



September 1, 2023

Micah Hinkle
Director
Economic Development & Innovation Department
City of San Rafael
1400 Fifth Avenue
San Rafael, CA 94901

RE: 519 4th Street

Micah,

It has come to my attention that the City Council will hold a Closed-Door session on September 5, 2023, to discuss 519 4th Street. Seagull Prime Real Estate (SPRE) started working with the city on possibilities for 519 4th Street in the beginning of 2023, developed an Architectural Concept and submitted an Exclusive Negotiating Rights Agreement (ENRA) on July 31, 2023. On August 25, 2023, the city received an unsolicited offer/inquiry regarding 519 4th Street, the details of which are unknown to me, thus necessitating this Closed-Door Session. In addition to all the materials I have submitted to date, I am submitting this letter to accompany those materials for the Council to consider on September 5, 2023.

I believe the council should not engage in an RFQ for such a small parcel, as my proposal accomplishes numerous city objectives.

- The ENRA provided a process to determine value of 519 4th and is consistent with the CA excess surplus lands exemption requirements.
- The development proposal submitted by Seagull Prime Real Estate Fund reflected 100% of the units contemplated for 519 4th to be Affordable Units. Additionally, my project demonstrated the required BMR's to accomplish the submitted project - yielding far more affordable units than a standalone project on 519 4th could ever accomplish.
- The SPRE submitted project reflects more parking than required. To accomplish the BMR units on 519th 4th, as a standalone project, no parking could be provided to have a financially feasible development. Therefore, street parking would be used in a standalone development.

- The SPRE submitted project ties together with the forthcoming Transit Center, both in terms of landscape and hardscape design. This allows for a cohesive design within the Downtown Precise Plan, something that is impossible for a land locked individual projects at 519 4th to carry out.
- The SPRE development project envisions an Art Installation along the Irwin frontage celebrating the SRFD.
- SPRE engaged architects and General Contractor to produce a 24-month building project to bring the housing online, as is reflected in the timeline contained in the ENRA.
- SPRE has engaged the property owner of 520 4th Street to buy the property. SPRE is engaging with West Environmental Services of San Rafael to development a remediation plan, in conjunction with the CA Department of Water Resources, to remediate the site and fully satisfy the outstanding issues. This plan is being incorporated into the purchase of the site and is currently with real estate agents and legal to draft the purchase contract, the legal opinion upon remediation and the escrow timeline. Based on the outcome of the remediation,
 - SPRE would either turn the site into additional offsite parking for the submitted development, or
 - SPRE would turn the site into a passive park for the neighborhood, as this is the only neighborhood in San Rafael without a park for the residents.

The council has the discretion to take any approach it believes proper. But the old adage, “a bird in the hand is worth two in the bush” rings true here. The council has in its possession what the SPRE development plan entails, the path is clear and produces a full redevelopment of the 4th & Irwin block that further advances all the housing needs of the community. More housing than a single, land locked, parcel could carry out. The SPRE development is consistent with the Downtown Precise Plan and does more to advance the health and safety of the neighboring community. An unsolicited overture of interest from an Oakland, CA based developer is stopping what is currently a realistic development in the City’s possession.

Moving to an RFQ process, for an unknown, further delays housing coming online and significantly reduces the possibility of buying and remediating 520 4th Street. The city should continue the ENRA process with a known outcome.

Sincerely,



Christopher K. Hart
Seagull Prime Real Estate Fund, LLC