

17 Nov 2006 From: Sherman <sherman@quarryvillage.org
To: Robert_Macpherson@dot.ca.gov
Subject: **questions on Hayward 238 ROW**

Many thanks for your explanation to me last June about how Caltrans disposes of surplus property. The attached pdf has my report on what you told me and related matters.

Over the next few weeks I hope to talk to people who might be able to purchase the quarry property in Hayward. My understanding is that such an expression of interest would lead Caltrans to have the fair market value of the property appraised. Is that right? Or do you have to wait for the CTC to abandon the route first? I understand the Caltrans, the CTC and the City would like to do this and set up an escrow account for some properties that would be sold early.

11/22/06 from Macpherson

As a general statement, the project has to be withdrawn, which is a process which requires CTC action, before any parcels acquired for the project can be designated as excess. We would not begin appraisal activities until the CTC had acted. Excess parcels that are capable of independent development are then offered to various public agencies at fair market value before they are offered on the open market.

My understanding is that Caltrans is willing to option the land to allow time for a purchaser to secure entitlements for developments prior to full purchase. Are there any rules for estimating the cost of the option? Would it be based on the appraised value? Would it also consider the opportunity cost to Caltrans of tying up the property during the option period? How would that be calculated? Some discount or interest rate? Can you give me an example of an option cost, option duration, and purchase price?

An option is a good possibility on the quarry parcel. The various issues you outlined would be considered in setting an option price, terms, etc. Until we got into the appraisal process, it is not feasible to be specific.

Does a state agency like the California State University have right of first refusal on sale of surplus property? Does it have to pay fair market value? My understand is yes to both, that is, AB1462 once SB 509 does not prevent some other state law for operating.

You are correct in your understanding as stated in your third paragraph.

Do you know of any cases say in the last few years where the CSU has bought land from Caltrans?

I am not aware of any CSU purchases outside of this district without some research. There have not been any CSU sales in this district in the past few years. The Department did sell a parcel to the UC system in Orange County a year or two ago.

Thanks for your help.

-- Sherman Lewis, President, Hayward Area Planning Association...