

CITY OF OAKLAND

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2007 AUG 30 PM 2: 06

Agenda Report

TO: Office of the City Administrator
ATTN: Deborah Edgerly, City Administrator
FROM: Community and Economic Development Agency
DATE: September 11, 2007

RE: An Ordinance Authorizing the City Administrator to Negotiate and Execute a Purchase and Sale Agreement to Sell Approximately 8,704 Square Feet of City-Owned Surplus Real Property Located at 4201 Foothill Boulevard) to Singa Development LLC, a California Limited Liability Company, the Adjoining Property Owner, for the Fair Market Value of Three Hundred Twenty-One Thousand Nine Hundred Sixty-One Dollars (\$321,961)

SUMMARY

Approval of the City Council is requested for the sale of a City-owned surplus property located at 4201 Foothill Boulevard (Foothill Boulevard and 42nd Avenue) to the adjoining property owner 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 4201 Foothill Boulevard has been declared surplus property and available for disposal.

Singa Development, LLC the adjoining property owner, initiated discussions with the City for the purchase of this City-owned surplus property. A legal description was developed which determined that the irregularly crescent shaped surplus property contains approximately 8,704 square feet. After further negotiations, an agreement was reached to sell the surplus property at its fair market value of \$321,961.

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into a Purchase and Sales Agreement with Singa Development, LLC for the surplus property located at 4201 Foothill Boulevard for its fair market value.

FISCAL IMPACT

Sale proceeds of \$321,961 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 irregular crescent shaped parcel containing approximately 8,704 square feet. It has frontage along 42nd Avenue but no access. The only access is from either Foothill Boulevard which has a frontage of 4.55 feet or Bond Street with a frontage of approximately 43 feet. The property was acquired in 1961 for the purpose of widening and improving 42nd Avenue.

The property has mixed zoning for commercial and residential use. The residential portion of the property would not be appropriate for residential development. As the result of its irregular shape and lack of access it has marginal utility as a stand-alone commercial site. Previously used as a parking area for the adjacent building, the highest and best use is for the continued use as parking.

Planning Commission recommends the parcel be entirely zoned C-30. The rezoning would allow the adjacent commercial property owner to utilize the site for commercial purposes and place the entire parcel within the same zoning classification.

Ordinance No. 1-1602 C.M.S., Section 6 (c) requires a finding that it is in the best interest of the City to sell the access impaired parcel by a negotiated sale. As the property is developmentally challenged, with the only access through the adjoining property off Foothill Boulevard the highest and best use is as assemblage to the adjacent property. The adjoining property owner has approached the City to purchase the subject property to increase the onsite parking capacity of the adjoining property.

An independent appraisal, reviewed by the City's Real Estate Division, has determined the fair market value of the surplus property is \$321,961. The adjoining property owner has agreed to purchase the surplus property at its fair market value of \$321,961. 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 increase 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.

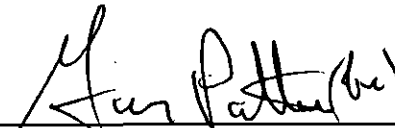
RECOMMENDATION AND RATIONALE

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 8,704 square feet of City owned surplus real property located at 4201 Foothill Boulevard for the fair market value of \$321,961.

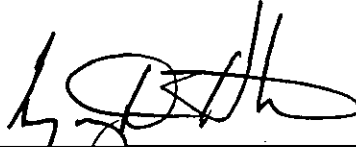
ACTION REQUESTED OF THE CITY COUNCIL

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 8,704 square feet of City owned surplus real property located at 4201 Foothill Boulevard for the fair market value of \$321,961.

Respectfully submitted,



Claudia Cappio
Development Director, Community and
Economic Development Agency

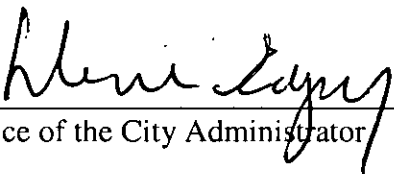


Gregory Hunter, Deputy Director,
Redevelopment and Economic Development,
Community and Economic Development
Agency

Forwarded by:
Frank Fanelli, Manager
Real Estate Services

Prepared by:
Barbara James, Real Estate Agent

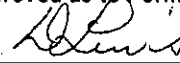
APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



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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 8,704 SQUARE FEET OF CITY-OWNED SURPLUS REAL PROPERTY LOCATED AT 4201 FOOTHILL BOULEVARD TO SINGA DEVELOPMENT LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, THE ADJOINING PROPERTY OWNER, FOR THE FAIR MARKET VALUE OF THREE HUNDRED TWENTY-ONE THOUSAND NINE HUNDRED SIXTY-ONE DOLLARS (\$321,961)

WHEREAS, the City of Oakland ("City") owns a 8,704 square foot, surplus parcel of land located at 4201 Foothill Boulevard, Assessor's Parcel Number 035-2352-001-02, described in Exhibit "A" attached hereto (the "Property"); and

WHEREAS, a legal description has been developed that indicates that the property is approximately 8,704 square feet in area; and

WHEREAS, on December 20, 2006, the City Planning Commission determined the zoning classification for the parcel and supported the staff recommendation to the City Council that the Property be sold; 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, the Property has no access from 42nd Avenue or Foothill Boulevard and only limited access from Bond Street; across adjoining property, and thus, is impaired; and

WHEREAS, the Property is not developable as a separate parcel, without access across the adjoining property; and

WHEREAS, due to its irregular shape and its location adjacent to another 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 \$321,961; and

WHEREAS, Singa Development LLC ("Singa"), the owner of the abutting property, has tendered an offer to purchase the Property in the amount of \$ 321,961; and

WHEREAS, Singa provided City a non-refundable security deposit in the amount of \$5,000 for the subject property; and

WHEREAS, after the Property is sold to Singa, 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. The Property has impaired access, and 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 maintenance responsibility.

Section 3. The City Administrator, or her designee, is authorized to negotiate, execute and accept the Offer to Purchase and Sales Agreement from Singa Development LLC the adjoining property owner, for the sum of \$321,961, and to execute a Quitclaim Deed conveying the Property, and any and all other documents necessary to effectuate the sale of the Property. 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). The sale of this Property will help meet the surplus property revenue requirements in the Fiscal year 2007-08 budget.

Section 4. 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 5. That 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 6. 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 7. 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 8. 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 9. 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-

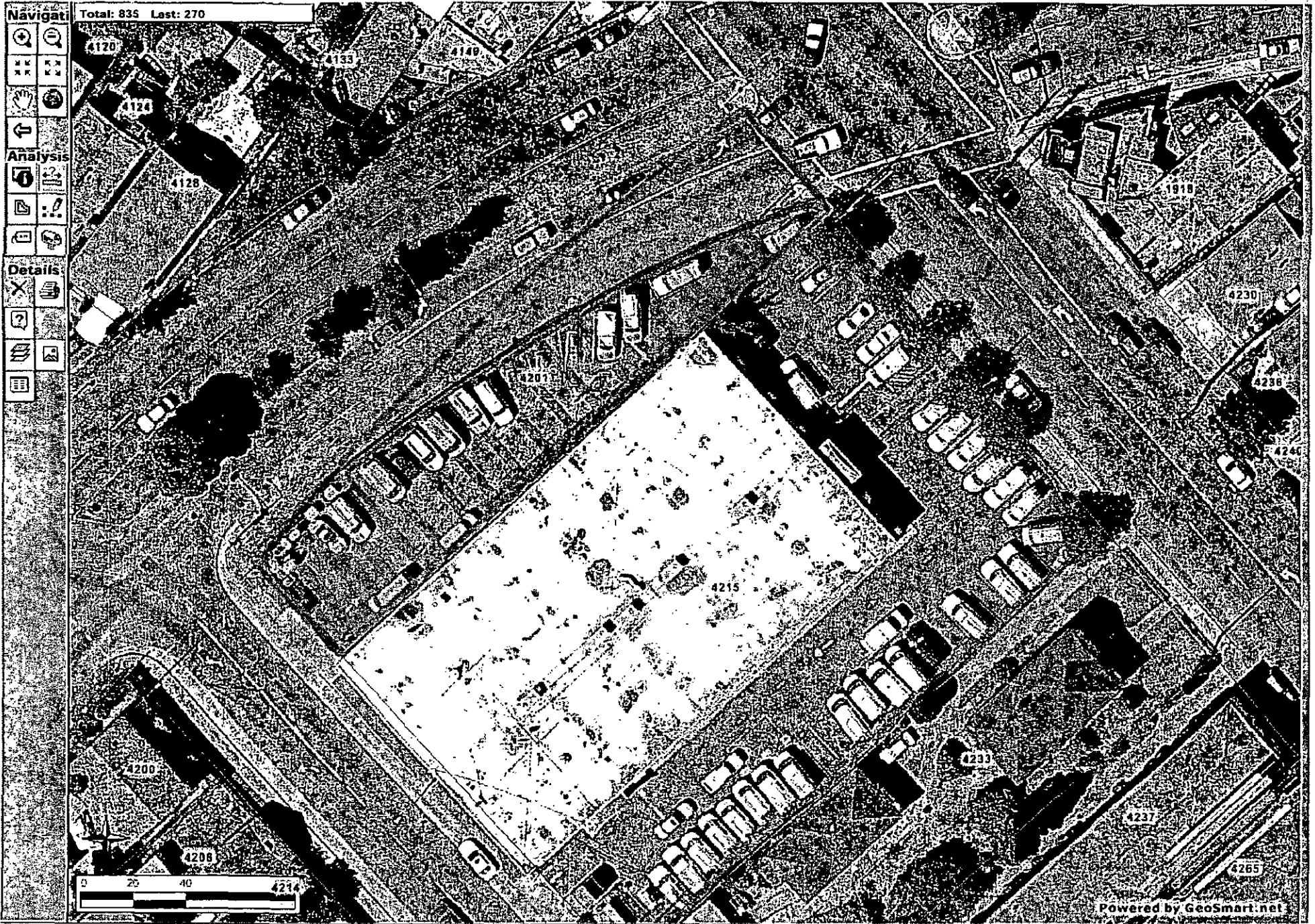
ABSENT-

ABSTENTION-

ATTEST: _____

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

EXHIBIT 'A'



Current Tool: Measure

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