

# CITY OF OAKLAND

OFFICE OF THE CITY CLERK  
2005 OCT 13 PM 6:58

## Agenda Report

TO: Office of the City Administrator  
ATTN: Deborah Edgerly, City Administrator  
FROM: Community and Economic Development Agency  
DATE: October 25, 2005

**RE: ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO CORNELIUS INVESTMENT GROUP, LLC, THE ADJOINING PROPERTY OWNER, APPROXIMATELY 4,350 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTY LOCATED AT OAKDALE AVENUE (APN# 037A-2785-006) FOR THE FAIR MARKET VALUE OF \$85,000.**

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### SUMMARY

Approval from the City Council is requested for the sale of a City-owned surplus property located at Oakdale Avenue to the adjoining property owner at its fair market value. The Real Estate Division is renewing its efforts to generate additional revenue and reduce the City's maintenance expenses through the proactive identification and disposal of surplus property. The City-owned parcel located on Oakdale Avenue has been declared surplus property and available for disposal.

Staff initiated discussions with the adjoining property owner, Stanley Cornelius DBA Cornelius Investment Group, LLC for the purchase of this City-owned surplus property. A legal description was developed which determined that the rectangular shaped surplus property contains approximately 4,350 square feet. After further negotiations, an agreement was reached to purchase the surplus property at its fair market value of \$85,000.

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into an Offer to Purchase and Sales Agreement with Stanley Cornelius for the surplus property located at Oakdale Avenue for its fair market value. Adoption of this Ordinance satisfies Mayor and City Council Priority Objectives #3 (Improve Oakland Neighborhoods).

### FISCAL IMPACT

Sale proceeds of \$85,000 will be placed in the General Purpose Fund (#1010), Real Estate Org (#88639), Sale of Land Account (#48111), Real Estate Surplus Property Project (#P47010), Real Estate Program (#PS32).

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Finance and Management Committee  
October 25, 2005

In addition, the City will receive its share of future property taxes once the property is returned to the property tax rolls and will save the ongoing maintenance costs associated with the property. The purchaser will be responsible for all escrow and closing costs and liability exposure.

## **BACKGROUND**

The City-owned property is a vacant rectangular shaped parcel containing approximately 4,350 square feet. It has frontage along Oakdale Avenue. The property currently contains a sewer line with a ground level man-hole cover located approximately in the center of the lot, which impairs its current development potential. The City will reserve the sewer easement alignment, with the understanding that the buyer can relocate the easement at their own cost.

The City's Real Estate Division has determined the fair market value of the surplus property is \$85,000 with the existing sewer line impairment. The adjoining property owner has agreed to purchase the surplus property at its fair market value of \$85,000. There are no City subsidies involved in the sale of the surplus property.

## **KEY ISSUES AND IMPACTS**

*This property is presently a burden on the City because of maintenance and liability concerns. Selling this property will maximize the City's economic and non-economic returns by returning the property to the property tax rolls, eliminating ongoing maintenance costs, reducing future litigation exposure and generating additional property tax revenue to the City.*

## **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 City of ongoing abatement issues for weed abatement and fire suppression.
- Social Equity: The sale of this property will provide an opportunity for citizens to participate in owning real estate in the City of Oakland and assist in promoting real estate activity in the area, which is consistent with the environmental and recreational goals of the City.

## **DISABILITIES AND SENIOR CITIZEN ACCESS**

Adoption of this Ordinance will have no direct impact on disabled and senior citizen access. However, any public improvements that may be required will provide appropriate access for disabled citizens and senior citizens.

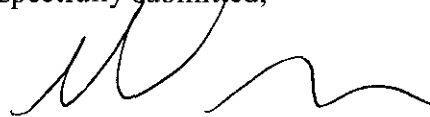
**RECOMMENDATION AND RATIONALE**

Staff recommends that the City Council approve the Ordinance authorizing the City Administrator to enter into an Offer to Purchase and Sales Agreement to sell, to the adjoining property owner, approximately 4,350 square feet of City-owned surplus real property located at Oakdale Avenue for the fair market value of \$85,000. Real Estate staff has determined that it is in the best interest of the City to sell to the adjoining property owner as determined in Government code section 54221, Surplus Property Act.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into an Offer to Purchase and Sales Agreement, to sell to the adjoining property owner approximately 4,350 square feet of City owned surplus real property located at Oakdale Avenue for the fair market value of \$85,000 with a reservation for the existing sewer easement on site and deposit the sales proceeds into the Real Estate Surplus Property Project P47010.

Respectfully submitted,



Daniel Vanderpriem, Director of Redevelopment,  
Economic Development and Housing  
Community and Economic Development Agency

Forwarded by:  
Frank Fanelli, Manager  
Real Estate Services

Prepared by:  
Barbara James, Real Estate Agent

APPROVED FOR FORWARDING TO THE  
FINANCE AND MANAGEMENT COMMITTEE

  
Office of the City Administrator

Item #: \_\_\_\_\_  
Finance and Management Committee  
October 25, 2005

FILED  
OFFICE OF THE CITY CLERK  
APPROVED AS TO FORM AND LEGALITY  
2005 OCT 19 PM 6:58  
Oakland City Attorney's Office

## OAKLAND CITY COUNCIL

Ordinance No. \_\_\_\_\_ C.M.S.

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**A CITY ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO CORNELIUS INVESTMENT GROUP, LLC, THE ADJOINING PROPERTY OWNER, APPROXIMATELY 4,350 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTY LOCATED AT OAKDALE AVENUE (APN# 037A-2785-006) FOR THE FAIR MARKET VALUE OF \$85,000.**

**WHEREAS**, the City of Oakland ("City") owns a 4,350 square foot, surplus parcel of land located on Oakdale Avenue, Assessor's Parcel Number 037A-2785-006, described in Exhibit "A" attached hereto (the Property); and

**WHEREAS**, on October 19, 2005, the City Planning Commission determined the zoning classification for the parcel and supported the staff recommendation to the City Council; and

**WHEREAS**, a legal description has been developed that indicates the property is 4,350 square feet in area; and the existing sewer line can be relocated by the purchaser at their own expense; and

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

**WHEREAS**, the property, less than 5,00 square feet in size, is not subject to the California Surplus Lands Act (California Government Code 54220-5432), but is subject to City Ordinance No. 11602, C.M.S., covering sales of surplus city-owned property; and

**WHEREAS**, information about the surplus property was circulated pursuant to City surplus property requirements, the Property may be sold through a negotiated sale; and

**WHEREAS**, Real Estate Services' market analysis of the Property indicated a market value of \$85,000 as impaired by the existing sewer line; and

**WHEREAS**, Stanley Cornelius, DBA Cornelius Investment Group, LLC, the owner of the abutting property, has tendered an offer to purchase the Property in the amount of \$85,000; and

**WHEREAS**, a non-refundable security deposit in the amount of \$1,000 was received for the subject property; and

**WHEREAS**, it can be seen with certainty that there is no possibility that the conveyance of the Property by the City to the Purchaser may have a significant effect on the environment and therefore

said conveyance is exempt from the requirements of the California Environmental Quality Act (“CEQA”) by section 15312 of the CEQA Guidelines; now, therefore

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

**SECTION 1.** The City Council finds and determines that the herein-described real property is not needed for any public purpose, is surplus to the needs of the City and the City is not required to put the property out for competitive bidding, and the sale of the Property to the adjoining or abutting owner is in the City's best interests.

**SECTION 2.** The City Administrator, or her designee, is authorized to execute and accept the Offer to Purchase and Sales Agreement from Cornelius Investment Group, LLC, the adjoining property owner, for the sum of \$85,000, and to execute a Quitclaim Deed conveying the Property that will include a reservation of easement for the sewer line, and any and all other documents necessary to effectuate the sale of the Property.

**SECTION 3.** Real Estate Services Division’s administrative costs associated with the sale of the property \$1,369 shall be reimbursed to the General Purpose Fund (#1010), Real Estate Org. (#88639), Sale of Land Account (#48111), Real Estate Surplus Property Project (#P47010), Real Estate Program (#PS32).

**SECTION 4:** The City Administrator, or her designee, is hereby authorized to take any and all actions necessary, consistent with this ordinance, to complete the sale of the Property.

**SECTION 5.** *The City Administrator is hereby directed to file a Notice of Exemption.*

**SECTION 6.** The Offer to Purchase Agreement for the purchase 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 7. Effective Date.** This ordinance shall become effective immediately on 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, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES - BRUNNER, KERNIGHAN, NADEL, QUAN, BROOKS, REID, CHANG, AND  
PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

# Chimes Terrace, ASSESSOR'S MAP 37A

Scale 1 in = 40 ft. (B.C.S. 29, 3)  
N50°18'15"E

2785

Rev. 3-22-74 RM

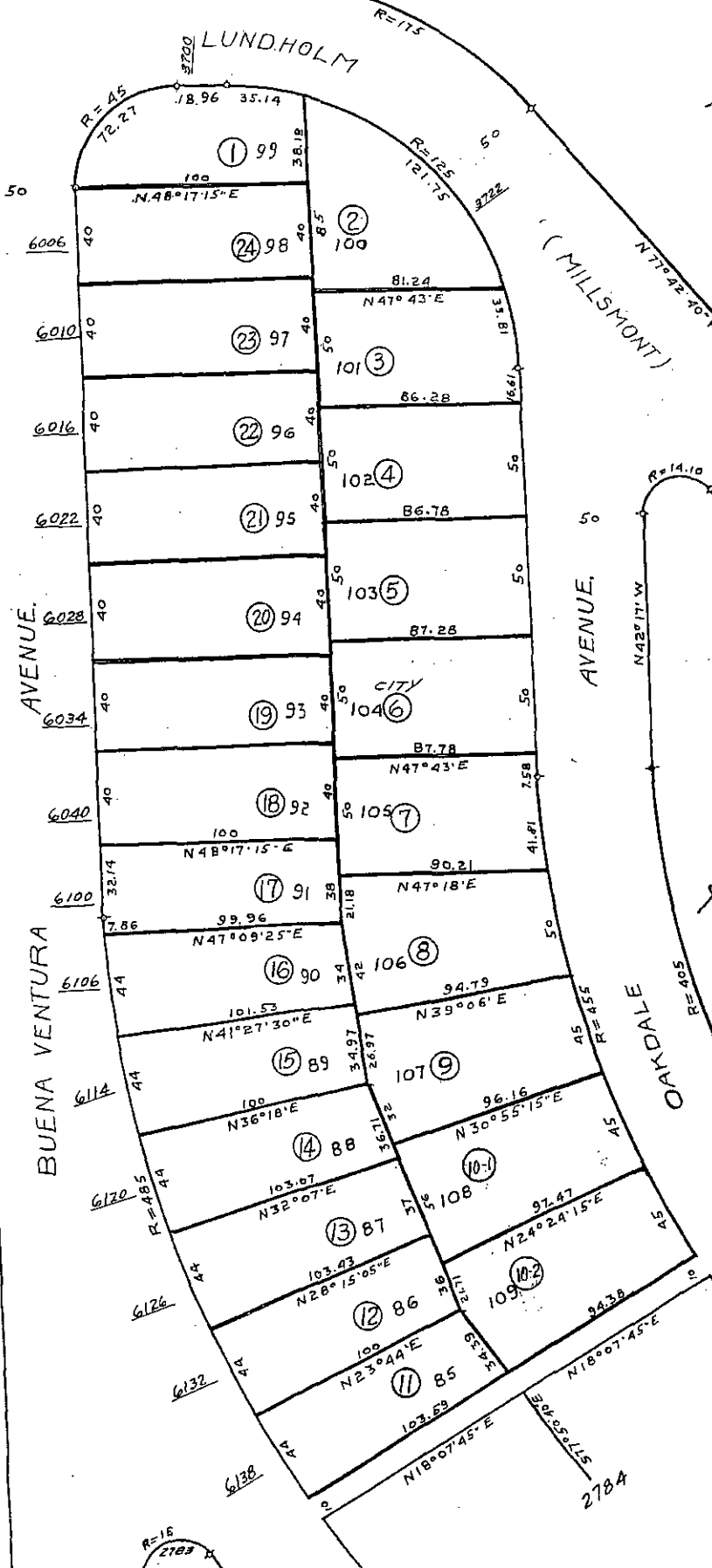


Exhibit A

2702

AVENUE.

2787

2781

2784

R=16  
2783

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

NOTICE AND DIGEST

2005 OCT 13 PM 6:59

**A CITY ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO CORNELIUS INVESTMENT GROUP, LLC, THE ADJOINING PROPERTY OWNER, APPROXIMATELY 4,350 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTY LOCATED AT OAKDALE AVENUE (APN# 037A-2785-006) FOR THE FAIR MARKET VALUE OF \$85,000.00.**

An ordinance has been prepared authorizing the City Administrator to sell surplus City-owned property to the adjoining property owner on Oakdale Avenue.

The City-owned property is a rectangular shaped property containing approximately 4,350 square feet. The property is presently encumbered by a sewer line in the middle of the property. There are no City subsidies involved in the sale of the surplus property.