

CITY OF OAKLAND

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2005 JUN 15 PM 2:33

Agenda Report

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 SALES AGREEMENT TO SELL TO BRENNAN MULLIGAN AND YEUNG TSUI, THE ADJOINING PROPERTY OWNERS, APPROXIMATELY 1,360 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTY LOCATED AT GRIZZLY PEAK BOULEVARD (APN# 048H-7510-002-00) FOR THE FAIR MARKET VALUE OF \$1,360.00.

SUMMARY

Approval of the City Council is requested for the sale of a City-owned surplus property located at Grizzly Peak Boulevard to the adjoining property owners 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 property located at Grizzly Peak Boulevard has been declared surplus property and available for disposal.

The staff initiated discussions with the adjoining property owners, Brennan Mulligan and Yeung Tsui for the purchase of this City-owned surplus property. A legal description was developed which determined that the triangular surplus property contains approximately 1,360 square feet. After further negotiations, an agreement was reached to purchase the surplus property at its fair market value of \$1,360.

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into an Offer to Purchase and Sales Agreement with Brennan Mulligan and Yeung Tsui for the surplus property located at Grizzly Peak Boulevard for its fair market value. Adoption of this Ordinance satisfies Mayor and City Council Priority Objectives #3.

FISCAL IMPACT

Sale proceeds of \$1,360 will be placed into the City's General Fund 1010, as the funds were originally appropriated from the Public Street and Highway Fund for the Tunnel and Western Approach of the Joint Highway District No. 13 Improvement, and this fund no longer exists.

In addition, the City will receive its share of the 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 triangular shaped property containing approximately 1,360 square feet. It has frontage along Grizzly Peak Boulevard and the remainder of the surplus parcel is adjacent to 16 Woodmont Way, and is not capable of independent development. The proposed sale is conditioned upon the property being merged with the adjoining property located at 16 Woodmont Way. Because of its proximity to the Caldecott Tunnel, there will be a restriction in the deed that prohibits any structure to be built on this portion of the parcel and the City will also require a blanket easement for access. After assembling the City-owned property with the adjoining property, the development densities beyond the existing zoning levels would not be increased.

The City's Real Estate Division has determined the fair market value of the surplus property is \$1,360. The adjoining property owners have agreed to purchase the surplus property at its fair market value of \$1,360. 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. The selling of this property will maximize the City's economic and non-economic returns by returning the property to the property tax rolls, eliminating the ongoing maintenance, 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.

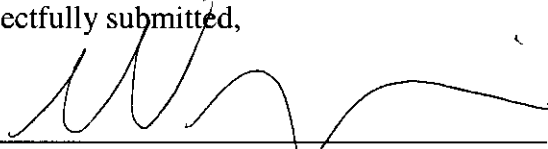
RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approve an ordinance authorizing the City Administrator to enter into an Offer to Purchase and Sales Agreement to sell, to the adjoining property owners, approximately 1,360 square feet of City owned surplus real property located at Grizzly Peak Boulevard for the fair market value of \$1,360.00.

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 owners approximately 1,360 square feet of City owned surplus real property located at Grizzly Peak Boulevard for the fair market value of \$1,360.00.

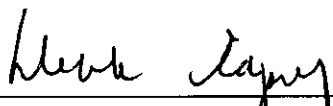
Respectfully submitted,



Daniel Vanderprie, Director, Redevelopment,
Housing and Economic Development
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

NOTICE AND DIGEST

A CITY ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO BRENNAN MULLIGAN AND YEUNG TSUI, THE ADJOINING PROPERTY OWNERS, APPROXIMATELY 1,360 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTY LOCATED AT GRIZZLY PEAK BOULEVARD (APN# 048H-7510-002-00) FOR THE FAIR MARKET VALUE OF \$1,360.00.

An ordinance has been prepared authorizing the City Administrator to sell surplus City-owned property to the adjoining property owner at 16 Woodmont Way.

The City-owned property is a vacant triangular shaped property containing approximately 1,360 square feet. It has frontage along Grizzly Peak Boulevard and is not capable of independent development. The proposed sale would be conditioned upon the property being merged with the adjoining property located at 16 Woodmont Way. After assembling the City-owned property with the adjoining property, the development densities beyond the existing zoning levels would not be increased. There are no City subsidies involved in the sale of the surplus property.

INTRODUCED BY COUNCIL MEMBER _____

OFFICE OF THE CITY CLERK
CITY ATTORNEY

ORDINANCE NO. _____ C. M.S. JUN 15 PM 2: 33

A CITY ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO BRENNAN MULLIGAN AND YEUNG TSUI, THE ADJOINING PROPERTY OWNERS, APPROXIMATELY 1,360 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTY LOCATED AT GRIZZLY PEAK BOULEVARD (APN# 048H-7510-002-00) FOR THE FAIR MARKET VALUE OF \$1,360.00.

WHEREAS, the City of Oakland ("City") owns a 1,360 square foot, surplus parcel of land located on Grizzly Peak Boulevard, Assessor's Parcel Number 48H-7510-002-00, described in Exhibit "A" attached hereto (the "Property"); and

WHEREAS, the Property is a remnant from the reconstruction of Grizzly Peak Boulevard which has been completed; and

WHEREAS, a legal description has been developed that indicated that the property is 1,360 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 screening letter was circulated pursuant to Government Code surplus property requirements, the Property may be sold through a negotiated sale; and

WHEREAS, Real Estate Services' market analysis of the Property indicates a market value of \$1,360; and

WHEREAS, Brennan Mulligan and Yeung Tsui, the owners of the abutting property, ("Purchasers") have tendered an offer to purchase the Property in the amount of \$1,350; 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 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 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 accept and execute the Offer to Purchase and Sales Agreement from Brennan Mulligan and Yeung Tsui, the adjoining property owners, for the sum of \$1,360, and to execute a Quitclaim Deed conveying the Property, and any and all other documents necessary to effectuate the sale of the Property .

SECTION 3. Sale proceeds of \$1,360 will be placed into the City's General Fund as the funds for City purchase of property at Grizzly Peak were originally appropriated from the Public Street and Highway Fund for the Tunnel and Western Approach of the Joint Highway District No. 13 Improvement

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 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 *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