

Reflections on Real Estate

A Quarterly Publication from Souza Realty & Development

Spring 2003

AKT Development & SR&D to Develop Tracy Hills

By Mike Souza

AKT Development Corporation has announced that it has joined forces with Souza Realty & Development (SR&D) to develop the Tracy Hills project.

AKT, a family owned development company based in Sacramento with extensive experience in planning and building master planned communities, purchased the Tracy Hills project over two years ago.

Tracy Hills, located on both sides of Interstate 580 between Interstates 5 and 205 in San Joaquin County, is a master planned community in the City of Tracy, approved in 1998 for approximately 5,000 residential units and 550 acres of commercial and industrial land. Tracy Hills is the next

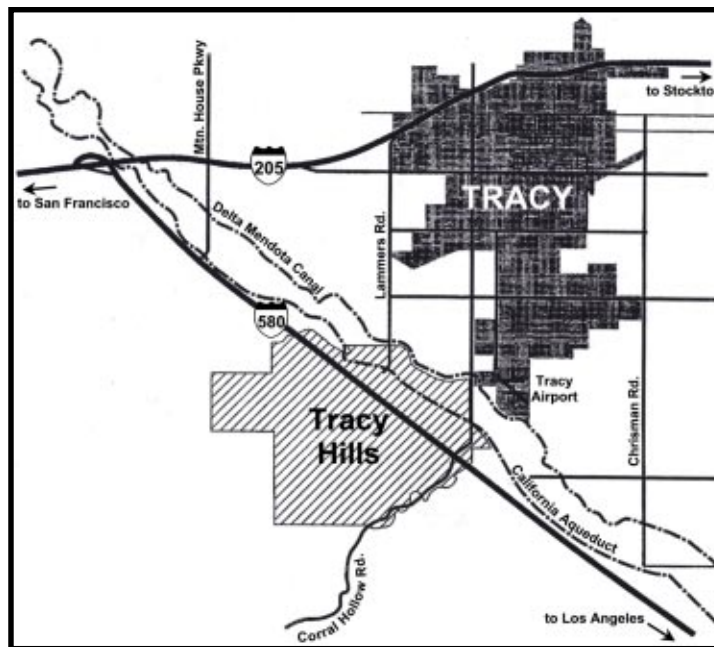
area for residential growth within the City Limits of Tracy.

Both AKT and SR&D are family businesses, with a long and rich history

of involvement in their respective communities. The two companies have the same business philosophy and ethic. This alliance combines AKT's extensive

experience in planning and building master planned communities, their resources, and their community minded ethic with SR&D's knowledge of local development processes and issues, and community needs and desires. With this combination, the two companies will be able to build a project that will be a community treasure.

A Tracy Hills project office will be opened in late March or early April 2003 on the second floor of the SR&D office building in downtown Tracy.



Airport Land Use Plan Making Final Approach

By Jim Gwerder

After several hearings, the Contra Costa County Planning Commission has proposed several changes to the County's General Plan and zoning ordinance to bring those documents into compliance with the May 2000 Airport Land Use Compatibility Plan (ALUC Plan). The ALUC Plan is intended to regulate land uses around both Buchanan Field in Concord and the Byron Airport, and is based on

safety zones created from compiling nationwide aircraft crash statistics.

Final adoption of these General Plan and zoning changes will be the decision of the Contra Costa County Board of Supervisors, but the proposed changes will take a detour back to the Airport Land Use Commission first. It is anticipated that a special Airport Land Use Commission meeting will be held at the end of March to provide comment

on the changes, especially one recommendation that may have banked hard left from the ALUC Plan.

That particular change would affect about 200 acres north of the Byron Airport. The 200 acres is currently zoned Forestry Recreation (F-R), a zoning described as "antiquated" in the 1991 Contra Costa County General

see Airport Plan page 2

Airport Plan continued

Plan. Most of the acreage involves the controversial "Byron Hot Springs" project, which has dragged on for years and calls for a restored Byron Hot Springs Hotel in addition to a golf course with associated cabins surrounding it. Initially staff proposed rezoning the area from F-R to A-2 (agricultural zoning with 5 acre minimum lot sizes). After testimony from the project proponents, the Planning Commission voted to rezone the area P-1 (planned unit development zoning).

In addition to the County General Plan land use element change mentioned above, the Planning Commission is recommending a language change for the Agricultural Land designation. This would involve a limited

number of acres which fall within the airport's "B1" safety zone and calls for a restriction on subdivision. (Originally, planning staff proposed that these "B1" areas, many on private land, be designated Open Space instead of Ag Lands). Further, the Planning Commission is recommending rezoning some acreage from A-2 (5 acre minimum lot size) to A-3 (10 acre minimums).

The County Planning Commission also responded to the ALUC Plan by recommending changes to the County General Plan's transportation element and noise element.

If you have any questions regarding the ALUC Plan or the Planning Commission's action as related to the Byron Airport Area, contact Jim Gwerder at our office.



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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Recent Land Sales

Below are land sales that have occurred since our last newsletter. Note that this information has been extracted from the Multiple Listing Service and public records and has not been verified for accuracy. If you have any questions regarding these sales, please contact our office.

CONTRA COSTA COUNTY			ALAMEDA COUNTY		
	ACRES	PRICE		ACRES	PRICE
9641 Deer Valley Rd., Brentwood	5.09	275,000	Kilkare Rd., Sunol	10.59	1,200,000
Delta Rd., Knightsen	9.91	230,000	7501 Sheridan Rd., Sunol	16.20	700,000
Sellers Ave., Brentwood	10.00	365,000	Tesla Rd., Livermore	20.00	260,000
1601 Hoffman Ln., Byron	10.02	300,000	2120 Greenville Rd., Livermore	80.64	650,000
Marsh Creek Rd., Brentwood	19.96	500,000	16874 Cull Canyon Rd., Castro Valley	101.00	450,000
Morgan Territory Rd., Clayton	20.05	290,000	Mines Rd., Livermore	111.60	580,000
20230 Marsh Creek Rd., Brentwood	23.94	1,200,000	Cull Canyon Rd., Castro Valley	116.00	550,000
140 Paulanella Pl., San Ramon	29.64	750,000	Del Valle Rd., Livermore	160.00	200,000
20350 Marsh Creek Rd., Brentwood	30.00	750,000	54210 Mines Rd., Livermore	480.00	690,000
Morgan Territory Rd., Clayton	61.68	385,000			
Marsh Creek Rd., Clayton	87.05	550,000			

Contra Costa County is comprised of 470,400 acres, with 147,859 of these acres allocated to farmlands and harvested cropland. In 2001, the total gross value of agricultural products and crops reached

\$97,515,400, an increase of \$4,917,800 compared to 2000. The value of agricultural production since 1997 is set forth in the table below:

COUNTY OF CONTRA COSTA AGRICULTURAL PRODUCTION, 1997 TO 2001					
	1997	1998	1999	2000	2001
Nursery crops	\$31,287,800	\$31,643,300	\$28,202,200	\$32,105,200	\$37,509,500
Livestock & poultry	5,040,800	3,911,300	7,794,000	8,829,000	7,424,000
Field crops	12,696,000	9,291,000	9,525,000	9,162,000	12,140,000
Vegetable & seed crops	20,033,000	16,756,000	18,298,000	17,026,400	16,055,000
Fruit and nut crops	18,520,000	17,180,400	18,197,300	18,050,000	15,609,600
Livestock, apiary & poultry products	7,597,420	8,083,250	8,474,280	7,425,000	8,777,300
TOTAL	\$95,175,220	\$86,765,250	\$90,490,780	\$92,597,600	\$97,515,400

Source: Contra Costa County Department of Agriculture

Properties For Sale



RETURN SERVICE REQUESTED

Interest Rates

By Rich Davidson

With each newsletter article I write, I think that rates can't go much lower. And as we look at rates again this month, they are down again, to 40-year lows. Longer-term rates have continued to drop, as have short-term rates. Interest rates are remaining low with the continuing geopolitical risks as well as a weak economy, exactly the same position we were in three months ago. The main theme of the past several years continues and that is equity (stocks) weakness, and bond strength.

RECENT LOAN CLOSINGS

1. \$27,320,000 in financing for a condominium conversion in the South Bay.
2. \$1,675,000 in financing for the acquisition of land in the North Bay.

3. \$1,500,000 in financing for ranch land in the North Bay.
4. \$750,000 in corporate financing secured by future income stream.

ACTIVE REAL ESTATE CONSULTING ASSIGNMENTS

1. \$3,800,000 permanent loan for an apartment complex in the Mid Peninsula.

2. \$6,000,000 residential jumbo loan on home in the North Bay.
3. \$1,900,000 in permanent loans for two apartments in Davis.

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			
March 16, 2003			
INDEX	CURRENT RATE	CHANGE FROM 12/17/02	NOTES
Bank Prime	4.25%	None	effective 11/07/02
1 Yr. Treasury	1.03%	-0.37%	
5 Yr. Treasury	2.73%	-0.34%	
10 Yr. Treasury	3.74%	-0.37%	
30 Yr. Treasury	4.74%	-0.27%	
LIBOR (1 Mo.)	1.28%	-0.14%	
LIBOR (6 Mo.)	1.23%	-0.20%	
LIBOR (1 Yr.)	1.29%	-0.31%	
6-Month CD	1.19%	-0.18%	
Freddie Mac 60 day	5.41%	-0.28%	30 year fixed rate
12 MAT	1.858%	-0.208%	12 Month Treasury Average
11 DCOF	2.308%	-0.400%	11 th District Cost of Funds
CPI	181.7		Up 2.6% from a year ago