

FILED
OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

AGENDA REPORT

TO: 2010 DEC 14 12:39 Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: December 14, 2010

RE: **An Ordinance Authorizing The Sale Of A City-Owned Surplus Vacant Lot APN 048D-7282-020-00 Located Between 6031 Girvin Drive And 6041 Girvin Drive To Jonathan and Diana Stern The Abutting Property Owner For The Highest Sealed Bid Of One Hundred And Eighty Thousand Dollars \$180,000**

SUMMARY

Staff is requesting that the City Council approve the sale of a City-owned surplus vacant lot (APN: 048D-7282-020-00) located between 6031 Girvin Drive and 6041 Girvin Drive for \$180,000. The subject property contains approximately 7,979 square feet and is identified in the attached *Exhibit "A"* of the Ordinance. The buyers are Jonathan and Diana Stern, the abutting property owners.

This item was scheduled before the Oakland City Planning Commission (Case File Number ZR10-154) on July 7, 2010. The Property's classification as Hillside Residential and R-20 and S-10 Zone are consistent with the area's current residential uses for the neighborhood.

Staff's market analysis established the Property value at \$150,000. The Real Estate Division actively marketed the sale of the Property for \$150,000 on the City's website and LoopNet (an internet listing site). Real Estate staff held a best and final sealed bid sale for the subject property on October 22, 2010. Hillside Homes Group Incorporated ("Hillside"), a local homebuilder, and Jonathan and Diana Stern ("Sterns"), husband and wife, who own 6041 Girvin Drive, the abutting the Property, delivered sealed bids to the City in accordance with the City's Official Notice of Sale ("Notice"). Between the two bidders, Hillside delivered the highest sealed bid. Pursuant to the Notice, Hillside delivered a signed Purchase and Sales Agreement ("Purchase Agreement") dated October 22, 2010 to the City for the purchase of the Property for \$180,000.

Hillside then assigned all rights and interests in the Purchase Agreement to the Sterns pursuant to the Assignment and Assumption of Buyer's Rights, Title, Interest, and Obligation under Purchase and Sales Agreement ("Assignment Agreement") executed on November 5, 2010. By executing the assumption agreement, the Sterns assumed all obligations under the executed Purchase Agreement to buy the subject property for \$180,000.

Staff recommends adoption of the Ordinance authorizing the City Administrator to consent to the Assignment Agreement and to enter into a Purchase Agreement with the Sterns for the sale of the surplus Property for \$180,000.

Item: _____
Finance and Management Committee
December 14, 2010

FISCAL IMPACT

Sale proceeds of \$180,000 will be deposited in General Purpose Fund (1010), Real Estate Services Organization (88639), Surplus Property Account (48111), Surplus Property Disposition Project (P47010), Real Estate Program (PS32). The sale proceeds are already accounted for in the current General Fund budget.

The terms and conditions of the Purchase Agreement include:

1. Purchase Price: Buyer will pay \$180,000 cash
2. First Deposit: \$18,000 has been deposited into escrow when signed Purchase Agreement from Buyer was delivered to the City
3. Second Deposit: \$10,000 shall be into escrow within 7 days from the date of the City Council's approval for the sale of the Property.
4. Balance of the Purchase Price: \$152,000 shall be deposited into escrow within 14 days after the City signs the Purchase Agreement.

If the Property is sold and the Property is placed on the property tax roll, the City will receive its share of the future property taxes and will save on the ongoing maintenance costs associated with the upkeep of the property. The purchaser will be responsible for all escrow fees, transfer tax, closing costs and liability exposure.

BACKGROUND

The City-owned Property consists of about 7,979 square feet of land on the down slope side of Girvin Drive. The Property is in the R-20 Low Density Residential Zone and the S-10 Scenic Route Combining Zone, and the General Plan is Hillside Residential.

The Property is located in a desirable Oakland Hills (Montclair district of the City). In response to the Real Estate Division's marketing efforts, both Hillside and Sterns expressed an interest to purchase the Property. Both Hillside and the Sterns delivered sealed bids to the City at the same time. Between the two bidders, Hillside delivered the highest bid pursuant to the Notice. In accordance with the Notice, Hillside then delivered a Purchase Agreement with the \$18,000 deposit to purchase the Property for \$180,000. Hillside then assigned the Purchase Agreement to the Sterns to complete the purchase of the Property for \$180,000.

KEY ISSUES AND IMPACTS

The sale of the property will relieve the City of ongoing liability and maintenance costs and will return the property to the tax rolls. The sale proceeds will also help the City's General Fund in the current fiscal year. No City subsidies will be involved in the sale of the surplus property.

Selling this property will maximize the City's economic and non-economic return, generating additional property tax revenue to the City, eliminating ongoing maintenance costs, and reducing future litigation exposure.

SUSTAINABLE OPPORTUNITIES

Economic: The sale of this Property will take an underutilized site and produce increased tax revenue for the City.

Environmental: Private ownership of the property will relieve the City of ongoing issues of weed abatement and fire suppression.

Social Equity: No social equity issues have been identified.

DISABILITY AND SENIOR CITIZEN ACCESS

Adoption of this Ordinance will have no direct impact on disabled and senior citizen access.

RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approve an Ordinance authorizing the City Administrator to consent to the Assignment Agreement and to enter into a Purchase Agreement to sell City-owned surplus real property on Girvin Drive to the Sterns for \$180,000.


ACTION REQUESTED OF THE CITY COUNCIL

Council is requested to adopt the Ordinance authorizing the City Administrator to consent to the Assignment Agreement, to negotiate and execute a Purchase Agreement to sell City-owned surplus Property located between 6031 Girvin Drive and 6041 Grand View Drive within the City of Oakland to the Sterns, who own 6041 Girvin Drive abutting the Property, for the \$180,000.

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by: Gregory D. Hunter, Deputy Director
Economic Development and Redevelopment 

Reviewed by: Frank Fanelli, Manager
Real Estate Services Division

Prepared by: Edwin H. Kawamoto
Real Estate Agent

APPROVED FOR FORWARDING TO THE
FINANCE AND MANAGEMENT COMMITTEE:


Office of the City Administrator

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 DEC -2 PM 12:39

Approved as to Form and Legality

Gianna Meloni
CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C. M. S.

AN ORDINANCE AUTHORIZING THE SALE OF A CITY-OWNED SURPLUS VACANT LOT APN: 048D-7282-020-00 LOCATED BETWEEN 6031 GIRVIN DRIVE AND 6041 GIRVIN DRIVE TO JONATHAN AND DIANA STERN, THE ABBUTTING PROPERTY OWNER, FOR THE HIGHEST SEALED BID OF ONE HUNDRED EIGHTY THOUSAND DOLLARS \$180,000

WHEREAS, the City of Oakland ("City") owns a vacant down sloping lot ("Property") consisting of about 7,979 square feet (APN: 048D-7282-020) located between 6031 and 6041 Girvin Drive shown on the map attached as Exhibit A; and

WHEREAS, the Property is to be sold in "AS-IS" condition and the City makes no representations regarding land use or other permitting issues that may affect the property; and

WHEREAS, market analysis establishes the Property's range of value at between \$130,000 and \$150,000; and

WHEREAS, the Real Estate Division communicated with all potentially affected public agencies to determine whether the Property is needed for public purposes, and no agency expressed any interest in retaining the Property; and

WHEREAS, according to the staff report to the Oakland City Planning Commission (Case File Number ZR10-154) dated July 7, 2010, the Property's classification as Hillside Residential and R-20 and S-10 Zone are consistent with the area's current residential uses; and

WHEREAS, both Hillside Homes Group Incorporated ("Hillside"), a local home builder, and Jonathan and Diana Stern ("Sterns"), husband and wife, who own 6041 Girvin Drive abutting the Property, delivered sealed bids to the City in accordance with the Official Notice of Sale ("Notice"); and

WHEREAS, between the two bidders, Hillside delivered the highest sealed bid; and

WHEREAS, in accordance with the Notice, Hillside delivered a signed Purchase and Sales Agreement ("Purchase Agreement") dated October 22, 2010 with the required first deposit of \$18,000 to the City for the purchase of the Property for \$180,000; and

WHEREAS, Hillside then assigned all rights and interests to purchase the Property under the Purchase Agreement to the Sterns pursuant to the Assignment and Assumption of Buyer's

Rights, Title, Interest, and Obligation under Purchase and Sales Agreement (“Assignment Agreement”) made as of November 5, 2010, and the Sterns have assumed all obligations under the Purchase Agreement; and

WHEREAS, after the Property is sold to the Sterns, the City will receive property taxes and will save the cost of Property maintenance; and

WHEREAS, the requirements of the California Environmental Quality Act of 1970 (“CEQA”), the CEQA Guidelines as prescribed by the Secretary of Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1. The City Council finds and determines that the Property is not needed for any public purpose, is surplus to the needs of the City, and the City has met the requirements of the Government Code regarding the sale of surplus land.

Section 2. The sale of the Property to the Sterns is in the City's best interest resulting in returning the Property to the tax rolls, generating revenue for the General Fund and removing the Property from City maintenance responsibility.

Section 3. The City Administrator, or his designee, is authorized to consent to the Assignment Agreement and to enter into a Purchase Agreement for the sales price of \$180,000 with the Sterns, and to execute a Quitclaim Deed conveying the Property.

Section 4. The sales proceeds will be deposited into the General Purpose Fund (1010), Real Estate Services Organization (88639), Surplus Property Account (48111), Surplus Property Disposition Project (P47010), Real Estate Program (PS32).

Section 5. The City Council has independently reviewed and considered this environmental determination, and the City Council finds and determines, based on the information in the staff report accompanying this Ordinance, that it can be seen with certainty that there is no possibility that the conveyance of the Property by the City to the Sterns may have a significant effect on the environment, and therefore this action complies with CEQA because this action on the part of the City is exempt from CEQA pursuant to Section 15312 (Surplus Government Property Sales) of the CEQA guidelines;

Section 6. The City Administrator, or his designee, shall cause to be filed with the County of Alameda a Notice of Exemption and an Environmental Declaration (California Fish and Game Code Section 711.4) for this action.

Section 7. The City Administrator and the Manager, Real Estate Services, are hereby authorized to negotiate and execute, amend, modify or extend all agreements, and to take any and all actions necessary, consistent with this Ordinance, to complete the sale of the Property.

Section 8. The Purchase Agreement and Consent to the Assignment Agreement and any other documents necessary for the sale of this property shall be approved as to form and legality by the City Attorney's Office and a copy shall be filed with the Office of the City Clerk.

Section 9. This Ordinance shall become effective immediately upon final adoption if it receives six or more affirmative votes; otherwise, it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES-

ABSENT-

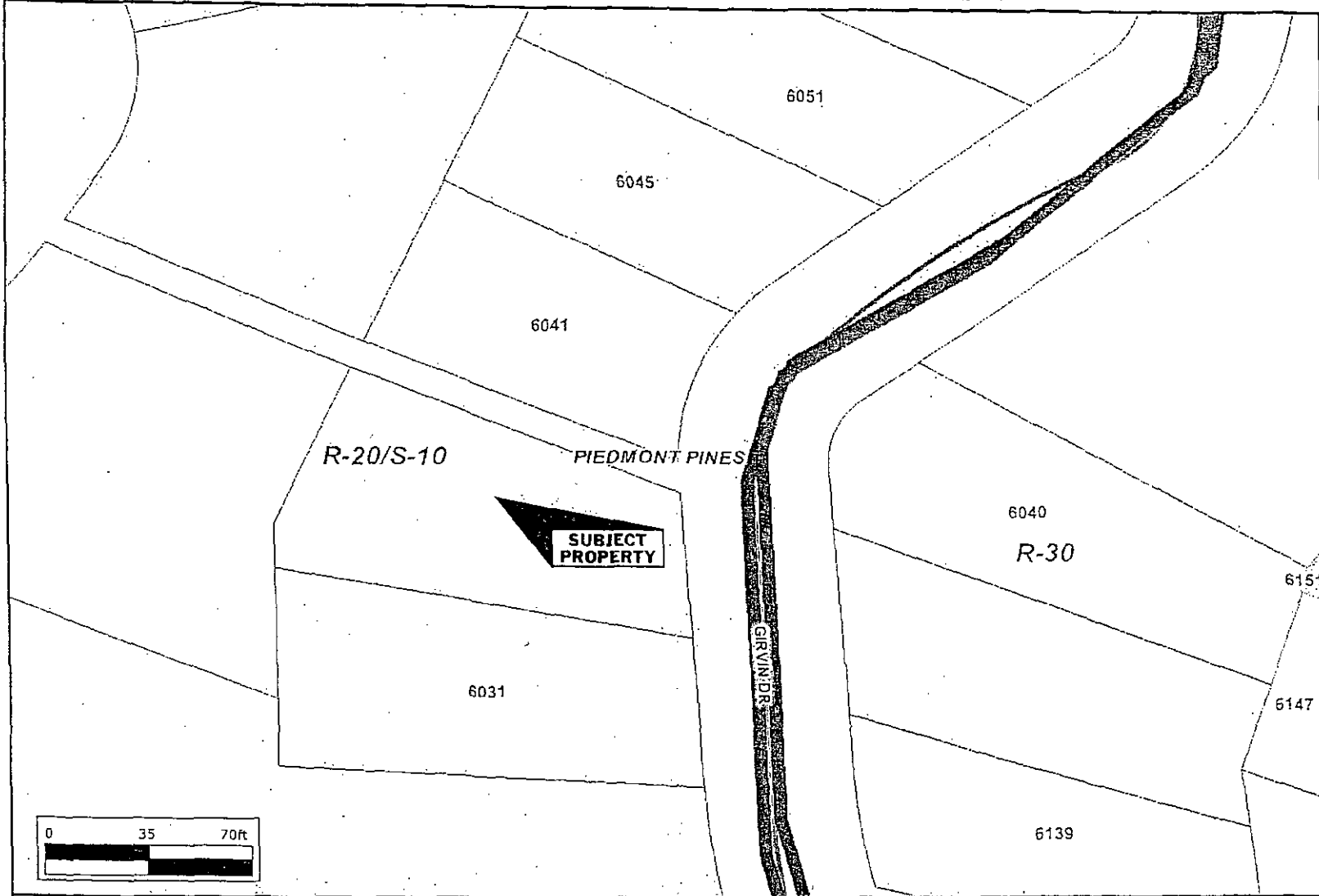
ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

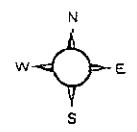
DATE OF ATTESTATION: _____

Ex.A: Subject Property (048D-7282-020)

Between 6031 & 6041 Girvin Drive



Legend	
	Selected Features
	City Limits
	Zoning
	Parcels
	Freeways
	Major Sts
	Streets
	Water



It is imperative that you obtain BOTH the Zoning and General Plan designations for the property(s) you are searching for.

Questions? Contact a planner at (510)238-3911.

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7282

Smith Reserve (106.11) (1910-107)

Piedmont

Plat of a part of the San Antonio finally confirmed to Antonio Maria Peralta et al. (106.11) (1910-107) Scale 1 in = 50 ft

SUBJECT PROPERTY

REV. 10-27-75 M.M. 6-24-77 R.G.

Bagshotte Dr. R=115

Escher (Southwaite) Dr. R=115

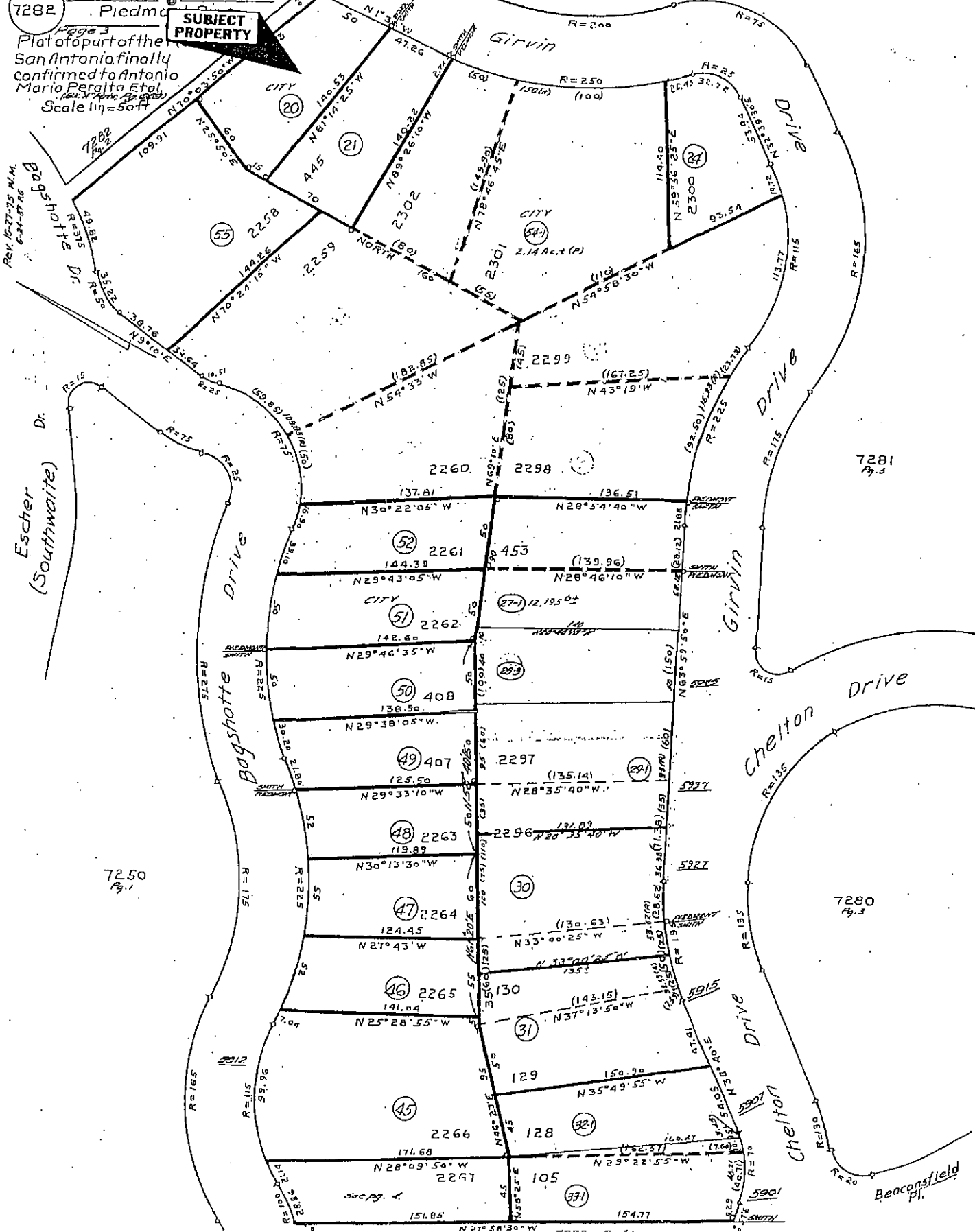
Bagshotte Drive R=115

Girvin Drive R=115

Chelton Drive R=115

Chelton Drive R=115

Beaconsfield Pl. R=115



NOTICE AND DIGEST

AN ORDINANCE AUTHORIZING THE SALE OF A CITY-OWNED SUPRLUS VACANT LOT APN: 048D-7282-020-00 LOCATED BETWEEN 6031 GIRVIN DRIVE AND 6041 GIRVIN DRIVE TO JONATHAN AND DIANA STERN, THE ABBUTTING PROPERTY OWNER, FOR THE HIGHEST SEALED BID OF ONE HUNDRED EIGHTY DOLLARS \$180,000

This Ordinance authorizes the City Administrator to sell the above-described property on Girvin Drive, consisting of 7,979 square feet.