

# Reflections on Real Estate

A Quarterly Publication from Souza Realty & Development

Winter 2006

## Final Habitat Plan Released

By Jim Gwerder

The Final East Contra Costa County Habitat Conservation Plan/ Natural Community Conservation Plan (HCP/NCCP) as well as the Final Environmental Impact Statement/ Environmental Impact Report (EIS/EIR) for the HCP/NCCP are available to be viewed on the internet at <http://www.cocohcp.org/documents.html>.

Printed copies may also be purchased for the price of reproduction

(please contact John Kopchik of the Contra Costa County Community Development Department at (925) 335-1227 for more information).

The HCP/NCCP was prepared by the East Contra Costa County Habitat Conservation Plan Association (HCPA), a Joint Exercise of Powers Authority formed by the Cities of Brentwood, Clayton, Oakley, and Pittsburg, Contra Costa County, the Contra Costa Water District, and the

East Bay Regional Park District.

Jim Gwerder represented land-owner interests on the HCPA Coordination Group, the committee of stakeholders and agency representatives that advised in the development of the HCP/NCCP.

The EIS/EIR was prepared in compliance with the California Environmental Quality Act (CEQA)

*see Habitat Plan page 2*

## Bio-Research Lab Proposed for Site 300

By John Palmer

The National Bio and Agro-defense Facility, or NBAF, is a new national biological and agricultural research facility planned by the U.S. Department of Homeland Security (DHS) to protect U.S. citizens and agriculture from a natural or bioterrorist attack involving the intentional introduction of foreign animal diseases. The NBAF, which may include a BioSafety Level (BSL) 3 and BSL-4 laboratory, will provide the nation with

integrated research and response to protect public and animal health. In early 2006, the DHS issued a nationwide call for organizations interested in managing the NBAF. Twenty-nine organizations formally responded via "expression of interest". The DHS is still evaluating 14 of these, including the University of California (UC), as possible candidates to site the NBAF. The UC proposal includes a partnership with Lawrence Livermore National

Laboratory (LLNL) to construct the NBAF at Site 300 which is located approximately six miles southwest of downtown Tracy.

As a response to the UC's expression of interest in managing the NBAF, several community members expressed concerns and have publicly requested that Tracy's City Council formally oppose the NBAF proposal. The

*see Site 300 page 3*



Merry Christmas &  
Happy New Year!  
from the staff of SR&D



## Staff Notes

**Anthony F. Souza, CRE, FRICS**, and president of Souza Realty & Development, assumed the role of 2007 Chairman of the Board of The Counselors of Real Estate (CRE) on October 26, 2006, at the organization's Annual Convention in Kapalua, Maui. The Counselors of Real Estate, an affiliate of the National Association of Realtors, is the international membership organization for leading real estate advisors who provide expert, objective advice on real property and land-related issues. Membership in the organization is by invitation only. Souza was invited into membership and received the CRE (Counselor of Real Estate) designation in 1994. He has been active in the leadership of the organization since that time, most recently as 2006 Vice Chairman of the Board.

Souza began his real estate career leasing Altamont pasture lands for wind turbine development and has been a licensed broker since 1984. He is a lifelong resident of Tracy, CA. In addition to The Counselors of Real Estate, Souza also holds the prestigious Fellow of the Royal Institution of Chartered Surveyors (FRICS) designation and is a member of many professional associations, including the Tracy Chamber of Commerce, Central Valley Association of Realtors, California and National Association of Realtors, National Association of Realtors Real Estate Appraisal Section, Contra Costa and National Cattlemen's Association, American Wind Energy Association, Urban Land Institute, Building Industry Association of the Delta, and the Business Council of San Joaquin County.

### *Habitat Plan continued*

and the National Environmental Policy Act (NEPA). The HCPA is the lead CEQA agency for the EIR. The Cities of Brentwood, Clayton, Oakley, and Pittsburg, Contra Costa County (County), the Contra Costa County Flood Control and Water Conservation District (Flood Control), and the East Bay Regional Park District (EBRPD) are responsible agencies under CEQA and would be the permittees under the HCP/NCCP. The U.S. Fish and Wildlife Service (USFWS) is the lead NEPA agency for the EIS and the lead federal agency for consideration of an Incidental Take Permit (ITP) pursuant to Section 10 of the federal Endangered Species Act. The California Department of Fish and Game (CDFG) is the lead state agency for consideration of an ITP pursuant to Section 2835 of the California Fish and Game Code.

On November 8, 2006, the HCPA Executive Governing Committee certified the Final EIR (under CEQA) and approved the Final HCP/NCCP for submission

to the permittees for their approval.

The HCPA, permittees, USFWS, and CDFG will take separate actions in the next few months concerning NEPA, CEQA, approval of the HCP/NCCP, and issuance of associated permits. These meetings will be publicly noticed by the individual agencies per their normal meeting procedures.

From 1996 to 1999 Jim Gwerder represented property owners interests in the East Contra Costa/Alameda County Biodiversity study, which ultimately suggested that a regional conservation plan with fair compensation to landowners would be worth exploring. (That was the report that started out as a series of habitat maps, and was finally released with only one map showing the general location of East Contra Costa and Alameda Counties within the State of California.)

Jim Gwerder has consistently been involved in the Coordination Group and its subcommittees for the HCP/NCCP over the past four and a half years.

Please feel free to contact Jim Gwerder with any questions.



*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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The median home price in California will decline 2 percent to \$550,000 in 2007 compared with a projected median of \$561,000 this year, while sales for 2007 are projected to decrease 7 percent to 447,500 units, compared with 481,200 units (projected) in 2006.

*California Association of Realtors*  
([cvar.org](http://cvar.org))

*Site 300 continued*

concerns expressed by these community members center on the appropriateness of locating the NBAF near high population centers, the appropriateness of co-locating the NBAF with the Site 300 weapons testing facility and near active earthquake fault lines, the existing lack of transparency of Site 300 operations, the allegedly poor track record and commitment by LLNL regarding environmental clean-up and reporting, and the implications of terrorist targeting.

The NBAF was placed on the September 19, 2006 Tracy City Council agenda for discussion. Representatives from LLNL provided a brief presentation on the selection process and timeline, but stated that it was too early in the selection process to embark on an extensive public awareness campaign. It was conveyed that the UC's main interest is the study of zoonotic diseases (diseases that can be transmitted from animals to humans). The NBAF would directly support upwards of 300 highly skilled jobs for specially trained scientists, researchers and support personnel, and could ultimately help foster countless other positions in related industries within the region and state. It also would serve as a hub for attracting new biotechnology industry and educational programs to California and the region,

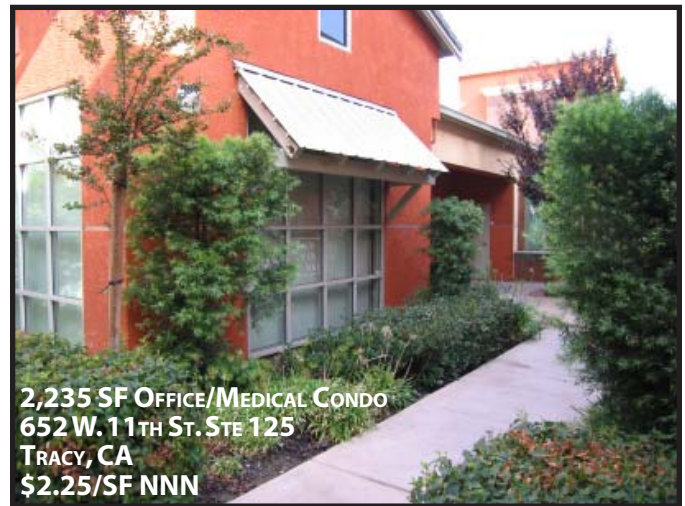
helping to develop the next generation of scientists, researchers, veterinarians and doctors in the field of emerging diseases. Most importantly, the NBAF research activities would help to safeguard and support the general public and California agricultural and food industries.

It was conveyed by LLNL representatives that the DHS is expected to narrow the potential sites to five in December 2006 or the first part of 2007. If Site 300 makes the cut to the "short list" of sites, a formal proposal rather than the "expression of interest" will be submitted to the DHS and an extensive National Environmental Policy Act (NEPA) public process will begin. At that time, more public information will be available regarding the scope of work and research activities of the proposed NBAF.

At the September 19, 2006, Tracy City Council meeting, councilmembers directed Tracy Tomorrow & Beyond (TT&B) to engage the community and ultimately provide the city council a recommendation on the NBAF. (TT&B is a nine member committee appointed by the

city council that acts in an advisory capacity to create a process that will advocate consensus building in the community. The committee works to provide citizens with timely and objective information about the issues and events occurring within the city.) TT&B has held several meetings, including Oct 4<sup>th</sup> and 18<sup>th</sup>, on the NBAF and most recently sponsored a public forum on November 15, 2006 to educate the community about Bio-Safety Labs and the proposed NBAF. Representatives from UC and LLNL were on hand to respond to questions from a crowd of approximately 50 citizens.

It is expected that TT&B will host several more public forums in the upcoming months related to the NBAF proposal in order to gauge public sentiment and provide a recommendation to the Tracy City Council.



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## Interest Rates

By Rich Davidson

The Federal Reserve again did not raise its short term federal funds target rate--the rate member banks are charged on over-night borrowings between banks--at its most recent meeting. The next Fed meeting is this month. However, the Federal Reserve continues to be concerned about inflationary pressures in the economy. There has been strong growth recorded by the economy and reflected in the stock market. The Dow Jones Industrial Average is up

14% for the year. GDP is growing faster than expected at 2.2% for the third quarter.

The big news on the other side of the fence these days is housing. Major banks are seeing a fall in applications for home mortgages. According to the Mortgage Bankers Association, applications dropped 3.9% on a seasonally

adjusted basis this week compared to last week, and 1.6% on a year-over-year basis. The number of new homes sales fell in October by 3.2% for September and 25.4%

from a year earlier according to the Commerce Department. This decline may be helping keep interest rates down as the Fed tries to balance

economic growth and inflation.

### RECENT LOAN CLOSINGS

1. \$850,000 second trust deed for 8 unit condominium project that is being rented in San Francisco.
2. \$1,037,500 first trust deed land loan for 3 hillside lots in the Williamson Act in Solano County.
3. \$5,250,000 land acquisition loan for residential development in San Francisco.
4. \$5,500,000 ten year fixed rate refinancing at 5.86% for 54 apartment units in Bremerton, WA.
5. \$6,200,000 refinance for medical office condominium project on the Peninsula.
6. \$3,795,000 refinance for apartment loan in San Mateo, 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](mailto:rdavidson@redcofinance.com).

KEY INTEREST RATES & INDICES			
November 29, 2006			
INDEX	CURRENT RATE	CHANGE FROM 8/23/06	NOTES
Bank Prime	8.25%	unchanged	Last change: 6/29/06
1 Yr. Treasury	4.87%	unchanged	
5 Yr. Treasury	4.51%	-0.26%	
10 Yr. Treasury	4.52%	-0.29%	
30 Yr. Treasury	4.61%	-0.34%	
LIBOR (1 Mo.)	5.35%	+0.03%	
LIBOR (6 Mo.)	5.35%	-0.11%	
LIBOR (1 Yr.)	5.24%	-0.23%	
6-Month CD	5.33%	-0.10%	
Freddie Mac 60 day	5.97%	-0.31%	30 year fixed rate
12 Month Treasury Average	4.827%	+0.264%	T average
11 <sup>th</sup> District Cost of Funds	4.382%	+0.292%	Fund Cost
Consumer Price Index	201.8 (Oct.)		Up 1.3% from year ago
Federal Funds Rate	5.25%	unchanged	Last change: 6/29/06
Dow Jones Industrial Avg.	12,227		Up 14.1% YTD
Consumer Confidence Index	102.9 (Nov)		Down from 106.5 (July)