

CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2007 SEP 27 PM 5:56

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: October 9, 2007

RE: An Ordinance Authorizing the City Administrator to Negotiate and Execute a Purchase and Sale Agreement to Sell Approximately 1,400 Square Feet of City-Owned Surplus Real Property Located at 73rd and Deerwood Avenues to Johnny R. Nicks and Pinkey R. Mitchell-Nicks, the Adjoining Property Owners, for the Fair Market Price of Four Thousand Two Hundred and Fifty Dollars (\$4,250.00) including all fees and costs.

SUMMARY

Approval of the City Council is requested for the sale of a City-owned surplus property located at 73rd and Deerwood Avenues to the adjoining property owner at its fair market value. The Real Estate Division continues 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 73rd and Deerwood Avenues has been declared surplus property and available for disposal.

Johnny R. Nicks and Pinkey R. Mitchell-Nicks, the adjoining property owners, initiated discussions with the City for the purchase of this City-owned surplus property. A legal description was developed which determined that the rectangular shaped surplus property contains approximately 1,400 square feet (Attachment A). After further negotiations, an agreement was reached to sell the surplus property for a total fair market value of \$4,250.00 including all fees and costs.

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into a Purchase and Sales Agreement with Johnny R. Nicks and Pinkey R. Mitchell-Nicks for the surplus property located at 73rd and Deerwood Avenues for its fair market value.

FISCAL IMPACT

Sale proceeds of \$4,250.00 will be placed in General Purpose Fund (1010), Real Estate Services Organization (88639), Surplus Property Account (48111), Surplus Property Disposition Project (P47010), Real Estate Program (PS32). The sale of this property will help meet the surplus property revenue requirements in the Fiscal Year 2007-08 adopted budget.

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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 upkeep of 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 1,400 square feet. It is located between Deerwood Avenue and Arthur Street and has frontage of approximately 100 feet along 73rd Avenue. The property was acquired for the purpose of widening and improving 73rd Avenue (Hegenberger Expressway).

The property is less than 2500 square feet, and it is not required to have a planning review. The current R-35 zoning is for single family residential use.

Ordinance No. 11602 C.M.S., Section 6 (c) requires a finding that it is in the best interest of the City to sell the remnant parcel by a negotiated sale to the adjoining property owner. The adjacent property owner has approached the City to purchase the subject property to add to the side yard at his residence. Sale of the property to the adjacent property owners will relieve the City of on-going liability and maintenance costs and will return the property to the tax rolls.

The adjoining property owner has agreed to purchase the surplus property at its fair market value of \$4,250.00 including fees and costs. 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 return by returning the property to the property tax rolls, thereby generating additional property tax revenue to the City, eliminate ongoing maintenance, and reduce future litigation exposure.

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:*** No social equity issues have been identified.

DISABILITIES AND SENIOR CITIZEN ACCESS

Adoption of this Ordinance will have no direct impact on disabled and senior citizen access.

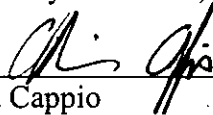
RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approve an ordinance authorizing the City Administrator to enter into a Purchase and Sales Agreement to sell, to the adjoining property owner, approximately 1,400 square feet of City owned surplus real property located at Deerwood and 73rd Avenue for the fair market value of \$4,250.00 including all fees and costs.

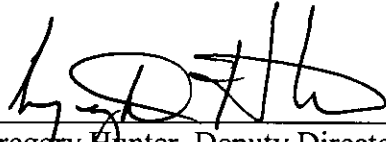
ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends adoption of the ordinance authorizing the City Administrator to enter into a Purchase and Sales Agreement, to sell to the adjoining property owner, approximately 1,400 square feet of City owned surplus real property located at 73rd and Deerwood Avenue for the total fair market value of \$ 4,250.00 including all fees and costs.

Respectfully submitted,



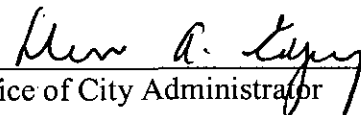
Claudia Cappio
Development Director,
Community and Economic Development Agency



Gregory Hunter, Deputy Director,
Redevelopment and Economic Development,
Community and Economic Development Agency

Prepared by:
Barbara James, Real Estate Agent

APPROVED FOR FORWARDING TO THE
FINANCE AND MANAGEMENT COMMITTEE



Office of City Administrator

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Finance and Management Committee
October 9, 2007

FILED
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OAKLAND

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Approved as to Form and Legality

D. Lewis

CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C. M. S.

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT TO SELL APPROXIMATELY 1,400 SQUARE FEET OF CITY-OWNED SURPLUS REAL PROPERTY LOCATED AT 73RD AND DEERWOOD AVENUES TO JOHNNY R. NICKS AND PINKEY R. MITCHELL-NICKS, THE ADJOINING PROPERTY OWNERS, FOR THE FAIR MARKET PRICE OF FOUR THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$4,250.00) INCLUDING ALL FEES AND COSTS.

WHEREAS, the City of Oakland ("City") owns an approximately 1,400 square foot, surplus parcel of land located at Deerwood and 73rd Avenue, Assessor's Parcel Number 040-3327-041-03, described in Exhibit "A" attached hereto (the "Property"); and

WHEREAS, a legal description has been developed that indicates that the property is approximately 1,400 square feet in area; and

WHEREAS, the Property is not developable as a separate parcel; and

WHEREAS, as the parcel is less than 5000 square feet and considered a substandard lot, and is located adjacent to a parcel owned by the Purchaser, the Property 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 regarding the surplus property was circulated pursuant to Government Code requirements and the Property may be sold through a negotiated sale; and

WHEREAS, an independent appraisal established the Property's fair market value at \$4,250.00, and the price will include all fees and costs; and

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

WHEREAS, Johnny R. Nicks and Pinkey R. Mitchell-Nicks, the owners of the abutting property, have tendered an offer to purchase the Property for the amount of \$4,250.00; and

WHEREAS, Johnny R. Nicks and Pinkey R. Mitchell-Nicks provided the City a non-refundable security deposit in the amount of \$1,000 for the subject property; and

WHEREAS, after the Property is sold to Johnny R. Nicks and Pinkey R. Mitchell-Nicks, the City will receive property taxes and will save the cost of maintaining the Property; and

WHEREAS, the requirements of the California Environmental Quality Act of 1970 ("CEQA"), the CEQA Guidelines as prescribed by the Secretary of Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; 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.

Section 2. Pursuant to Ordinance No. 11602 C.M.S., the City Administrator may conduct a negotiated sale of the surplus Property because such sale is in the best interest of the City.

Section 3. The sale of the Property to the abutting property owner is in the City's best interests as it returns a property to the tax rolls and removes the Property from City liability and maintenance responsibility.

Section 4. The City Administrator, or her designee, is authorized to negotiate, execute and accept the Offer to Purchase and Sales Agreement from Johnny R. Nicks and Pinkey R. Mitchell-Nicks the adjoining property owner, for the sum of \$4,250.00, and to execute a Quitclaim Deed conveying the Property, and any and all other documents necessary to effectuate the sale of the Property.

Section 5. The sales proceeds will be placed in General Purpose Fund (1010), Real Estate Services Organization (88639), Surplus Property Account (48111), Surplus Property Disposition Project (P47010), Real Estate Program (PS32); and the sale of this Property will help meet the surplus property revenue requirements in the Fiscal year 2007-08 budget.

Section 6. The City Council has independently reviewed and considered this environmental determination, and the City Council finds and determines, based on the information in the staff report accompanying this Resolution, that 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 this action complies with CEQA because this action on the part of the City is exempt from CEQA pursuant to Section 15061(b)(3) (general rule) of the CEQA guidelines;

Section 7. The City Administrator, or her designee, shall cause to be filed with the County of Alameda a Notice of Exemption and an Environmental Declaration (California Fish and Game Code Section 711.4) for this action.

Section 8. The Manager, Real Estate Services is hereby authorized to take any and all actions necessary, consistent with this ordinance, to complete the sale of the Property.

Section 9. The Purchase and Sales 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 10. This Ordinance shall become effective immediately upon 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, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES-

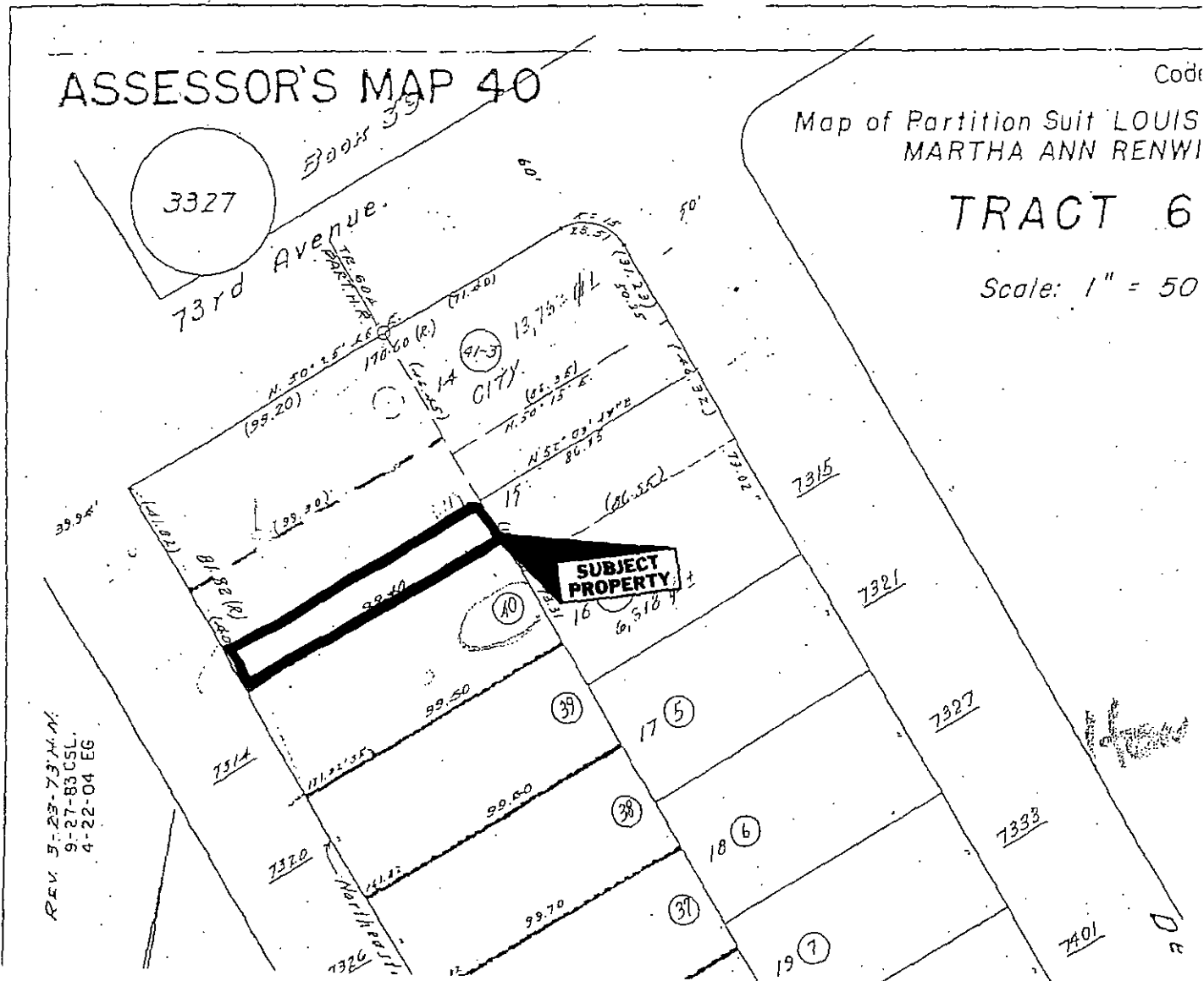
ABSENT-

ABSTENTION-

ATTEST: _____

LA TONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

EXHIBIT "A"



Luis

NOTICE AND DIGEST

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT TO SELL APPROXIMATELY 1,400 SQUARE FEET OF CITY-OWNED SURPLUS REAL PROPERTY LOCATED AT 73rd AND DEERWOOD AVENUES TO JOHNNY R. NICKS AND PINKEY R. MITCHELL-NICKS, THE ADJOINING PROPERTY OWNERS, FOR THE FAIR MARKET PRICE OF FOUR THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$4,250.00) INCLUDING ALL FEES AND COSTS.

This ordinance authorizes the sale of surplus City-owned property at 73rd and Deerwood Avenues to the adjoining property owner.

The City property, a rectangular shaped parcel containing approximately 1,400 square feet, is surplus from the widening of 73rd Avenue.