

CITY OF OAKLAND

OFFICE OF THE CITY CLERK

2006 AUG 31 AM 10:51

Agenda Report

TO: Office of the City Administrator
ATTN: Deborah Edgerly, City Administrator
FROM: Community and Economic Development Agency
DATE: September 12, 2006

RE: Ordinance Authorizing The City Administrator To Enter Into A Purchase And Sales Agreement To Sell To Gerald Cheney, The Adjoining Property Owner, A City-Owned Surplus Parcel Containing Approximately 7,200 Square Feet, Located At The Terminus Of Northwood Court (APN # 048E-7319-40) For The Fair Market Value Of \$90,000.

SUMMARY

Approval of the City Council is requested for the sale of a City-owned surplus property located at Northwood Court 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 Northwood Court has been declared surplus property and available for disposal.

The staff initiated discussions with the adjoining property owner, Gerald Cheney, for the purchase of this City-owned surplus property as access is available only across Mr. Cheney's adjacent lot. A legal description was developed which determined that the rectangular surplus property contains approximately 7,200 square feet. After further negotiations, an agreement was reached with the buyer to purchase the surplus property at its fair market value of \$90,000.

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into a Purchase and Sales Agreement with Gerald Cheney for the sale of the surplus property located at Northwood Court for its fair market value.

FISCAL IMPACT

Sale proceeds of \$90,000 will be deposited in the Surplus Property Project (1010), Real Estate Services Org. (88639), Miscellaneous Sales Account (45519), Surplus Property Project (P47010), Program (PS32).

In addition to the sales proceeds, the Real Estate Services Division's administrative costs associated with the sale of the property totaling \$1,369 shall be reimbursed to General Purpose Fund (1010), Real Estate Services Org. (88639), Misc. Fees Acct. (45419), Surplus Property Project (P47010).

Item #: _____
Finance and Management Committee
September 12, 2006

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 up keep of the property. The purchaser will be responsible for all escrow and closing costs.

BACKGROUND

The City-owned property is a vacant rectangular shaped parcel containing approximately 7,200 square feet. The subject property has frontage along Skyline Boulevard, but no vehicular access from Skyline Boulevard. A determination was made by the Planning Department that the subject property would not have vehicular access from Skyline Boulevard. The remainder of the surplus parcel is adjacent to Northwood Court. In order to obtain access to the subject property, you have to cross the buyer's property.

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 access impaired parcel by a negotiated sale. Since the property is developmentally challenged, the only access is through the adjoining property off Northwood Court.

The adjoining property owner (Buyer) has approached the City to purchase the subject property. The City's Real Estate Division has determined the fair market value of the surplus property is \$90,000. The adjoining property owner has agreed to purchase the surplus property at its fair market value of \$90,000. There are no City subsidies involved in the sale of the surplus property. Mr. Cheney will develop access to the parcel and install utilities for future residential development.

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.

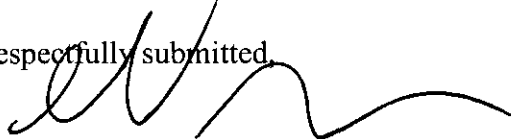
RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approve the Ordinance authorizing the City Administrator to enter into a Purchase and Sales Agreement to sell, to the adjoining property owner, approximately 7,200 square feet of City-owned surplus real property located at Northwood Court for the fair market value of \$90,000. Staff recommends approving the Ordinance because it is in the best interest of the City to sell the parcel to the adjoining property owner. The City will generate tax revenue from the sale of the property and eliminate on-going maintenance and liability issues.

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 owner, approximately 7,200 square feet of City-owned surplus real property located at Northwood Court for the fair market value of \$90,000.

Respectfully submitted,



DANIEL VANDERPRIEM, Director,
Redevelopment, Economic Development and Housing
Community and Economic Development Agency

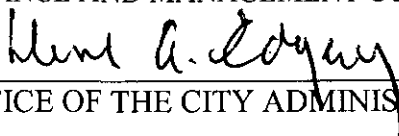
Forwarded by:

Frank Fanelli, Manager
Real Estate Services

Prepared by:

William W. Wilkins, Supervising Real Estate Agent
Real Estate Services

APPROVED FOR FORWARDING TO THE
FINANCE AND MANAGEMENT COMMITTEE



OFFICE OF THE CITY ADMINISTRATOR

Item #: _____
Finance and Management Committee
September 12, 2006

INTRODUCED BY COUNCIL MEMBER _____
OFFICE OF THE CITY CLERK
480 387.10

[Signature]

City Attorney

2006 AUG 30 AM 10:57

OAKLAND CITY COUNCIL
Ordinance No. _____ C. M. S.

ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO GERALD CHENEY, THE ADJOINING PROPERTY OWNER, A CITY-OWNED PARCEL CONTAINING APPROXIMATELY 7,200 SQUARE FEET, LOCATED AT THE TERMINUS OF NORTHWOOD COURT (APN# 048E-7319-40) FOR THE FAIR MARKET VALUE OF \$90,000.

WHEREAS, the City of Oakland ("City") owns a 7,200 square foot, surplus parcel of land located on Northwood Court, Assessor's Parcel Number 48E-7319-40, described in Exhibit "A" attached hereto (the Property); and

WHEREAS, a legal description has been developed that indicated that the Property is approximately 7,200 square feet in area and that no easements encumber the property; and

WHEREAS, on July 20, 2005, the City Planning Commission determined the zoning classification for the parcel and supported the staff recommendation to the City Council; 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 impaired access; it has no access from Skyline Boulevard, and as access is available only from the adjoining property, 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., regarding sales of surplus city-owned property; and

WHEREAS, information about the surplus property was circulated pursuant to Government Code requirements and the Property may be sold through a negotiated sale; and

WHEREAS, Real Estate Services' market analysis of the Property indicates a market value of \$90,000; and

WHEREAS, Gerald Cheney, the owner of the abutting property, has tendered an offer to purchase the Property in the amount of \$90,000; and

WHEREAS, a non-refundable deposit in the amount of \$1,000 was received for the subject Property; and

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

WHEREAS, since the Property is access impaired, it is in the best interest of the City to sell the Property by negotiated sale; and.

WHEREAS, the requirements of the California Environmental Quality Act of 1970 (“CDQA”), 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 owner of the adjacent property is in the City's best interests.

Section 3. The City Council finds and determines that it is in the best City’s best interest to conduct a negotiated sale of the surplus property to the adjoining property owner as outlined in Ordinance No. 11602 C.M.S.

Section 4. The City Administrator, or her designee, is authorized to execute and accept the Offer to Purchase and Sales Agreement from Gerald Cheney the adjoining property owner, for the sum of \$90,000, and to execute a Quitclaim Deed conveying the Property to take any and all actions necessary and to negotiate and execute any and all other documents necessary to effectuate the sale of the Property.

Section 5. Sale proceeds of \$90,000 will be deposited in the Surplus Property Project (1010), Real Estate Services Org. (88639), Miscellaneous Sales Account (45519), Surplus Property Project (P47010), Program (PS32).

Section 6. From the sales proceeds, the Real Estate Services Division’s administrative costs associated with the sale of the property totaling \$1,369 shall be reimbursed to General Purpose Fund (1010), Real Estate Services Org. (88639), Miscellaneous Fees Acct. (45419), Surplus Property Project (P47010), Program (PS32).

Section 7. 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, said conveyance is exempted from the requirements of the California Environmental Quality Act (“CEQA”) by Section 15061 (b)(3) of the CEQA Guidelines (general rule).

Section 8. The City Administrator, or her designee, shall cause to be filed with the County of Alameda a Notice of Exemption for this action.

Section 9. 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 10. 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 11. 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, _____, 2006

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

EXHIBIT "A"
LEGAL DESCRIPTION

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ALAMEDA, CITY OF OAKLAND, AND IS DESCRIBED AS FOLLOWS:

LOT 1174, FORESTLAND EXTENSION, FILED SEPTEMBER 25, 1925, MAP BOOK 4, PAGE 90, ALAMEDA COUNTY RECORDS.

APN 048E-7319-040

EXHIBIT A



NOTICE AND DIGEST

ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO GERALD CHENEY, THE ADJOINING PROPERTY OWNER A CITY-OWNED PARCEL CONTAINING APPROXIMATELY 7,200 SQUARE FEET, LOCATED AT THE TERMINUS OF NORTHWOOD COURT (APN# 048E-7319-40) FOR THE FAIR MARKET VALUE OF \$90,000.

The Ordinance authorizes the sale of City-owned surplus property with impaired access to the adjacent property owner for \$ 90,000.