



October 3, 2012

The Honorable Fortney "Pete" Stark
House of Representatives
Washington, DC 20510

Dear Representative Stark:

Thank you for your letter dated July 10, 2012, on behalf of the East Bay Regional Park District, regarding the U.S. General Services Administration's (GSA) sale of 3.89 acres at the Alameda Federal Center (AFC) in the City of Alameda, California.

In 1961, GSA conveyed a portion of the AFC property, including McKay Avenue, to the State of California via a public benefit conveyance. The U.S. Department of Agriculture (USDA) occupied the remaining 7.6 acres of the AFC.

In 2004, an analysis of the site demonstrated that while the property was being used to support current agency mission needs, the use of the property was inefficient. GSA divided the AFC into two parcels. The southern parcel, which was auctioned through public sale, was marketed under the name "Neptune Point." USDA's operations were consolidated into the remaining part of the AFC, or the northern parcel. The costs to relocate USDA totaled approximately \$2.9 million, which was funded through GSA's Relocation Program.

The District originally requested to obtain the southern parcel at no cost through a public benefit conveyance. Unfortunately, due to requirements of the Relocation Program to reposition the property by sale to replenish the relocation account, it was not available for a public benefit conveyance. The District then offered to purchase the property, but stated GSA's costs were significantly above the value of the property. As a result, GSA encouraged the District to bid at the public sale.

GSA proceeded with issuing a standard Invitation For Bid (IFB), which includes provisions for extending a sale closing. Due to poor market conditions and anticipating the need for additional closing options, an Addendum to the IFB was issued on May 31, 2011, prior to bid opening. The auction opened on June 1, 2011. There were five active bidders at the auction including the District. The highest bid received was from Tim Lewis Communities (TLC) in the amount of \$1.8 million, which was below our appraised fair market value and also below our relocation and administrative expenses.

When bids fail to meet our appraised fair market value at the end of a public sale, GSA affords the high bidder an opportunity to raise its bid price. This is done to avoid the expense of another sale. TLC was asked to raise their bid and they agreed to do so in



GSA Pacific Rim Region

return for an 18-month closing period. GSA agreed to these terms pursuant to the IFB, General Terms of Sale, Paragraph 16, Delayed Closing. In deciding to grant the extension to TLC, GSA took several factors into consideration including the significantly increased sale price, depressed market conditions, time and expense to remarket the property, and uncertainty of results of another public sale. We accepted TLC's bid of \$3.075 million and are now in contract with them.

Due to our legal obligation to convey the property to TLC and the requirement to replenish the Relocation Account, GSA is unable to reconsider the sale to TLC.

If you have any additional questions or concerns, please do not hesitate to contact me or Mr. Rodney P. Emery, Associate Administrator, Office of Congressional and Intergovernmental Affairs, at (202) 501-0563.

Sincerely,

A handwritten signature in black ink that reads 'Ruth Cox'.

Ruth F. Cox
Regional Administrator

CC: Mr. Robert E. Doyle
General Manager, East Bay Regional Park District
2950 Peralta Oaks Court
P.O. Box 5381
Oakland, CA 94605-0381
Ref: 228610



October 3, 2012

The Honorable Barbara Lee
House of Representatives
Washington, DC 20510

Dear Representative Lee:

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In 1961, GSA conveyed a portion of the AFC property, including McKay Avenue, to the State of California via a public benefit conveyance. The U.S. Department of Agriculture (USDA) occupied the remaining 7.6 acres of the AFC.

In 2004, an analysis of the site demonstrated that while the property was being used to support current agency mission needs, the use of the property was inefficient. GSA divided the AFC into two parcels. The southern parcel, which was auctioned through public sale, was marketed under the name "Neptune Point." USDA's operations were consolidated into the remaining part of the AFC, or the northern parcel. The costs to relocate USDA totaled approximately \$2.9 million, which was funded through GSA's Relocation Program.

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