

**SFGate.com**

## Old Schlage Lock factory in S.F. finally sold

James Temple, Chronicle Staff Writer

Friday, June 13, 2008



The owner of Visitation Valley's Schlage Lock Co. factory has settled a decade-old contamination lawsuit and transferred the property, clearing one of the biggest obstacles blocking a community-blessed plan to convert the boarded-up site into housing, parks, offices and stores.

Ingersoll-Rand Co. of Montvale, N.J., which closed the factory in 1999, agreed to hand over the 12.3 acres to Universal Paragon Corp. In turn, the San Francisco developer dropped its \$100 million lawsuit alleging the Schlage operations had polluted the groundwater at their adjacent parcel.

Terms of the settlement, reached late last month, included agreements with third parties that transferred liability for the soil and groundwater cleanup and insured against the possibility of unknown contaminants and unexpected costs. The deal clears the way for cleanup to begin at the industrial site on Bayshore Boulevard, where locks were manufactured for more than 70 years.

The plan for the combined 20-acre property includes 1,250 residential units, with 25 percent set aside as affordable, as well as three parks and several stores, including a supermarket. The Schlage Lock office building will be converted into community space and offices. Universal Paragon and their backers plan to invest \$500 million over 10 years into the project, with another \$95 million coming from public financing.

"It will bring half a billion dollars in private investment, hundreds of affordable-housing units and the cleanup and redevelopment of a shuttered site," said Jonathan Scharfman, development director at Universal Paragon. "This is a major project in an area that has long been on the losing side of economic development in San Francisco."

It will also be a pilot project in the Leadership in Energy and Environmental Design for Neighborhood Development program, a new effort by the U.S. Green Building Council to evaluate the sustainability of neighborhood design. Universal Paragon is aiming for the Gold rating, the highest standard, Scharfman said.

The vision for the property grew out of a series of community meetings beginning in the early part of the decade, after Home Depot's bid to build a store there failed. Neighborhood groups fought the giant retailer's plan, citing traffic and other concerns, and Supervisor Tom Ammiano sponsored legislation that blocked "big box" outlets on the site.

In 2002, the Planning Department published the results of a two-month community planning effort, which called for building a grocery store, open space and housing on the property. Mayor Gavin Newsom's office established the Visitacion Valley Citizens Advisory Committee in 2006 to refine that plan.

"This is the community's vision for the site," said Rich Hillis, deputy director of the Mayor's Office of Economic Development. "We and the property owners are working to implement that vision."

In 2005, Supervisor Sophie Maxwell advanced legislation that placed the Schlage Lock factory and nearby parcels into a redevelopment survey area, potentially providing the city additional financial and legal powers to push the transformation of the site. The San Francisco Redevelopment Agency published a draft environmental impact report for the project on June 3, opening a public comment period.

"We're excited because it's the centerpiece of the redevelopment plan," Fred Blackwell, executive director of the Redevelopment Agency, said of the project. "It's an opportunity to clean that site up, but more importantly, to turn it into a very strong and viable part of the community."

Several steps remain before Universal Paragon can break ground, however. The Redevelopment Commission and Planning Commission must both approve the redevelopment plan and environmental impact report, and the Redevelopment Agency still has to negotiate a development agreement with the company.

Universal Paragon expects to begin demolition and cleanup work this fall and construction in early 2010. The company has proposed several other projects in San Francisco and Peninsula, including the Sierra Point hotel and condominium complex and the Brisbane Baylands mixed-use development.

*E-mail James Temple at [jtemple@sfnchronicle.com](mailto:jtemple@sfnchronicle.com).*

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/06/13/BUHH1187ON.DTL>

This article appeared on page **D - 1** of the San Francisco Chronicle