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Ingersoll Rand sells Schlage Lock site to Universal Paragon for \$450M project

San Francisco Business Times - by [J.K. Dineen](#)

Longtime Schlage Lock owner **Ingersoll Rand** and developer Universal Paragon Corp. have reached an environmental cleanup agreement that settles a longrunning dispute and paves the way for 1,200 housing units on a tract of former industrial land near the San Francisco/Brisbane border.

Ingersoll Rand has agreed to transfer the 12.3-acre Schlage Lock property to Universal Paragon. In exchange, UPC will pay for most of the \$25 million cleanup of the property, which contains hazardous volatile organic compounds and chlorinated hydrocarbons used for decades in the manufacturing of metal locks at the site.

UPC, which owns a six-acre former Southern Pacific rail yard next to the Schlage land, has also dropped a 10-year-old groundwater contamination lawsuit against Ingersoll Rand. UPC has spent more than \$10 million on Department of Toxic Substances Control-mandated cleanup on the Southern Pacific land. The DTSC will oversee the cleanup of the Schlage property.

"Our company has been cleaning up a mess we didn't create for many years, and at great cost," said Jonathan Scharfman, development director for UPC.

The cleanup is slated to last 30 months, according to Universal Paragon General Manager Steven Hanson.

The agreement comes a week after the **San Francisco Redevelopment Agency** published an environmental impact report on the Schlage site. The plan for the site includes 100,000 square feet of retail in addition to the 1,200 homes. It also includes a large park and the restoration of the historic Schlage Lock headquarters. The cleanup will start as soon as the city approves the EIR, Hanson said.

With two T-Third Muni stops on the site, and a Caltrain station within walking distance, the Schlage site is ideal for the sort of transit-oriented housing that city planners have been pushing for years, Hanson said.

"This project will be a great economic rebound for Visitacion Valley and a catalyst for further economic vitality in an area that really needs it," said Hanson. "It's not going to be necessarily easy, but it will be a very positive opportunity for the neighborhood."

But after a \$25 million investment just to prepare the land for development, it will be a tough business proposition, he said.

"This is a challenging project economically, especially given the economic issues with housing development at this point," said Hanson.

In 2000, neighbors beat back a proposal for a **Home Depot** on the site, arguing that the land was more suitable for housing and open space.

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