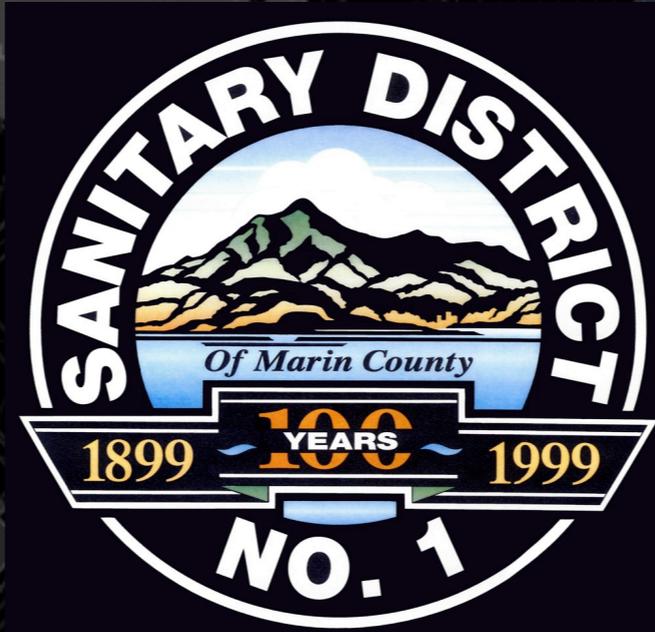


SANITARY DISTRICT NO.1

of Marin County



OFFICE & CORPORATION YARD
Property Management
2000 Larkspur Landing Circle, Larkspur California



What the District Has...

What Opportunities Exist to Enhance District Property...

Next Steps...



What the District Has...

What Opportunities Exist to Enhance District Property...

Next Steps...



SMART
Station Area

Drake's Way

Country Mart

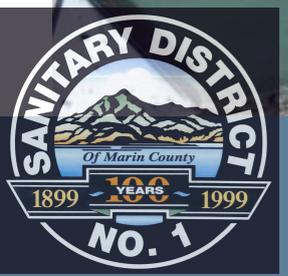
SITE

Drake's Landing

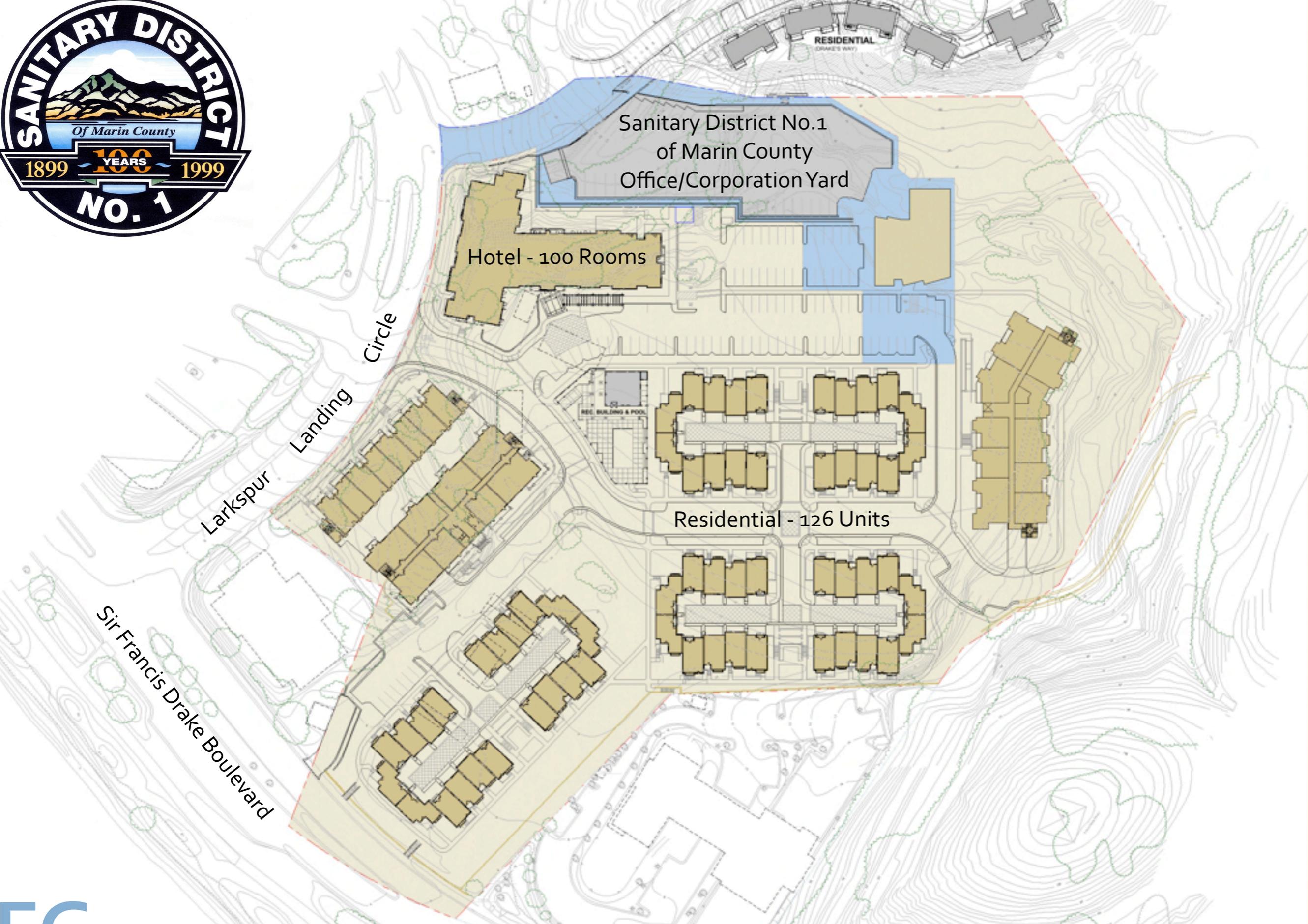
Golden Gate Ferry Terminal

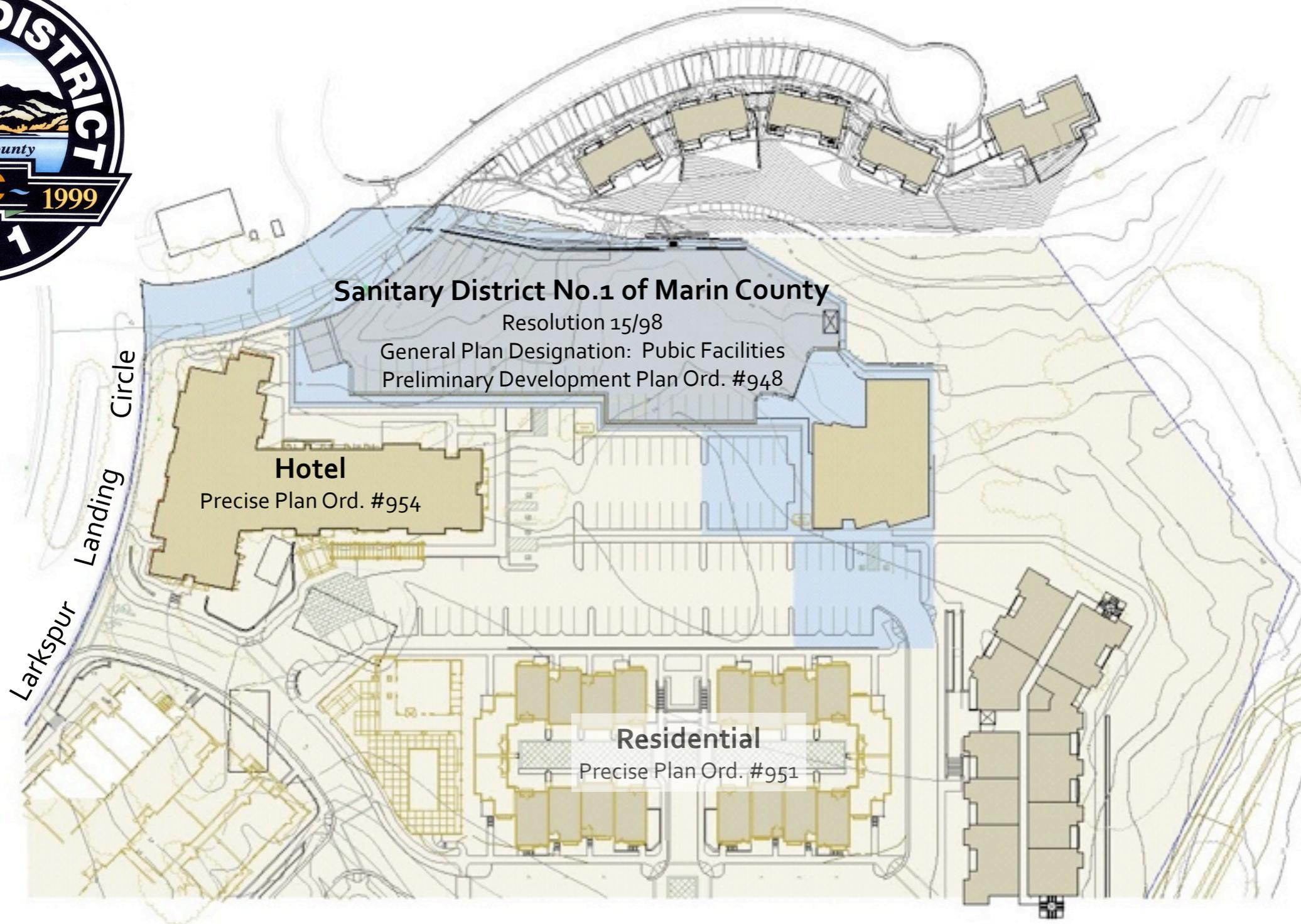
Remillard Brick Kiln Office

Sir Francis Drake Boulevard

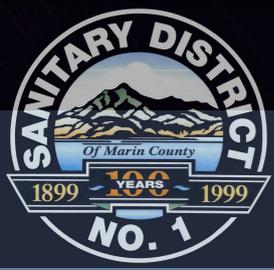


Site Aerial





- *District Facility Preliminary Plan approved*
September 21, 2005
- *Residential Precise Plan approved*
December 6, 2006 for 126 units
- *Hotel Precise Plan approved*
May 2, 2007 for 100 rooms
- **Larkspur Municipal Code:**
 - Preliminary Plan – In **2 years** if Precise Plan is not submitted Planning Commission option to make recommendation to Council to reclassify property
 - Precise Plan – In **3 years** if construction has not commenced Planning Commission option to make recommendation to Council to reclassify property





Drake's Way



Corporation Yard

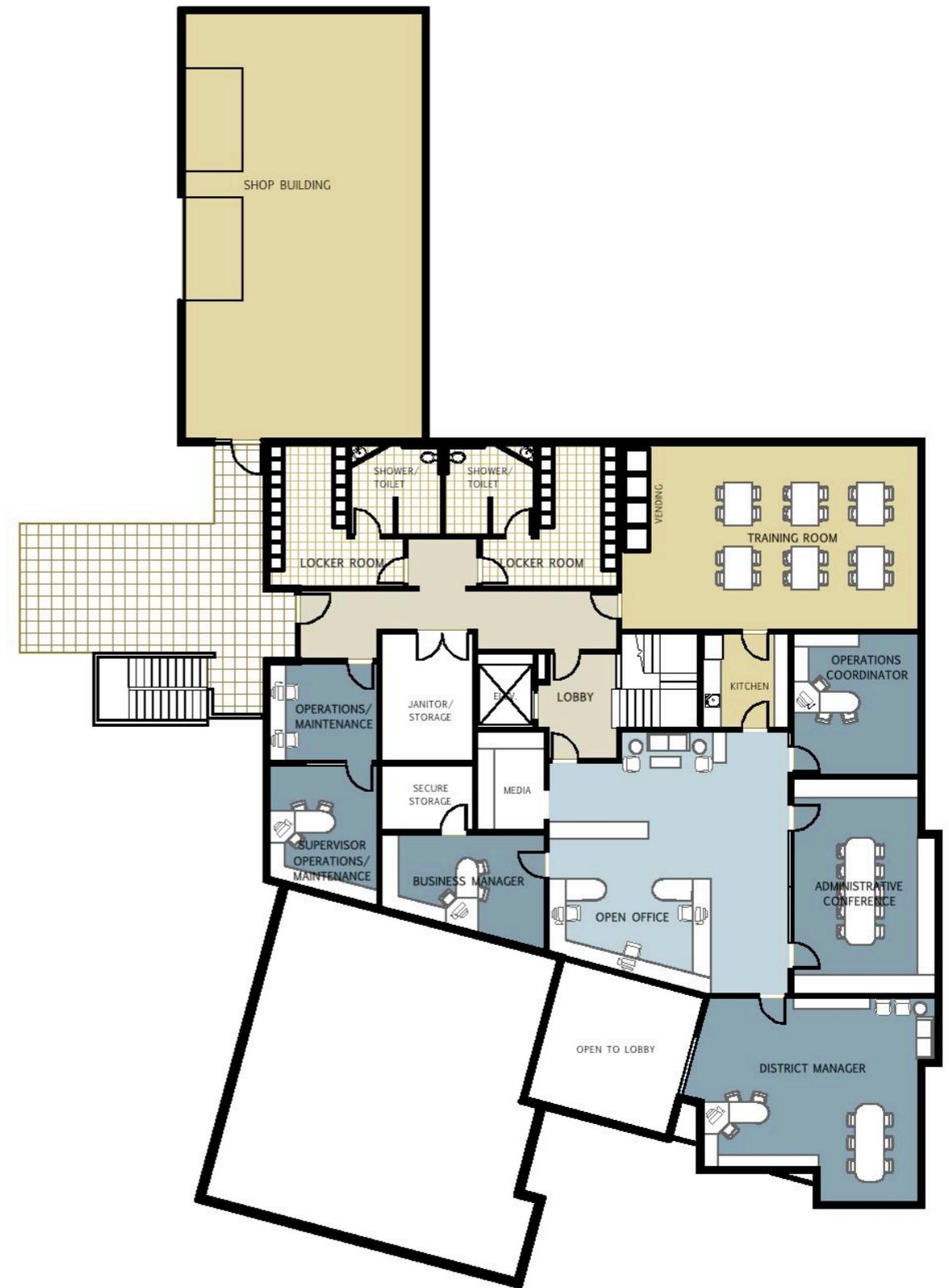
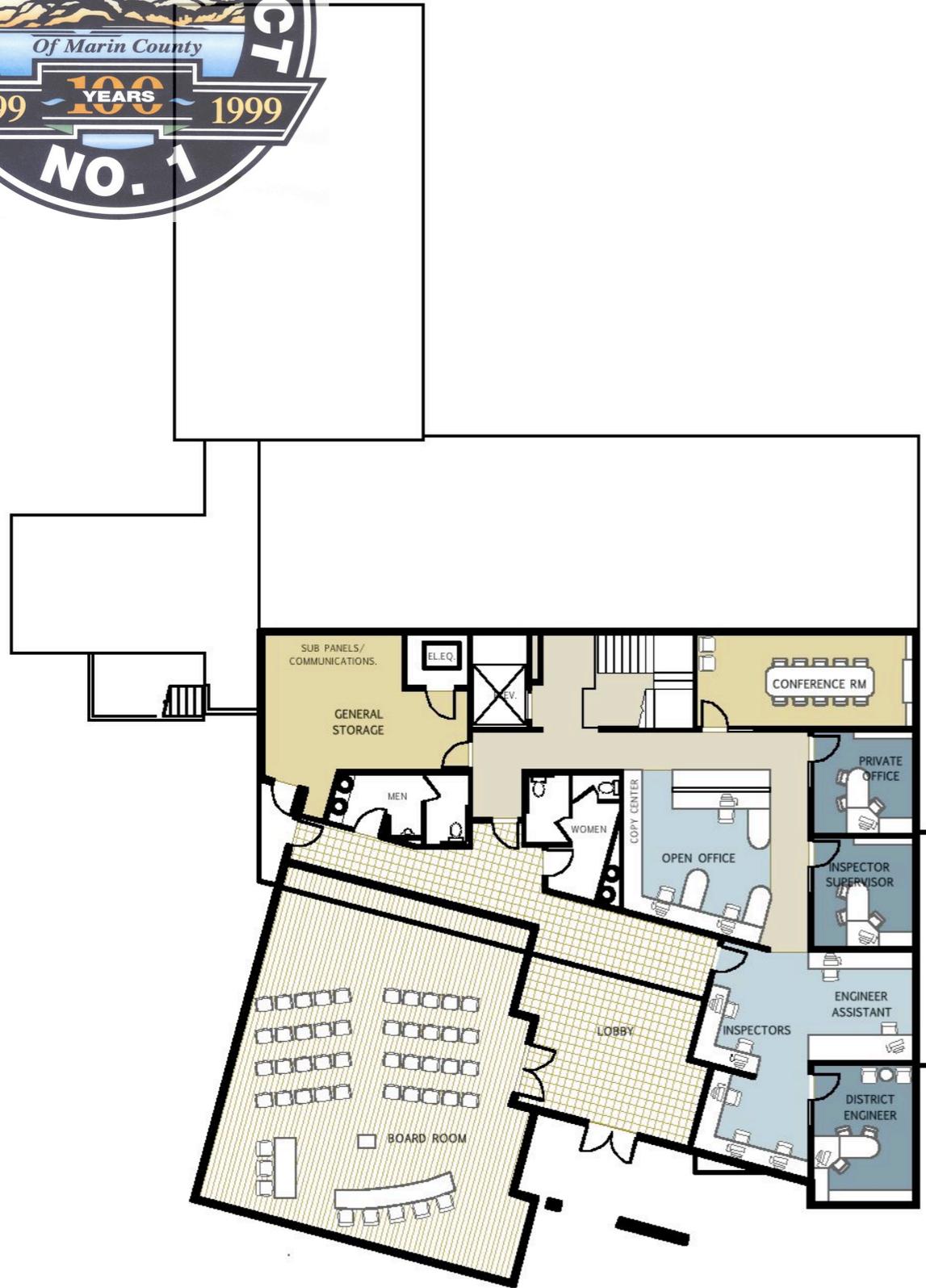
Hotel

Workshop

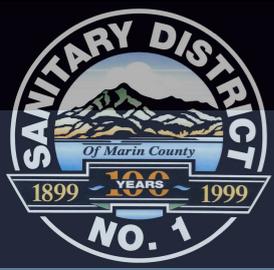
Office Building

Public Entry
& Parking





- *Site Area: 1.5 acres*
- *Corporation Yard Useable Area: 31,000 sq.ft.*
(Approximately 3/4 acre)
- *Total Floor Area: 11,000 sq.ft.*
 - Administration Building – 8,800 sq.ft.
 - Maintenance Building – 2,200 sq.ft.
- *Schedule to Completion: 4 years*
 - Precise Plan preparation – 6 months
 - City Precise Plan Processing – 12 months
 - Preparation of Construction Documents – 6 months
 - City Building Permit/District Bid & Award – 4 months
 - Building Construction/Site Improvement – 16 months

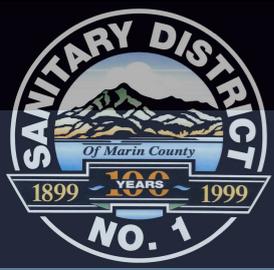


- *Residential:*

- Site Area: 7.67 acres
- Units Approved: 126 (101 market rate, 25 affordable)
- Appraised Value: \$11,340,000

- *Hotel:*

- Site Area: 1.48 acres
- Rooms Approved: 100
- Appraised Value: \$1,440,000



LAND USE: Residential	No. of Units	126	Total Sq.Ft.	258,844		
LAND:	Appraisal		Price per Unit:	\$90,000	Sub-total	\$11,340,000
CONSTRUCTION:						
• Buildings	Cost per Sq.ft.	\$175	Average Cost per Unit	\$359,506	Sub-total	\$45,297,700
• Site Improvements	Cost per Unit	\$20,000			Sub-total	\$2,520,000
• Off Site Improvements	Cost per Unit	\$5,000			Sub-total	\$630,000
• General Conditions, Overhead and Profit	& Estimating Contingency	15%			Sub-total	\$7267155
			Average Cost per Unit	\$442,181	Total:	\$55,714,855
PROFESSIONAL FEES	7% of Construction				Sub-total	\$3,391,339
JURISDICTIONAL FEES			Average Cost per Unit	\$35,000	Sub-total	\$4,410,000
FINANCING	Investment	Period	Interest Rate	Loan Amount		
• Land (Use of funds = 80%)	50% Equity	3 years	8.5% + 2 pts.	\$5,670,000	Sub-total	\$1,534,358
• Construction (Use of funds = 50%)	25% Equity	3 years	8.5% + 2 pts.	\$41,786,141	Sub-total	\$6,965,013
TOTAL COST						\$83,355,565

GROSS SALES						
Market Rate Units:	No. of Units	Average Size (Sq.ft.)	Price per Sq.ft.	Price per Unit		Revenue
• Greenway Townhouses	58	2,298	\$535	\$1,229,430		\$71,306,940
• Tam View	20	1,357	\$535	\$725,995		\$14,519,900
• Parkside	23	1,166	\$535	\$623,810		\$14,347,630
Sub-total	101					\$100,174,470
Below Market Rate Units:	No. of Units	Average Size (Sq.ft.)	Price per Sq.ft.	Price per Unit		
• Low Income	12			\$165k to \$195k		\$2,200,000
• Moderate Income	13			\$195k to \$270k		\$2,890,000
Total Gross Sales						\$105,264,470
Real Estate Commission	In house sales			2.5%		-\$2,504,361.75
NET REVENUE						\$102,760,108
COSTS						\$83,355,565
PROFIT						\$19,404,543
RETURN ON INVESTMENT	Equity	\$19,479,093	Term	3 years	Annual	33.2%



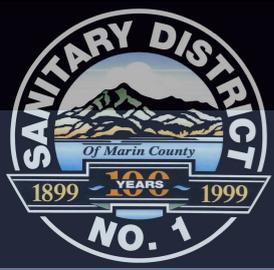
What the District Has

What Opportunities Exist to Enhance District Property

Next Steps

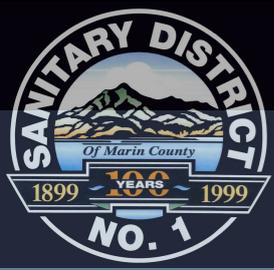
Does the Preliminary Plan achieve District Facility Needs

- *Facility could be redesigned, expanded or relocated to provide desired building and corporation yard area*
- *This would require City General, Preliminary and Precise Plan approvals*
- *Action would entail entitlement risk and would affect sale of hotel/residential parcels*



Does the Preliminary Plan achieve District Value Expectations

- *Assess Land Use Alternatives*
- *Assess Market Conditions*
- *Assess Jurisdictional Policy and Regulations*



Retail/Commercial

- Retail sales tax is down, unemployment rate is up (8%) in Marin. Sector readily reflects the economy.
- City adverse to approving more retail at the expense of undermining Country Mart.

Tourism

- Hotel market is varied
- Bankruptcies have increased, variable rate loans obtained in 2006 are coming due, new fixed rate loans will have higher costs
- Institution financing has been harder to obtain for new hotel development
- Equity investment is targeted towards purchasing existing distressed properties
- Opportunities are seen at destination properties in 24/7 locations with international access

Office

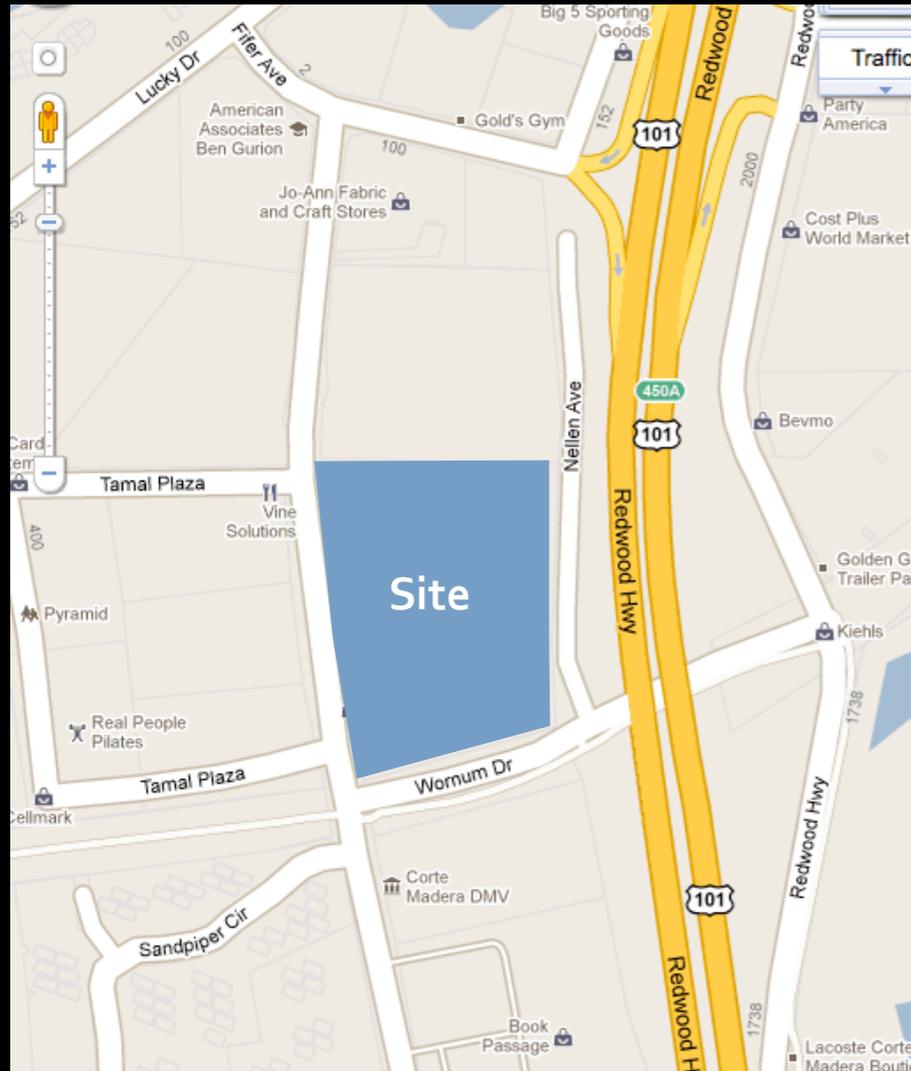
- 20% vacancy Countywide during first quarter of 2011
- 10% vacancy in Larkspur
- 1.9 million square feet currently vacant Countywide
- Vacancies dominated by large available spaces

Bio Tech

- Synergy around complementary uses results in clustering of businesses.
- Buck Institute is expanding
- BioMarin new \$60 million manufacturing facility expansion at Bel Marin Keys
- BioMarin purchase of existing 133,000 sf former Pfizer manufacturing plant in Ireland at a purchase price of 20% of the cost of building a new facility

Residential

WinCup - Corte Madera



- 4.5 acre property
- Zoning allows 25.1 to 40 dwelling units per gross acre
- 180 apartments and 5,000 square feet of retail proposed
- 3 and 4 levels of living area on a podium over 2 levels of parking
- \$18m + sales price

Residential

Niven Nursery - Larkspur

- **16.8 acre property was approved for 29 single-family homes, 6 below-market-rate cottages and 50 condominiums for seniors 62+ years old**
- **Larkspur Housing Partners, the developers that spent 13 years to obtain Larkspur permit approvals, did not close in accordance with option deadlines**
- **Land owners, Irving Group, filed lawsuit that the developer had voided the contract by not closing escrow and subsequently interfered with attempts to sell the property**
- **Developer filed lawsuit alleging \$5 million spent to obtain approvals and land owner interfered with efforts to comply with City planning requirements in order to delay project beyond escrow deadline after discovering they could get a higher price from another buyer**
- **Case has been settled and court actions dismissed with both parties declining comment and no settlement details in the public record**
- **Prospective buyer has been examining city records**

City of Larkspur:

General Plan

- **City is currently updating General Plan**
 - Projected completion: March 2013
- **Draft Land Use Element assigns approved land uses to property**
 - Public Facilities - District Facility
 - Commercial - Hotel
 - Residential - High Density up to 21 units per acre
- **Further analysis will be completed in the SMART Station Area Plan**

Zoning

- **Planned District providing for Sanitary District Facility, 100 room Hotel and 126 Residential units**
- **Multiple building heights up to 51' high for the Hotel**
- **112 PM Peak hour trips approved**

City of Larkspur:

Area Planning

- ABAG/Metropolitan Transportation Commission (MTC) SMART Station Area Planning Program
 - Larkspur has received approval/funding
 - Intent of Program is to increase public transit ridership around transit hubs
 - Goals are to reduce vehicle miles, increase transit options, housing supply, jobs and services near stations
 - Funders have emphasized that the City must address increases in housing supply
- Sustainable Communities Strategy (SCS) - SB 375
 - ABAG/MTC have responsibility to prepare
 - Intent of Program is to reduce greenhouse gases
 - Goal is to integrate land use and transportation strategies to provide for Bay Area population growth and respond to climate change, economic reality and public health
 - SCS process will likely establish the need to develop more housing
 - Given the existing ferry terminal and the future SMART Station, **it is likely that Larkspur will be identified as a location for further increases in transit oriented development**

Source: Larkspur Feb. 2, 2011 Council Staff report

SMART Station Area Plan

- **Provide strategy for creating high quality Transit Oriented Development (TOD) appropriate to the place**
 - **Engage public, service providers, business and land owners in the process to address community, environmental and economic concerns**
 - **Understand market demand for alternative land uses including higher density housing, retail or mixed use components**
 - **Analyze impact of zoning provisions such as traffic level of service, parking, lot coverage, height limits to access impact upon density/intensity**
- **Focus growth around transit nodes**
 - **Develop clear land use alternatives supporting local vision and regional transit**
 - **Provide support for all forms of transit including pedestrians, bicyclists, transit vehicles and automobiles**
 - **Consider adopting performance standards for parking and traffic that are flexible and appropriate for TOD**
- **Establish guidelines for land use mix, residential project density, affordable housing, public space, transportation and circulation, urban design, zoning parameters and public infrastructure**

Land Use:

- Limited market for alternatives to residential land use
- City of Larkspur preferred land use is residential
- District needs to ensure a location for administration and operations

Residential Development Potential:

- Current entitlements provide for 126 townhouses
- Primary determinant of acceptable density is trip generation
 - 112 PM Peak hour trips approved
- City Draft Housing Element states :
 - Continue to seek opportunities for ... transit-oriented housing by investigating the feasibility of amending Planned District zoning districts
 - The City will maintain existing higher land use densities near public transit systems and will provide incentives for housing developments within an easy walking distance of transit stops
 - Continue to waive density and parking standards for elderly housing projects if the City finds that
 - 1) potential impacts to traffic and the environment are acceptable and
 - 2) development is compatible with neighborhood scale
 - Larkspur must plan to meet an increasing need for affordable and specialized housing for older residents

Residential

Increased Density

- **TRAFFIC GENERATION**

- Traffic generated and the impact on local circulation is primary determinate of density
- The 2000 Larkspur Landing Preliminary Plan was judged not to have a significant traffic impact
- City review established that hotel and residential uses would generate **112 PM peak hour trips**

Potential Residential Land Use Densities Generating 112 Peak Hour Trips

LAND USE	Daily Trips per Unit	PM Peak Trips/Unit	Approved PM Peak Trips	Maximum Units (Approved PM Peak Trips / PM Peak Trips per Unit)
Senior Adult Detached	3.71	0.27	112	415
Senior Adult Attached	3.48	0.16	112	700
Continuing Care	2.81	0.29	112	386
Multi-Family Apartment	6.65	0.62	112	181

Source: Daily and Peak Trip rates from Institute of Transportation engineers: Trip Generation 8 Ed. pg. 472

Residential

Increased Density

- **BUILDING MASS**

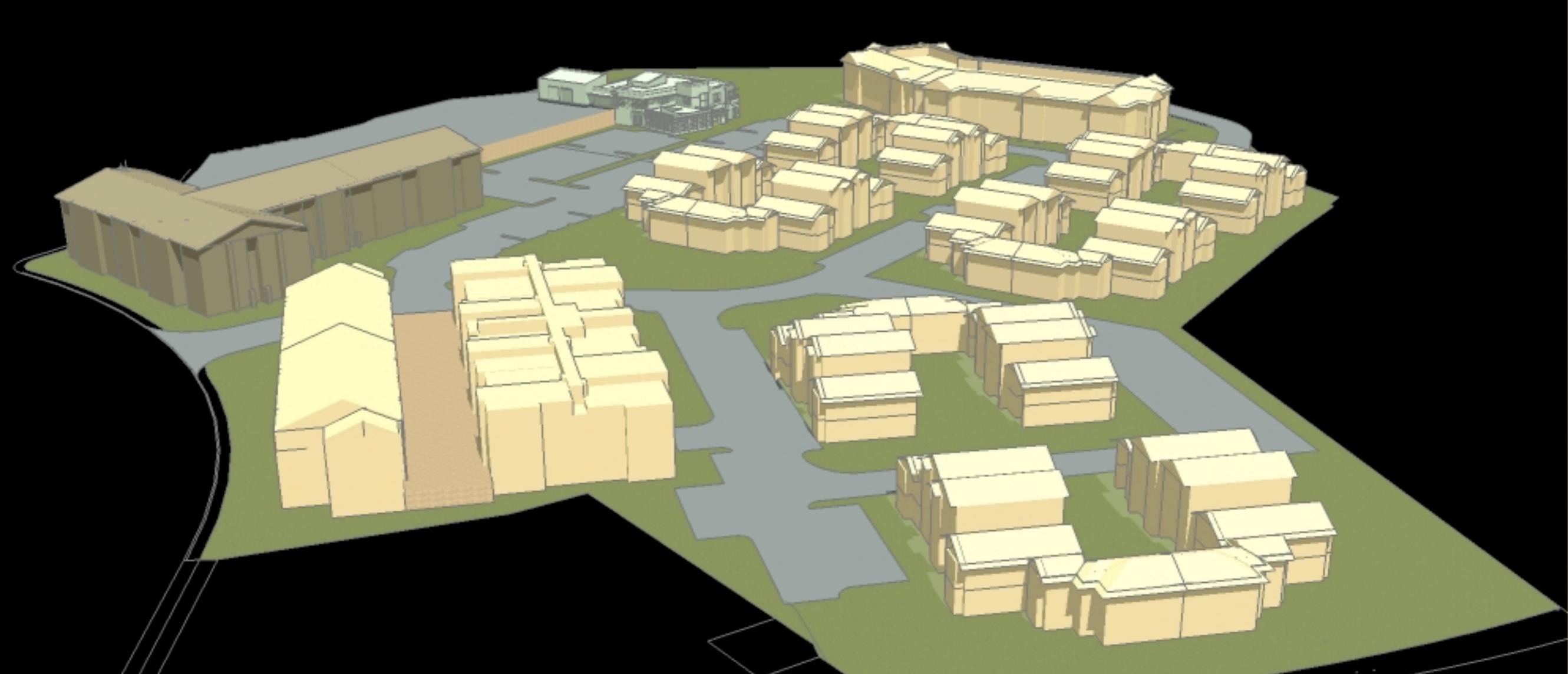
- City approved hotel structure of 4 levels 51' high
- City approved residential townhomes of 4 levels (3 levels of living area over 1 level of parking)
- Exceptions were granted to R3 residential zoning standards to permit increased Floor Area Ratio Maximum of .85

Residential

Increased Density

SENIOR HOUSING

- General Demographics
 - Market segment are those 75+
 - Fastest growing age cohort
 - Life expectancy has increased
 - Market base for the provision of shelter and supportive health care services
- County Demographics
 - 48% of Marin residents over 60 by 2035
- Site Characteristics
 - Compatibility of surrounding land uses
 - Access to transportation
 - Proximity to services
 - Site configuration/topography
 - Visibility
 - Socio-economic assessment
- Senior Housing Examples
 - Chandler's Gate - Tiburon
 - Villa Marin - San Rafael
 - San Rafael Homes - San Rafael
 - Aegis - Corte Madera
 - Varenna - Santa Rosa
 - The Tamalpais - Larkspur



LAND USE	AREA	DEVELOPMENT		PM Peak	Unit	Land
	Acres	Units	Quantity	Trips	Value	Value (I)
• R.V.S.D.	1.50			Equivalent		
Administration		Sq.Ft.	8800	to previous		
Maintenance		Sq.Ft.	2200	use of site		
• Housing	7.67	Units	126	88	\$90,000	\$11,340,000
• Hotel	1.48	Rooms	100	24	\$14,400	\$1,440,000
TOTAL	10.65			112		\$12,780,000
Notes:	I. Based on CBRE Appraisal					



LAND USE	AREA	DEVELOPMENT		PM Peak	Unit	Land
	Acres	Units	Quantity	Trips	Value	Value (I)
• R.V.S.D.	1.93			Equivalent		
Administration	0.89	Sq.Ft.	13,500	to previous		
Maintenance	1.04	Sq.Ft.	5,000	use of site		
• Housing	7.24	Units	119	88	\$90,000	\$10,710,000
• Hotel	1.48	Rooms	100	24	\$14,400	\$1,440,000
TOTAL	10.65			112		\$12,150,000
Notes:	I. Based on CBRE Appraisal					



LAND USE	AREA	DEVELOPMENT		PM Peak	Unit	Land
	Acres	Units	Quantity	Trips	Value	Value (I)
• R.V.S.D.	1.93			Equivalent		
Administration	0.89	Sq.Ft.	13,500	to previous		
Maintenance	1.04	Sq.Ft.	5,000	use of site		
• Housing	8.72	Units	141	88	\$90,000	\$12,690,000
TOTAL	10.65			88		\$12,690,000
Notes:	I. Based on CBRE Appraisal					



LAND USE	AREA	DEVELOPMENT		PM Peak	Unit	Land
	Acres	Units	Quantity	Trips	Value	Value
• R.V.S.D.	1.93			Equivalent		
Administration	0.89	Sq.Ft.	13,500	to previous		
Maintenance	1.04	Sq.Ft.	5,000	use of site		
• Housing	8.72	Units	320	51	\$75,000	\$24,000,000
TOTAL	10.65			51		\$24,000,000



What the District Has

What Opportunities Exist to Enhance District Property

Next Steps

- *Assess if approved Preliminary Plan meets District objectives*
- *Assess market and jurisdictional opportunities/constraints of alternative land uses*
- *Prepare schematic plans for alternative land uses*
- *Assess net present value of potential land use alternatives*
- *Establish District property objectives*
- *If different than Preliminary Plan, prepare project description and submit to Larkspur to be considered as alternative in General Plan update. Do this now in order to have acceptable alternatives considered by MTC/ABAG in the SMART Area Plan*
- *Prepare General Plan amendment and Preliminary Plan for submittal to Larkspur*