International ("Colliers") prepared marketing materials, placed the Property on commercial real estate websites, and placed signage on the Property for approximately 25 weeks.
- Colliers called for offers between October 12, 2016 and October 27, 2016.
- Colliers received three bids. On November 7, 2016, the SFPUC notified the City of Pleasanton that it was the selected bidder.



Terms and Conditions		
Purchase Price:	\$4.2 Million	
<b>Deposit Amount:</b>	\$100,000	
<b>Contingency Period:</b>	60 Days	

The Pleasanton City Council approved the Purchase and Sale Agreement on December 20, 2016.

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- The Property is an SFPUC wholesale water customer asset.
- The revenue from the sale will be used to support revenue-funded capital programs.
- The SFPUC will save approximately \$5,184 per year in maintenance costs and property taxes on the Property and will reduce its liability as property owner of a vacant lot.