

Reflections on Real Estate

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Spring 2005

Tracy General Plan Update Nears Completion

By Tim O'Donnell

The City of Tracy is currently updating its general plan, which was last updated in 1993 (for a discussion of the differences between this plan and the 1993 plan, please see our Winter 2004 newsletter). The city began the general plan update process in February, 2003. Design, Community & Environment, Inc. is serving as the principal consultant on the General Plan, in cooperation with Fehr & Peers, Illingworth & Rodkin, West Yost & Associates, Stantec, CH2M Hill and Bay Area Economics.

After twenty public hearings and workshops, and after the circulation of a review draft in October, 2004, city staff is preparing to submit a final draft to the city council in April, 2005. After the counsel approves a draft, the city will circulate an environmental impact report to disclose to the public the environmental consequences of the new general plan. The city anticipates that the environmental review process can be completed by the end of this summer.

In California, a general plan has seven mandatory elements (Circulation,

Conservation, Housing, Land Use, Noise, Open Space, Safety and Seismic Safety) and may include any number of optional elements. The new Tracy General Plan will also include optional elements on Community Character, Public Facilities and Services, and Air

The community character element sets out a new urbanist plan for the City of Tracy, with the goal of creating a "sense of place," while retaining and enhancing the city's "hometown feel."

Quality. The new general plan will serve as the "constitution" for growth within the city and its sphere of influence between now and 2025.

As a result of input from the public, through public hearings and the Tracy Tomorrow process, the city council has

placed great emphasis on the Community Character Element of the new general plan. Community character, as used in a general plan, is defined as the sense of place, design quality, character, and quality of life in a community. A community character element provides direction on future development patterns, site design, and construction quality for new development projects.

The intent of adopting a community character element is to provide policies and programs that guide the form and appearance of private developments, streets, parks, and public facilities of new as well as existing neighborhoods. Common components include urban design principles, design standards, street design guidelines, landscaping, criteria for the preservation of unique or sensitive environmental features, and historic preservation. The goal is to provide developers with a clear sense of how the city should look, feel, and function.

In general, the community character

see General Plan page 2

Wind Companies Agree to Action Plan for Altamont Pass

A group of wind energy project owners, including FPL Energy, Global Renewable Energy Partners, enXco, and Altamont Winds, Inc., have announced their commitment to taking aggressive action to significantly reduce avian mortality in the Altamont Pass wind resource area.

The companies have announced a goal of reducing raptor mortality at Altamont by 35% in the next three years, taking the unprecedented step of proposing seasonal shutdowns for thousands of wind turbines. The turbine owners have joined in support of an adaptive management plan, which

included permanent relocation or shutdown of approximately 100 of the highest-risk turbines; retrofitting power poles to prevent bird electrocutions; removal of derelict turbines, towers and overhead lines; scientific monitoring;

see Wind page 3

General Plan continued

element, taken together with the land use element sets out a new urbanist plan for the City of Tracy, with the goal of creating a “sense of place”, while retaining and enhancing the city’s “hometown feel”. Under this plan, buildings and neighborhoods should be designed on a human scale with entryways, landmarks, focal points and a pedestrian orientation. Commercial development will occur in Village Centers and an Urban Center downtown. Big box retail will continue to be built in the I-205 Regional Commercial Area, which is an exception to the new urbanist concept inasmuch as it is difficult to emphasize “hometown feel” as the overarching design objective in the I-205 Regional Commercial Area, due to the function of the center as a regional destination, the predominance of large scale buildings, and geographic separation from the largely residential areas to the south.

Some unresolved conflicts remain within the draft general plan. For example, in the circulation element, the city council has expressed a strong preference to maintain

Level of Service (LOS) C on new and existing roads throughout the city. Many commentators, including the city’s consultant and staff, have expressed concerns that roads built to an LOS C standard may be incompatible with the pedestrian oriented goals of the community character element. Nevertheless, in spite of such conflicts, the general plan represents a well balanced, modern approach to urban design.

The city is updating the housing element of the general plan in a separate, parallel process with Cotton Bridges Associates as the primary consultant. The draft housing element is designed to show that the city has an available supply of land, free of government constraints, sufficient to meet the housing needs of families of all income levels, for the period from 2004-2009. The city has worked very hard to

identify sites that would be available for the development of new housing, especially high density residential housing, throughout the older “infill” areas of the city.

Unfortunately, due to restrictions under Tracy’s Growth Management Ordinance,

see General Plan page 3

Housing and Community Development may be unable to certify the city’s housing element as long as the city has such severe growth limitations in place.



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Recent Land & Ranch Sales

Below are a sampling of 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	ACRES	PRICE	ALAMEDA COUNTY	ACRES	PRICE
535 Leon Way, Clayton	5.63	530,000	29 Castlewood Dr., Pleasanton	23.25	785,000
4343 Stone Rd., Bethel Island	8.33	312,000	Palomares Rd., Castro Valley	102.00	1,850,000
6010 Balfour Rd., Brentwood	9.60	575,000	Del Valle Rd., Livermore (1/32 nd interest)	640.00	135,000
1901 Tule Ln., Knightsen	10.00	525,000			
1750 Arabian Ln., Brentwood	19.28	1,200,000			
6971 Johnston Rd., Pleasanton	19.70	1,360,000			
1197 Bollinger Canyon Rd., Moraga	25.21	400,000			
Marsh Creek Rd., Brentwood	31.78	953,400			
Byer Rd., Byron	47.00	864,000			
10625 Morgan Terr. Rd., Livermore	103.53	765,000			
			TRACY AREA	ACRES	PRICE
			21482 S. Corral Hollow Rd.	4.85	1,400,000
			Paradise Ave.	10.00	245,000
			3741 W. Grant Line Rd.	41.65	1,300,000
			Durham ferry Rd.	42.46	695,000
			17965 S. Paradise Ave	51.08	775,000

A 2002 study by the Association of Bay Area Governments (ABAG) estimates that the population in Alameda County is expected to grow around 7 percent by the year 2010, while Contra Costa County is expected to grow about 9.5 percent in that time. By the year 2020, Alameda County is expected to add around 70,000 households, Contra Costa County around 85,000 households.

Economic Development Alliance for Business website (edab.org)

Property For Sale



Wind continued

and commitment to repowering in addition to seasonal shutdowns.

In response to heightened concerns, the companies have implemented a number of measures in recent years to reduce bird deaths, including removing

high-risk turbines and retrofitting utility structures to reduce electrocution hazards.

An anomaly for the wind industry, Altamont experiences higher raptor mortality rates than any other wind project area in the U.S., even though the total combined mortality for all bird

species in the pass is rather low. For this reason, the solutions proposed for Altamont are not being proposed for wind farms using modern technology or in other regions.

General Plan continued

adopted by the voters in 2000, the City of Tracy will see a period from 2006 until 2012 during which market rate residential construction in the city will be limited to 100 infill units per year. The California Department of Housing

and Community Development (HCD), supported by the BIA of the Delta, have indicated that HCD may be unable to certify the city's housing element as long as the city has such severe growth limitations in place. The debate between the city and HCD should be resolved this summer.

The next draft of the general plan, together with a draft EIR, should be sent to council in April. This draft, as well as the current review draft which is available now, will be posted on the city's website at www.ci.tracy.ca.us.

RETURN SERVICE REQUESTED

Interest Rates

By Rich Davidson

As you can see by the interest rates below, short term interest rates have continued to increase. The Federal Reserve has increased its discount rate, the rate the Fed charges member banks on overnight borrowings, from a low of 1.0% on 6/25/03 to the current rate of 2.50%. This represents six consecutive quarter percent rate increases over this period of time. Interestingly, longer term rates at 5, 10 and 30 years are all trending upward finally, having declined in

previous quarters in the face of the short term rate increases. In fact, long-term home mortgage rates rose for a fifth straight week as surging oil prices raised fears of inflation and kept upward pressure on interest rates.

The price of crude oil hit a 22 year-high during the day (3/17/05) at \$57.60 and finished at \$56.40 on the New York

Mercantile Exchange. Crude oil prices are up 48% over the last 12 months. Steep oil prices hurt stocks because higher energy prices lower corporate profits and

can cause inflation.

And finally, according to the Wall Street Journal, a 22 bedroom estate outside London is selling for more that

70 million pounds (\$135 million) making it the most expensive single family property for sale in the United Kingdom. The home's developer indicated he paid about \$38 million for the property in 2002 and invested \$57 million additional into it since then. The 103 room mansion is in Surrey, about 15 miles southwest of Heathrow Airport. And we thought California was expensive!

RECENT LOAN CLOSINGS

- \$5,940,000 acquisition loan for a hotel on the Peninsula.
- \$2,500,000 equity investment in condominium development under construction in Oakland.
- \$1,700,000 Land acquisition loan at 65% LTV on senior housing project in Brentwood, CA.

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 17, 2005

INDEX	CURRENT RATE	CHANGE FROM 11/18/04	NOTES
Bank Prime	5.50%	+0.50%	Last change: 2/2/05
1 Yr. Treasury	3.34%	+0.80%	
5 Yr. Treasury	4.13%	+0.66%	
10 Yr. Treasury	4.46%	+0.34%	
30 Yr. Treasury	4.84%	+0.03%	
LIBOR (1 Mo.)	2.85%	+0.71%	
LIBOR (6 Mo.)	3.30%	+0.76%	
LIBOR (1 Yr.)	3.69%	+0.85%	
6-Month CD	3.24%	+0.74%	
Freddie Mac 60 day	5.71%	+0.28%	30 year fixed rate
12 Month Treasury Average	2.171%	+0.494%	T average
11 th District Cost of Funds	2.183%	+0.252%	Fund Cost
Consumer Price Index	190.7 (Jan.)		Up 3% from a year ago
Federal Discount Rate	2.50%	+0.50%	