

Reflections on Real Estate

A Quarterly Publication from Souza Realty & Development

Fall 2001

Contra Costa Airport Update

By Jim Gwerder

In December 2000, Contra Costa County's Airport Land Use Commission (ALUC) conducted a continued hearing on the proposed Airport Land Use Plans for both Byron and Buchanan Airports. After taking testimony and making a number of modifications, the Commission voted unanimously to adopt the draft plans.

Since then, a series of staff hold-ups, funding and consultant contract problems have delayed the final printing of the document. At the July 11th ALUC meeting, the Commission confirmed and approved staff's interpretation of certain changes directed at the December meeting.

Staff stated at the July 11th ALUC meeting that a final draft would be created for staff review within two to three weeks. After its accuracy was confirmed, the final plan was to be sent

to all of the affected land use agencies after about six weeks.

As of press time, the final draft of the ALUC Plans had still not been printed, nor had the funding and

The ALUC Plan will serve as a tool for use by the Airport Land Use Commission in fulfilling its duty to review airport and adjacent land use development proposals.

contract issues been resolved.

The purpose of the ALUC Plan is to promote compatibility between the airports in Contra Costa County and

the land uses surrounding them. Once adopted, the ALUC Plan will serve as a tool for use by the Airport Land Use Commission in fulfilling its duty to review airport and adjacent land use development proposals. Additionally, the ALUC Plan sets compatibility criteria applicable to local agencies in their preparation or amendment of land use plans and ordinances and to landowners in their design of new development.

This is especially applicable to Byron, where the local Municipal Advisory Council has created a "General Plan" community vision document that lays out where appropriate land uses should be located in the southeast Contra Costa County region once conditions are right for development.

Contra Costa Joins in Habitat Planning Effort

By Jim Gwerder

At the July 17th Contra Costa County Board of Supervisors meeting, the Board voted to join a joint powers agreement along with Contra Costa Water District, East Bay Regional Park District, and several east County cities. The purpose of the joint powers agreement is to prepare a Habitat Conservation Plan (HCP) for 185,000 acres of east Contra Costa County.

The County turned down the offer to join in the habitat planning process

last summer. In the meantime, most of the rest of the agencies named in the joint powers agreement agreed to participate in the effort, with some of the cities conditioning their participation with an unwillingness to provide funding toward the effort.

The agencies that did sign on to the agreement also adopted a set of "Principles of Participation", which were based on principles submitted by the Contra Costa Council.

In this go-around, the County Board

of Supervisors declared its support for a modified set of Principles of Participation. These modified Principles were compiled by County staff to integrate the comments of Save Mount Diablo, the Greenbelt Alliance, and Contra Costa County Citizens Land Alliance with the Principles prepared by the Contra Costa Council.

Reportedly, the same consulting firm

see HCP page 2

300 Pathways Vital to State Wildlife

Summary of article by Deborah Schoh, Los Angeles Times, 8/7/2001

A group of 160 experts from public agencies, consulting firms, environmental advocacy groups, colleges and universities recently identified more than 300 wildlife pathways throughout California in a report entitled "Missing Linkages." These experts believe that these natural pathways, many of which cross developed areas between parks and wildlands, are integral to the survival of dozens of wildlife species, and they view the report as a first step towards preserving and revitalizing these pathways.

Although a difficult process, the state has begun acquiring land to link wildlife habitats. One such area is Coal Canyon in Orange County. Wildlife pathway supporters hope that increasing state land acquisition to preserve habitat will prevent these lands from becoming islands in a sea of development.

For more information regarding the Missing Linkages report visit the SR&D website at www.souzard.com. Go to the Links page and click on the "Missing Linkages Report" under Reports.

New Website for SR&D

Souza Realty & Development introduces a new website on the world wide web. The debut of www.souzard.com provides current and future clients detailed information about the services and staff of SR&D.

Highlights of the site include a "Featured Projects" page that describes past and present SR&D development projects; a "Services" page that talks about the many services that SR&D has to offer; and a "Links" page that directs viewers to a wide array of real estate and government-related

web sites.

The SR&D quarterly newsletter, *Reflections on Real Estate*, can be downloaded from the SR&D site. You can also request notification by e-mail when a new edition of *Reflections on Real Estate* is available on-line. In addition, SR&D can contact you by e-mail when reports or web sites of significant interest to property owners become available. You can request these services by going to the Contact Us page at www.souzard.com and submitting the appropriate information.

Souza Realty & Development is now available online at www.souzard.com

HCP continued

that was hired to perform a "Biodiversity Study" (East County Pilot Project) from 1996 to 1999 has been hired for the HCP effort. The earlier "Biodiversity Study", which targeted eastern Contra Costa and eastern Alameda Counties, was reformulated with input from concerned stakeholders and released in 1999 without maps which would have identified potential habitat in that

region.

County staff estimates that the HCP will take about three years to formulate, at a cost of approximately \$650,000. Due to the long-term nature of HCPs, and the fact that they plan land uses from a conservation perspective rather than a development perspective, it will be vital to include all potential areas of development within the planning process.



Reflections on Real Estate is published quarterly by Souza Realty & Development. SR&D is a family-run real estate firm specializing in development, development consulting, land and commercial brokerage, and land valuation.

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POWER PLANT INFORMATION

General information on the proposed East Altamont Energy Center power plant is available under "Reports" at www.souzard.com/links.html. The proposed site is in unincorporated Alameda County, northwest of Tracy.

PROFESSIONAL OFFICE CONDOS

FOR SALE OR LEASE

WEST PARK PROFESSIONAL CENTER
ELEVENTH STREET & TRACY BOULEVARD
TRACY, CALIFORNIA



SITE PLAN



AVAILABLE UNITS

- 990 SF
- 1,113 SF
- 1,503 SF
- 1,797 SF
- 5,120 SF (divisible)

PROPERTY FEATURES

- Project Size: 35,000 ± SF
- Phase I: 27,000 ± SF (Available Fall 2001)
- Phase II: 8,000 ± SF (Available 2002)
- Single & Two-Story Professional Office Buildings divided into condominium units ranging in size from 1,000 ± SF to 10,000 ± SF
- GHC (General Highway Commercial) Zoning
- Parking Ratio of 4.72 spaces per 1,000 SF; 185 spaces provided
- Wood frame construction with stucco façade
- Great exposure and access from Eleventh Street & Tracy Boulevard
- For sale @\$210 per SF
- For lease @\$2.00 per SF NNN

Interest Rates

By Rich Davidson

As you can see from our interest rate table, short-term rates continued to decline as the Federal Reserve lowered the discount rate to three percent effective August 21, 2001. The discount rate is the charge on loans to depository institutions by the Federal Reserve Banks. Short-term rates have dropped approximately three percent over the last year. This short-term rate drop has also affected what banks pay on deposits, with the average 6-month CD rate down to 3.45%.

Long-term rates have also declined again during the last three months, after increasing at the time of our last newsletter. Treasuries have been rallying as continued weakness in the economy boosts hopes that the Federal Reserve will lower the discount rate still further at the next Fed meeting in October. Wall Street traders often buy Treasuries when they perceive stocks to be weak in the hopes that investors will shift funds to bonds from stocks. As the prices of treasuries rise, the yield to their investors decline.

Housing has been one of the bright spots of this economy. There is still a relatively tight supply of homes, with population increasing and mortgage rates remaining low. Prices are cooling

but are not collapsing. Recent long-term mortgage rates from Freddie Mac on their 30-year mortgage commitments for delivery within 60 days are at 6.72% for standard conventional fixed rate mortgages. This rate is near the 30 year low of 6.49% according to Freddie Mac.

RECENT LOAN CLOSINGS

1. \$7,450,000 acquisition loan on industrial property in Santa Rosa.
2. \$425,000 unsecured loan to complete construction rehab on apartment project in the East Bay.

ACTIVE REAL ESTATE CONSULTING ASSIGNMENTS

1. \$3,300,000 permanent financing on apartments in Seattle.
2. \$2,900,000 permanent loan, 15 year fixed rate, fully amortizing loan on mixed-use project in San Francisco.
3. \$24,000,000 construction loan on attached for sale housing on the Peninsula.
4. \$5,000,000 equity financing/mezzanine loan for housing on the mid

Peninsula.

5. \$1,600,000 land loan on the peninsula.
6. \$9,000,000 equity financing for to be built apartment project in the East Bay.
7. \$3,200,000 interim loan on office building in San Jose.

If I can be of any assistance with your real estate financing needs, please do not hesitate to call me at (650) 579-3995. My email address is rdavidson@redcofinance.com.

KEY INTEREST RATES & INDICES August 28, 2001

INDEX	CURRENT RATE	CHANGE FROM 6/1/01
Bank Prime	6.50%	-0.50%
1 Yr. Treasury	3.38%	-0.67%
5 Yr. Treasury	4.41%	-0.52%
10 Yr. Treasury	4.97%	-0.39%
30 Yr. Treasury	5.48%	-0.22%
LIBOR (1 mo.)	3.58%	-0.46%
LIBOR (6 mo.)	3.53%	-0.40%
LIBOR (1 Yr.)	3.69%	-0.48%
6-Month CD	3.45%	
Discount Rate	3.00%	
Freddie Mac 60 day	6.72%	

* effective 8/22/01



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