

# CITY OF OAKLAND

## Agenda Report

OFFICE OF THE CITY CLERK  
2005 JUN 16 PM 6:26

TO: Office of the City Administrator  
ATTN: Deborah Edgerly, City Administrator  
FROM: Community and Economic Development Agency  
DATE: June 28, 2005

**RE: A CITY ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT TO SELL TO 5110 TELEGRAPH LLC., THE ADJOINING PROPERTY OWNERS, APPROXIMATELY 4,600 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTIES (PORTIONS OF ASSESSOR PARCEL NUMBER (s): 014-1226-008-00, 014-1226-009-01, 014-1226-007-02, 014-1226-006-02, 014-1226-005-02, 014-1226-004-03, 014-1226-003-03) LOCATED AT 51st STREET AND TELEGRAPH AVENUE FOR THE FAIR MARKET VALUE OF \$246,000; APPROPRIATING THE PROCEEDS OF THE SALE INTO THE REAL ESTATE SURPLUS PROPERTY PROJECT**

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### SUMMARY

Approval of the City Council is required for the sale of Oakland ("City") owned surplus properties (Properties) located at 51<sup>st</sup> and Telegraph Avenue (as identified by site location by Exhibit "A" and approximate portion of the parcels by Exhibit "B") to the adjoining property owner at fair market value. The Real Estate Division generates additional revenue and reduces the City's maintenance expenses through the proactive identification and disposal of surplus properties. The City-owned portions of the subject parcels located at 51<sup>st</sup> Street and Telegraph Avenue have been declared surplus property and available for disposal.

Staff initiated discussions with the adjacent property owner 5510 Telegraph LLC., for the purchase of the City-owned surplus portions of subject parcels. The property owner declared an interest in the Properties, thus the City decided it would be sold at fair market value. The City completed an appraisal of the Properties which contain approximately 4,636 square feet and determined a fair market value of \$246,000.

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into a purchase and sale agreement to sell to 5110 Telegraph LLC., the adjoining property owners, approximately 4,636 square feet of city owned surplus real properties (portions of assessor parcel number (s): 014-1226-008-00, 014-1226-009-01, 014-1226-007-02, 014-1226-006-02, 014-1226-005-02, 014-1226-004-03, 014-1226-003-03) located at 51st Street and Telegraph Avenue for the fair market value of \$246,000; appropriating the proceeds of the sale into the Real Estate Surplus Property Project.

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Adoption of the Ordinance satisfies Mayor and City Council Priority Goal, Goal # 1 (Develop a Sustainable City), Goal # 2 (Build community and foster livable neighborhoods) and Goal #3 (Improve Oakland Neighborhoods).

### **FISCAL IMPACT**

After reimbursing Real Estate Services \$1,889 that will be placed into the City's General Purpose Fund 1010, Surplus Property Disposition Project (P47010) for administrative costs associated with the sale of the Properties for Surplus Property Program, the sale proceeds of \$246,000 less closing costs will be placed into the City's General Purpose Fund 1010, Surplus Property Disposition Project (P47010).

### **BACKGROUND**

The vacant City-owned properties form a narrow rectangle shaped parcel containing approximately 4,636 square feet with frontage along the northerly section of 51<sup>st</sup> Street. The Properties at the subject location are the remainder of (portions of assessor parcel number (s): 014-1226-008-00, 014-1226-009-01, 014-1226-007-02, 014-1226-006-02, 014-1226-005-02, 014-1226-004-03, 014-1226-003-03) parcels that were acquired for City street widening project at 51st Street and Telegraph Avenue within the Temescal District. The properties were offered to other City Agencies and outside public agencies according to State Surplus Disposition Code and guidelines prior to reaching an agreement to sell to the adjacent property owner. The Buyer, 5110 Telegraph LLC., represents a development team which owns several other parcels at the subject location and is incorporating the subject properties to initiate a mixed use housing and retail project in the area.

In the past ten years the Temescal Area has been undergoing a positive neighborhood revitalization process. New retailers such as Walgreen, new cafés and restaurants have moved into the area. The combined-parcel development site is visually significant, anchoring a high volume intersection and a "Gateway" entrance to North Oakland. The corner lot is also a convergence point for traffic from Berkeley, Oakland and Piedmont. The proposed project is still in the early stages of conceptualization and precise details are not yet known. Buyer expects that the corner lot will be a high density mixed use building, with ground floor retail at the corner of 51<sup>st</sup> and Telegraph and residential units above, all built above a below grade parking structure. More residences of differing sizes, types and densities are likely to be placed on a parking podium to the east of this building, with residential density declining closer to Clarke St.

The City's Real Estate Division made a determination of fair market value of \$246,000 which the adjacent property owner is willing to pay. There are no City subsidies involved in the sale of the surplus property.

### **KEY ISSUES AND IMPACTS**

The properties are presently a burden on the City because of ongoing maintenance and liability concerns. The selling of the Properties will maximize the City's economic and non-economic

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goals. The vacant Properties will be incorporated and developed into additional retail and housing units in the upcoming Temescal Area. This new development will beautify a strategically important corner in the City, produce additional property tax revenue to the City, eliminate blight in the area, reduce ongoing maintenance, and reduce future litigation exposure.

### **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 regions congested transportation infrastructure.

**Social Equity:** The sale of this property will provide additional housing and retail in the Temescal Area, an opportunity for citizens to participate in owning or renting 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**

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into a Purchase and Sale Agreement to sell to 5110 Telegraph LLC., the adjoining property owners, approximately 4,636 square feet of city owned surplus real properties (portions of assessor parcel number (s): 014-1226-008-00, 014-1226-009-01, 014-1226-007-02, 014-1226-006-02, 014-1226-005-02, 014-1226-004-03, 014-1226-003-03) located at 51st Street and Telegraph Avenue for the fair market value of \$246,000; and appropriating the proceeds of the sale into the Real Estate Surplus Property Project.

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

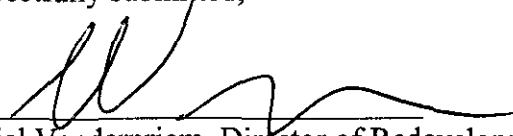
Adopt the Ordinance authorizing the City Administrator to enter into a purchase and sale agreement to sell to 5110 Telegraph LLC., the adjoining property owners, approximately 4,636 square feet of city owned surplus real properties (portions of assessor parcel number (s): 014-1226-008-00, 014-1226-009-01, 014-1226-007-02, 014-1226-006-02, 014-1226-005-02, 014-

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Re: Sale of Surplus Property  
51<sup>st</sup> Street and Telegraph Avenue

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1226-004-03, 014-1226-003-03) located at 51st Street and Telegraph Avenue for the fair market value of \$246,000; and appropriating the proceeds of the sale into the Real Estate Surplus Property Project.

Respectfully submitted,

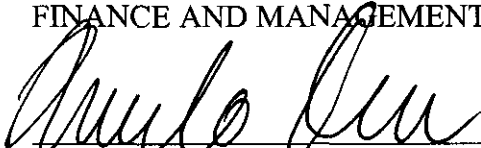


Daniel Vanderprie, Director of Redevelopment  
Economic Development and Housing and Community  
Development

Forwarded by:  
Frank Fanelli, Manager  
Real Estate Services

Prepared by:  
Hamid Ghaemmahmi, Real Estate Agent

APPROVED FOR FORWARDING TO THE  
FINANCE AND MANAGEMENT COMMITTEE

  
Office of the City Administrator

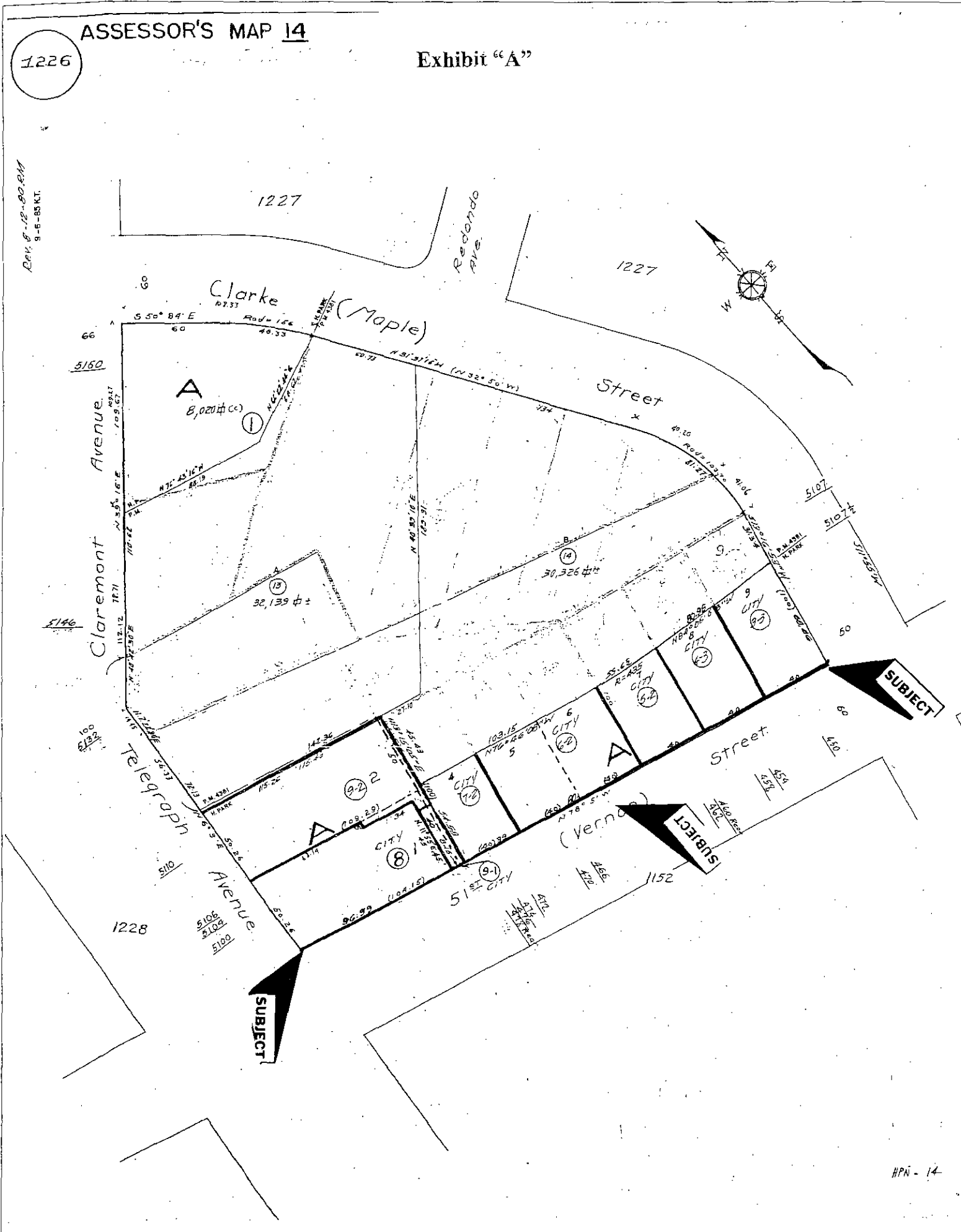
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Finance and Management Committee  
June 28, 2005

ASSESSOR'S MAP 14

Exhibit "A"

1226

REV. 5-12-80 BY  
9-6-88 KT





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NOTICE AND DIGEST

A CITY ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT TO SELL TO 5110 TELEGRAPH LLC., THE ADJOINING PROPERTY OWNERS, APPROXIMATELY 4,600 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTIES (PORTIONS OF ASSESSOR PARCEL NUMBER (s): 014-1226-008-00, 014-1226-009-01, 014-1226-007-02, 014-1226-006-02, 014-1226-005-02, 014-1226-004-03, 014-1226-003-03) LOCATED AT 51st STREET AND TELEGRAPH AVENUE FOR THE FAIR MARKET VALUE OF \$246,000; APPROPRIATING THE PROCEEDS OF THE SALE INTO THE REAL ESTATE SURPLUS PROPERTY PROJECT

An ordinance has been prepared authorizing the City Administrator to sell surplus City-owned properties to the adjoining property owner at 51<sup>st</sup> Street and Telegraph Avenue for the fair market value of \$246,000.

The vacant City-Owned Properties form a narrow rectangle shaped parcel containing approximately 4,636 square feet with frontage along the northerly section of 51st Street. There are no City subsidies involved in the sale of the surplus properties.

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

2005 JUN 16 PM 6:34

**A CITY ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT TO SELL TO 5110 TELEGRAPH LLC., THE ADJOINING PROPERTY OWNERS, APPROXIMATELY 4,600 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTIES (PORTIONS OF ASSESSOR PARCEL NUMBER (S): 014-1226-008-00, 014-1226-009-01, 014-1226-007-02, 014-1226-006-02, 014-1226-005-02, 014-1226-004-03, 014-1226-003-03) LOCATED AT 51<sup>ST</sup> STREET AND TELEGRAPH AVENUE FOR THE FAIR MARKET VALUE OF \$246,000; APPROPRIATING THE PROCEEDS OF THE SALE INTO THE REAL ESTATE SURPLUS PROPERTY PROJECT**

WHEREAS, the City of Oakland ("City") owns a 4,636 square foot, surplus parcel of land located at 51<sup>st</sup> Street and Telegraph Avenue, (Portions Of Assessor Parcel Number (s): 014-1226-008-00, 014-1226-009-01, 014-1226-007-02, 014-1226-006-02, 014-1226-005-02, 014-1226-004-03, 014-1226-003-03) identified in Exhibits "A" and "B" attached hereto (the Properties); and

WHEREAS, the Properties are remnants of the City's 51<sup>st</sup> Street Widening Project which has been completed; and

WHEREAS, a survey and appraisal have been completed that indicate that the Properties contain approximately 4,636 square feet in area; and

WHEREAS, the Properties are 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 Properties.

WHEREAS, the Properties, being less than 5,000 square feet, are exempt from the California Surplus Lands Act (California Government Code 54220-5432), but are subject to City Ordinance No. 11602, C.M.S., covering sales of surplus city-owned property; and

WHEREAS, the Surplus Properties screening letter was circulated pursuant to Government Code surplus property requirements and the Properties may be sold through a negotiated sale; and

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

WHEREAS, Real Estate Services appraisal of the Properties indicates a fair market value of \$246,000; and

WHEREAS, the Real Estate Division offered the Properties to an adjoining property owner for the appraised value of \$246,000; and



WHEREAS, the adjoining owner expressed an interest in purchasing the Properties; and

WHEREAS, the Real Estate Division reached a tentative agreement to sell the subject Properties; and

WHEREAS, 5110 Telegraph LLC., the owners of the abutting property (Purchaser), has offered to purchase the Properties for the amount of \$246,000; and

WHEREAS, it can be seen with certainty that there is no possibility that the conveyance of the Property by the City to the Purchasers 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 15061(b)(3) of the CEQA Guidelines; now, therefore

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

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

SECTION 2. The City Administrator, or her designee, is authorized to accept, negotiate, execute, modify or amend a Purchase and Sale Agreement with 5110 Telegraph LLC., adjoining property owner, for the sum of \$246,000, and to execute a Quitclaim Deed and any and all other documents necessary to effectuate the sale of the Property.

SECTION 3. After reimbursing Real Estate Services \$1,889 that will be placed into the City's General Purpose Fund 1010, Surplus Property Disposition Project (P47010) for administrative costs associated with the sale of the Properties for Surplus Property Program, the sale proceeds of \$246,000 less closing costs will be placed into the City's General Purpose Fund 1010, Surplus Property Disposition Project (P47010).

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

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

SECTION 6. The Purchase and Sale Agreement for the purchase of the Properties 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. 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, KERNIGHAN, AND  
                      PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
              **LA TONDA SIMMONS**  
              City Clerk and Clerk of the Council  
              of the City of Oakland, California

Item No. \_\_\_\_\_  
City Council  
July 19, 2005

ASSESSOR'S MAP 14

Exhibit "A"

1226

REV. 8-12-80 PM  
S-6-85 KT.

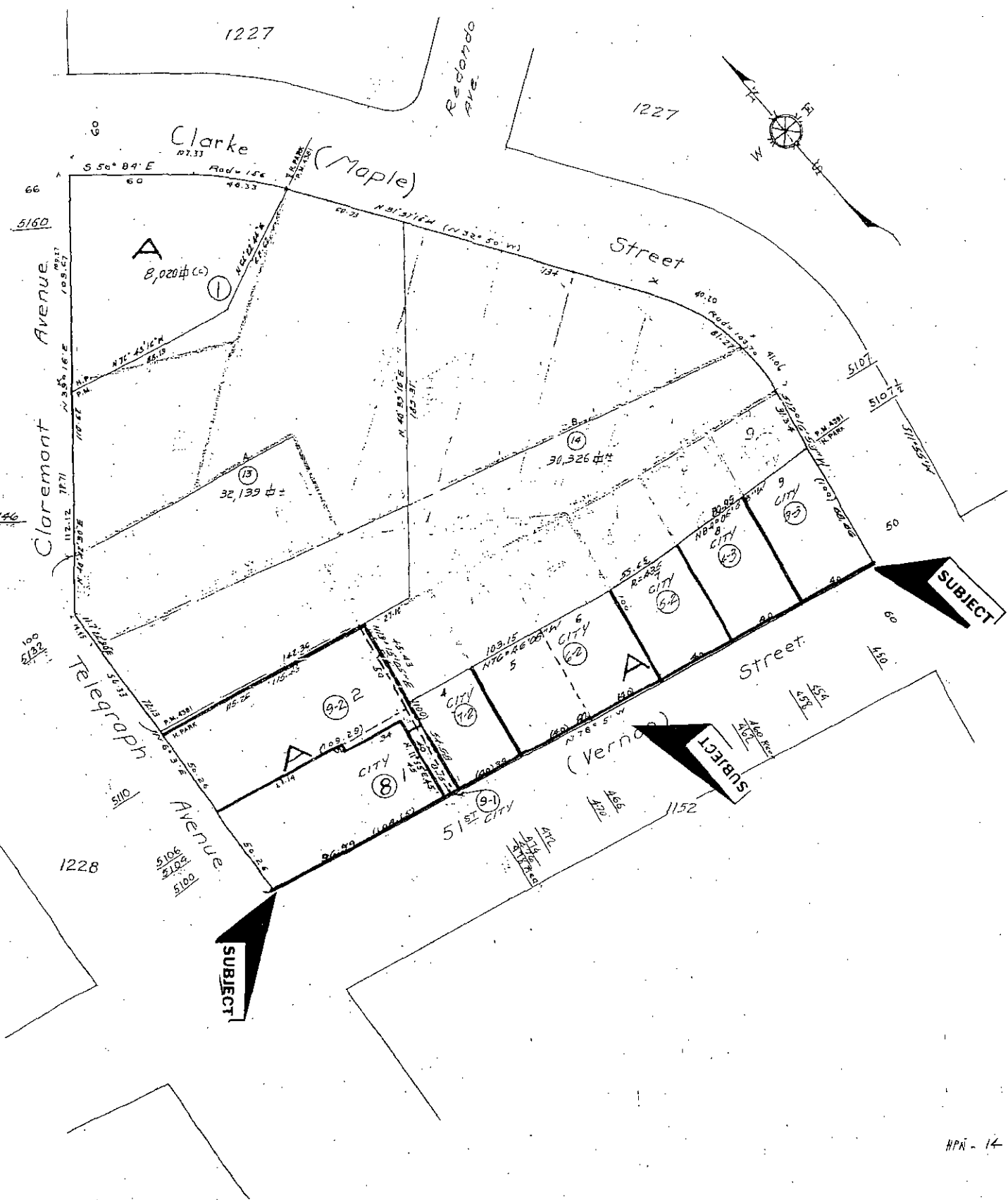


Exhibit "B"

