

CITY OF OAKLAND

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2004 JAN -7 PM 3: 37

Agenda Report

TO: Office of the City Manager
ATTN: Deborah Edgerly, Interim City Manager
FROM: Community and Economic Development Agency
DATE: January 20, 2004

RE: AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO PURCHASE AND SALE AGREEMENTS FOR THE SALE OF CITY OWNED SURPLUS PROPERTY FROM THE NEGOTIATED SALE TO THE FOLLOWING HIGHEST BIDDERS: (APN 045-5304-057-02, 056 FOR \$ 150,000) 98th AND R J INVESTMENTS, L.L.C.; AND (APN 048D-7303-067 FOR 50,000 AND APN 048D-7303-068 FOR 50,000) WAYNE HUEY

SUMMARY

The Finance Committee and City Council recommended the Public Auction of eleven City-owned surplus properties on July 15, 2003 (Resolution 77963 C.M.S.) and authorized the City of Oakland (City) to conduct a public auction on October 2, 2003, for the sale of eleven (11) surplus properties. The official noticing of the Public Auction was advertised in the Oakland Tribune newspaper; "For Sale" signs were posted on the properties and the Auction Notice was posted on the City's web site.

The sale of these three City-owned surplus properties was not approved by the City Council on November 4, 2003. Staff was instructed to conduct a negotiated sales process with interested buyers. Ordinance 11602 C.M.S. allows the City to conduct a negotiated sale with interested buyers subject to City Council approval. Therefore, the Real Estate Division conducted a negotiated sale process with several interested buyers and reached an agreement.

Staff recommends adoption of this Ordinance authorizing the City Manager to enter into Purchase and Sales Agreements for the sale of City-owned surplus property from the negotiated sale to the highest bidders, (APN 045-5304-057-02, 056 for \$150,000) 98th and R J Investments, L.L.C.; and (APN 048D-7303-067 for \$50,000 and APN 48D-7303-068 for \$50,000) Wayne Huey.

Adoption of this Ordinance satisfies Mayor and City Council Goals #2 and #3 by providing opportunities to facilitate the possible development of new housing and by reducing blight and nuisance.

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FISCAL IMPACT

Sale of these three City-owned surplus properties was not approved by the City Council on November 4, 2003, per City Ordinance 12557 C.M.S. Staff was instructed to conduct a negotiated sales process with interested buyers and sell the parcels to the highest bidders. Through that process, the highest bid amounts received for properties were \$150,000 for APN 045-5304-057-02, 056) and \$50,000 for APN 048D-7303-067 for and \$50,000 for APN 48D-7303-068. The successful bidders will pay all closing costs including, but not limited to, recording fees, transfer and sales tax and title insurance.

After reimbursing Real Estate Services \$10,000 for all administrative and related costs associated with the public auction and sale of these properties (Fund 1010, Org. 88639, Project P47010), the remaining sales proceeds estimated at \$240,000 could be placed into the City's General Fund.

In addition to the sales proceeds, the City will receive its share of the future property taxes once the property has been returned to the property tax rolls (estimated at \$2,000 per year) and will save the City the ongoing maintenance (estimated at \$3,000 per year) and liability costs associated with the properties.

BACKGROUND

Real Estate Services is renewing its efforts to generate additional revenue and reduce the City of Oakland's maintenance and liability expenses through the proactive identification and disposal of surplus property. The City plans to hold additional auctions annually until it disposes of all excess surplus property.

KEY ISSUES AND IMPACTS

The sale of these last three (3) City-owned parcels completes the disposal of all eleven (11) parcels auctioned on October 3, 2003. The gross sales proceeds of the eleven parcels sold is \$1,658,000. The properties are being sold "AS IS". The City of Oakland makes no representation as to the potential use of this property. The right, title and interest in the property shall be conveyed by Quitclaim Deed and subject to all matters of public record. The City of Oakland does not assume any liability for possible encumbrances of any kind on this property. No warranty is made by the City of Oakland relative to the ground locations, property lines or the accuracy of the public records and/or the assessor's parcel maps related to this property.

Some of the surplus properties may be situated within the Special Studies Zone as designated under the Alquist-Priolo Special Studies Zones Act, Sections 2621-2625, inclusive of the California Public Resource Code. No representations on this subject are made by the City of Oakland on the potential effect of this Act on this property.

The City of Oakland makes no representations with respect to the land use or other permitting issues that may affect these properties or with respect to buyer's ability to develop or improve the subject property.

These properties are presently a burden on the City because of the maintenance and liability concerns. The sale of these properties will maximize the City's economic and non-economic returns by placing the properties back on the property tax rolls, eliminating the ongoing maintenance and liability, reducing future litigation exposure and generating additional revenue to the City's General Fund.

SUSTAINABLE OPPORTUNITIES

Economic: The sale of these properties will ultimately contribute to future in-fill projects, which will take blighted and underutilized sites and turn them into a potential housing and/or mixed-use projects which will contribute to job creation and increased tax revenue for the City.

Environmental: The subject properties are in proximity to major public transportation nodes. This will likely encourage use of BART and AC Transit by project residents and possible retail customers, which will ease general pressure on the region's congested transportation infrastructure.

Social Equity: Sale of these properties will provide opportunities for citizens to participate in owning and developing real estate in the City of Oakland.

DISABILITIES AND SENIOR CITIZEN ACCESS

Approval of this Ordinance will have no direct impact on disabled and senior citizen access. However, when these properties are developed any public improvements that will be required through both state and local provisions will ensure equal access, such as sidewalks and parking spaces for disabled citizens and senior citizens.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends adoption of this Ordinance authorizing the City Manager to enter into Purchase and Sales Agreements for the sale of City-owned surplus property from the negotiated sale to the highest bidders, (APN 045-5304-057-02, 056 for \$150,000) 98th and R J Investments, L.L.C.; and (APN 048D-7303-067 for \$50,000 and APN 48D-7303-068 for \$50,000) Wayne Huey, totaling \$250,000 in gross sale proceeds.

Respectfully submitted,

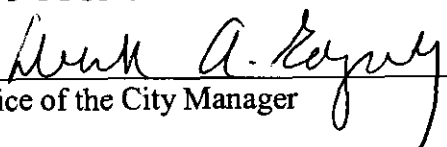


for

Daniel Vanderpriem, Director
Redevelopment, Economic Development and Housing

Prepared by:
Frank Fanelli, Manager
Real Estate Services

APPROVED AND FORWARDED TO THE
CITY COUNCIL


Office of the City Manager

OFFICE OF THE CITY CLERK
OAKLAND

INTRODUCED BY COUNCIL MEMBER _____

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APPROVED AS TO FORM AND LEGALITY
[Signature]
CITY ATTORNEY

ORDINANCE NO. _____ C. M. S.

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO PURCHASE AND SALE AGREEMENTS FOR THE SALE OF CITY OWNED SURPLUS PROPERTY FROM THE NEGOTIATED SALE TO THE FOLLOWING HIGHEST BIDDERS: (APN 045-5304-057-02, 056 FOR \$ 150,000) 98th AND R J INVESTMENTS, L.L.C.; AND (APN 048D-7303-067 FOR \$ 50,000 AND APN 048D-7303-068 FOR \$ 50,000) WAYNE HUEY

WHEREAS, the City of Oakland (City) currently owns surplus properties that the Finance Committee and City Council recommended be sold by oral competitive bids at a public auction, pursuant to Ordinance 11602 C.M.S.; and

WHEREAS, these properties are in-fill lots that have some development challenges such as creek-side status, slope development and zoning or General Plan inconsistencies; and

WHEREAS, each property is to be sold in "AS-IS" condition and the City makes no representations with respect to the land use or other permitting issues that may affect these properties or with respect to buyer's ability to develop or improve these properties; and

WHEREAS, the right, title and interest in these properties shall be conveyed by Quitclaim Deed and subject to all matters of public record; and

WHEREAS, the City Council adopted Resolution No. 77963 C.M.S., dated July 15, 2003, which authorized the Real Estate Services Division to conduct a public auction and receive oral bids at 3:00 P.M. on Friday, October 3, 2003, in Hearing Room 3 at City Hall; and

WHEREAS, the Official Notice of Public Auction of the eleven properties was advertised in the newspaper, and "For Sale" signs were posted on the properties, and the Official Notice of Public Auction was posed on the City's web site; and

WHEREAS, Ordinance 11602 C.M.S. allows the City to conduct a negotiated sale with interested buyers subject to City Council approval, if no bids were received or the bid amount is not acceptable; and

WHEREAS, the sale of these three City-owned surplus properties were not approved by the City Council on November 4, 2003. Staff was instructed to conduct a negotiated sales process with interested buyers to maximize the sales proceeds; and

WHEREAS, the Real Estate Division reached an agreement to sell these properties through a negotiated sale process to the highest bidders, (APN 045-5304-057-02, 056 for \$150,000) 98th and R J Investments, L.L.C.; and (APN 048D-7303-067 for \$50,000 and APN 48D-7303-068 for \$50,000) Wayne Huey; and

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WHEREAS, a nonrefundable security deposits in the amount of \$15,000 and \$10,000 were received for the subject properties; and

WHEREAS, the successful bidder's failure or refusal to complete the purchase of the property as required shall result in a forfeiture of their respective security deposit to the City; and

WHEREAS, the City reserves the right to reject any and all offers and waive any informality or irregularity in any offer or to accept any offer deemed in the best interest of the City.

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

SECTION 1. The City Manager, or his designee, is authorized to enter into Purchase and Sales Agreements for the sale of these properties through a negotiated sale process to the highest bidders, (APN 045-5304-057-02, 056 for \$150,000) 98th and R J Investments, L.L.C.; and (APN 048D-7303-067 for \$50,000 and APN 48D-7303-068 for \$50,000) Wayne Huey.

SECTION 2. After reimbursing Real Estate Services \$10,000 for all related costs associated with the public auction and sale of the properties (Fund 1010, Org. 88639, Project P47010), the remaining sales proceeds of \$240,000 will be placed into the City's General Fund.

SECTION 3. The Manager of Real Estate Services or such other City Manager designee, as the City Manager may determine, is hereby authorized to take all actions as may be required to carry out the intent of terms of the Purchase and Sales Agreement and this Ordinance and Ordinance 11602 C.M.S.

SECTION 4. The Purchase and Sales Agreement for the purchase of these property rights 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 5. This Ordinance shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004
PASSED BY THE FOLLOWING VOTE:

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

NOES-
ABSENT-
ABSTENTION-

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ATTEST: _____
 CEDA FLOYD

City Clerk and Clerk of the Council of the
City of Oakland, California

ATTACHMENT "A"

NOTICE OF PUBLIC AUCTION

THE CITY OF OAKLAND REAL PROPERTY AUCTION

The City of Oakland is recommending the following eleven (11) parcels of real property for sale to the highest bidder at public auction.

CITY OWNED- SURPLUS PROPERTIES

#	ASSESSOR PARCEL NUMBER (APN)	ADDRESS	SIZE (sq. ft.)	Date Purchased	Gas Tax Funds	Development Challenges	Improved	Min Bid
1	045-5304-057-02, 056	600-620 98 th Avenue	11,145	1985	Yes	General Plan inconsistency	vacant	\$140,000
2	045-5276-002-02	670-700 98th Avenue	10,547	1985	Yes	General Plan inconsistency	vacant	\$130,000
3	044-4986-006	9327 "E" Street	27,774	1989	No	General Plan inconsistency	vacant	\$175,000
4	048-6854-002-06	Sequoyah @ Heafey Road	13,125	1956	No	Creek side Property	vacant	\$65,000
5	048-6854-003-02	Sequoyah @ Heafey Road	8,050	1956	No	Creek side Property	vacant	\$65,000
6	048-6869-007	Keller/W of Surrey Lane	91,476	1957	No	Creek side Property	vacant	\$160,000
7	048-6818-001-01	Keller/Sequoyah	74,008	1964	Yes	Creek side Property	vacant	\$80,000
8	048D-7302-059	6558 Girvin Drive	8,000	1995	No	Existing Foundations	vacant	\$65,000
9	048D-7303-067	6298 Westover Drive	7,768	1995	No	Existing Foundations	vacant	\$65,000
10	048D-7303-068	6300 Westover Drive	7,242	1995	No	Existing Foundations	vacant	\$65,000
11	048H-7606-051-04	Gravatt Drive	57,935	1956	No	Creek side Property	vacant	\$240,000

Information regarding this auction and any future auctions will be available on the City of Oakland's web site (www.Oaklandnet.com) or contact:

City of Oakland, Real Estate Services Division, 250 Frank H. Ogawa Plaza, Suite 4314, Oakland, CA 94612, (510) 238-3541

NOTICE AND DIGEST

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An Ordinance has been prepared authorizing the City Manager to enter into Purchase and Sales Agreements for the sale of a City-owned surplus property from the negotiated sale to the highest bidders, (APN 045-5304-057-02, 056 for \$150,000) 98th and R J Investments, L.L.C.; and (APN 048D-7303-067 for \$50,000 and APN 48D-7303-068 for \$50,000) Wayne Huey.

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