

# CITY OF OAKLAND

2005 JAN 13 PM 8:19

## Agenda Report

TO: Office of the City Administrator  
ATTN: Deborah Edgerly, City Administrator  
FROM: Community and Economic Development Agency  
DATE: January 25, 2004

**RE: AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO AN OFFER TO PURCHASE AGREEMENT WITH TUAN NGUYEN, THONG NGUYEN AND CARL NGUYEN (THE ADJOINING PROPERTY OWNERS) FOR SALE OF SURPLUS CITY REAL PROPERTY LOCATED AT 7<sup>TH</sup> AND CASTRO STREETS FOR THE FAIR MARKET VALUE OF \$191,000.**

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### SUMMARY

Approval of the City Council is required for a market rate sale of Oakland ("City") owned surplus property located at 7<sup>th</sup> and Castro Street to the adjoining property owners. 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 at 7<sup>th</sup> and Castro Street has been declared surplus property and available for disposal. The location is shown in Exhibit "A" attached to the proposed Ordinance.

The City acquired this remainder surplus parcel from the State of California as a relinquishment after the completion of Highway 17 and 24 (I-980 Freeway). This sale conforms to and meets all the requirements for the sale of surplus land under the California Government Code § 54220-54232 which allows the sale of parcels under 5,000 square feet to the adjacent property owners.

Staff initiated discussions with the adjacent property owners, Tuan Nguyen, Thong Nguyen and Carl Nguyen and Ciaran Scally for the purchase of this City-owned surplus parcel. Both of the adjacent property owners declared an interest in the property, thus the City decided it would be sold to the highest bidder. The City accepted the highest bid of \$191,000 from Tuan Nguyen, Thong Nguyen and Carl Nguyen. A legal description determined that the irregular surplus property strip contains approximately 4,100 square feet.

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into an Offer to Purchase Agreement with Tuan Nguyen and Thong Nguyen and Carl Nguyen for the surplus property located at 7<sup>th</sup> and Castro Street at its fair market value. Adoption of this Ordinance satisfies Mayor and City Council Priority Objective, Number 3 "Improving Oakland Neighborhoods".

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## **FISCAL IMPACT**

The Real Estate Division will recover \$1,369 for their staff time, document preparation, appraisal fee, and administrative costs associated with the sale of the property. Funds will be deposited into Fund 1010 Project P47010. The remaining net sales proceeds will be deposited into the City's General Fund.

## **BACKGROUND**

The City and State entered into a freeway agreement relative to the construction of State Highway 17 and 24 (I-980) on February 26, 1980. The State acquired all necessary rights of way as was required for the construction of the freeway. The City agreed to the closing and relocation of certain City streets, construction of frontage roads and other local streets for the construction of the freeway. In exchange, upon completion of the freeway, the State relinquished those parcels excess to the freeway need to the City. The City accepted these parcels from the State by City Resolution #58750 C.M.S.

The City-owned remainder parcel is a vacant triangular shaped property containing approximately 4,100 square feet with frontage along 7<sup>th</sup> Street.

The City's Real Estate Division made a determination of fair market value of \$80,000 which both adjacent property owners were willing to pay. Based upon the auction, the successful bidders have agreed to purchase the surplus property at \$191,000. 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 ongoing maintenance and liability concerns. The selling of this property will maximize the City's economic and non-economic goals. The new owner plans to develop residential units on the property. This will increase housing in the downtown area. This housing will produce additional property tax revenue to the City, eliminate ongoing maintenance, and reduce future litigation exposure.

After assembling the City-owned property with the adjoining property, the development densities beyond the existing zoning levels would not be increased.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** The sale of this property will eliminate blighted and underutilized sites and produce additional tax revenue for the City.

**Environmental:** This property has proximity to major public transportation nodes and may encourage use of BART and AC Transit, which will ease general pressure on the region's congested transportation infrastructure.

Social Equity: The sale of this property will provide additional housing in the downtown area, 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.

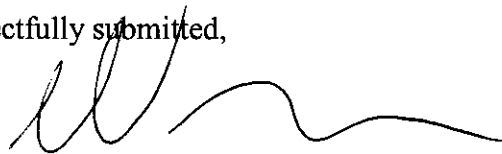
#### **DISABILITIES AND SENIOR CITIZEN ACCESS**

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.

#### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into an Offer to Purchase Agreement with Tuan Nguyen and Thong Nguyen and Carl Nguyen the adjoining property owners for 4,100 square feet of surplus real property located at 7<sup>th</sup> and Castro Street for \$191,000.

Respectfully submitted,



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

Forwarded by:  
Frank Fanelli, Manager  
Real Estate Services

Prepared by:  
Barbara James, Real Estate Agent

APPROVED FOR FORWARDING TO THE  
CEDA COMMITTEE

  
Office of the City Administrator

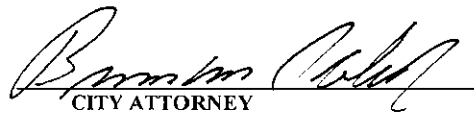
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## NOTICE AND DIGEST

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO AN OFFER TO PURCHASE AGREEMENT WITH TUAN NGUYEN, THONG NGUYEN AND CARL NGUYEN (THE ADJOINING PROPERTY OWNERS) FOR SALE OF SURPLUS CITY REAL PROPERTY LOCATED AT 7<sup>TH</sup> AND CASTRO STREETS FOR THE FAIR MARKET VALUE OF \$191,000.

An ordinance has been prepared authorizing the City Administrator to sell surplus City-owned property to the adjoining property owner at 7<sup>th</sup> and Castro Streets for the fair market value of \$191,000.

The City-owned property is a vacant triangular shaped property containing approximately 4,100 square feet. It has frontage along both 7<sup>th</sup> and Castro Street and Jerry Adams Way. There are no City subsidies involved in the sale of the surplus property.

  
CITY ATTORNEY

**ORDINANCE NO. \_\_\_\_\_ C. M. S.**

FILED  
OFFICE OF THE CITY CLERK  
DATE

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**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO AN OFFER TO PURCHASE AGREEMENT WITH TUAN NGUYEN, THONG NGUYEN AND CARL NGUYEN (THE ADJOINING PROPERTY OWNERS) FOR SALE OF SURPLUS CITY REAL PROPERTY LOCATED AT 7<sup>TH</sup> AND CASTRO STREETS FOR THE FAIR MARKET VALUE OF \$191,000.**

WHEREAS, the City of Oakland ("City") owns a 4,100 square foot, surplus parcel of land located at 7<sup>th</sup> and Castro Streets, portions of Assessor's Parcel Numbers 001-027-024, 001-027-025 and 001-027-3, described in Exhibit "A" attached hereto (the Property); and

WHEREAS, the Property is a remnant of the construction of the State Highway Routes 17 and 24 (I-980) which has been completed; and

WHEREAS, a legal description has been developed that indicated that the property is 4,100 square feet in area; and that no easements encumber the property; 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.

WHEREAS, the property being less than 5,000 square feet 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, the surplus property was circulated pursuant to Government Code surplus property requirements, the Property may be sold through a negotiated sale; and

WHEREAS, the Property being more than 2,500 square feet is subject to Planning Commission zoning review, and is subject to all other procedures of City Ordinance No. 11602, C.M.S., for sale of City-owned properties; and

WHEREAS, Real Estate Services market analysis of the Property indicates a fair market value of \$80,000; and

WHEREAS, the Property was offered to both adjoining property owners for the appraise value of \$80,000; and

WHEREAS, both adjoining owners expressed an interest in purchasing the property; and

WHEREAS, the Real Estate Division conducted a closed bid on the property to the adjacent property owners; and

WHEREAS, the Real estate Division reached an agreement to sell this property to the highest bidder; and

**WHEREAS**, Tuan Nguyen, Thong Nguyen and Carl Nguyen, the owners of the abutting property, have tendered an offer to purchase the Property in the amount of \$191,000; and

**WHEREAS**, a non-refundable security deposit in the amount of \$20,000 was received for the subject property; and

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

THE 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 Agreement from Tuan Nguyen, Thong Nguyen and Carl Nguyen, the adjoining property owners, for the sum of \$191,000, and to execute a Quitclaim Deed conveying the Property.

**SECTION 3.** After reimbursing Real Estate Services \$1,369 administrative costs associated with the sale of the property (Fund 1010, Project P47010) Surplus Property Program, the remaining sale proceeds of \$189,631 will be placed into the City's General Fund.

**SECTION 4:** The Manager, Real Estate Services, or his designee, is hereby authorized to take and all actions necessary, consistent with this ordinance, to complete the sale of the Property.

**SECTION 5.** 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 6.** The ordinance shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005  
PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
City Clerk and Clerk of the Council  
of the City of Oakland, California

