

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 JUN 11 PM 9:43

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: June 30, 2009

RE: **An Ordinance Authorizing the City Administrator to Negotiate and Execute a Purchase and Sale Agreement to Sell Approximately 3,300 Square Feet of City-Owned Surplus Real Property Located adjacent to 3207 Mandela Parkway to Joseph O. Santini and Mortimer Properties, LLC the Adjoining Property Owner, for the Total Fair Market Value of Thirty Three Thousand (\$33,000.00) Dollars**

SUMMARY

Approval of the City Council is requested for the sale of a City-owned surplus property located at Mandela Parkway (formerly known as Beach Street) and 32nd Street, to the adjoining property owners 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. Approximately 3,300 square feet of the City-owned property located along Mandela Parkway at 32nd Street has been declared surplus property and available for disposal.

Joseph O. Santini and Mortimer Properties, LLC the adjoining property owners, initiated discussions with the City for the purchase of this City-owned surplus property. After further negotiations, an agreement was reached to sell the surplus property for Thirty Three Thousand (\$33,000.00) Dollars. A legal description indicates that the irregular shaped surplus property is approximately twelve (12) feet wide by two hundred seventy-five (275) feet long for a total of three thousand three hundred (3,300) square feet, as shown in *Exhibit A* to the Ordinance.

FISCAL IMPACT

Sale proceeds of \$33,000.00 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 2008-09 adopted budget. 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.

Item: _____
Finance and Management Committee
June 23, 2009

BACKGROUND

The City-owned property is a vacant irregular shaped parcel approximately twelve (12) feet in width and two-hundred seventy-five (275) feet in length containing approximately 3,300 square feet. The parcel is located on Mandela Parkway, along the western edge, adjacent to the easterly edge of the Purchaser's property at 3207 Mandela Parkway. The City-owned property was relinquished by Caltrans to the City of Oakland in November 1961. The area is currently unpaved and not used as a roadway for vehicle or pedestrian purpose. The area has been unmaintained by the City since it was relinquished to the City by Caltrans. The existing widths of Mandela Parkway and 32nd Street rights-of-way exceed the required width of forty (40) feet, and the City has no further use for the property.

The City property currently bisects the subject property. The sale will allow the Purchaser to merge their property into one long developable parcel.

On November 18, 2008, the City Council adopted Resolution No. 81673 C.M.S., vacating the remnant portion of the public right-of-way adjacent to 3201 Mandela Parkway and authorizing its disposal as surplus property. The Purchasers now want to acquire the property from the City to close the gap between these parcels and make a contiguous parcel.

KEY ISSUES AND IMPACTS

Approving the sale will allow the Purchasers to assemble the property and provide for development of businesses in West Oakland.

This property could require future maintenance by the City. 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, eliminating ongoing costs, and reducing future litigation exposure.

PROJECT DESCRIPTION

Ordinance No. 12384 C.M.S. allowed the vacation of a portion of Beach Street public right-of-way between 32nd and 34th Streets as it no longer constitutes a City street.

The property is more than 2500 square feet and is subject to planning review, and has been scheduled as of the date of this report and should be completed prior to Committee date.

Ordinance No. 11602 C.M.S., Section 6 (c) authorizes a negotiated sale of remnant parcels to the adjoining property owner if such sale is in the best interest of the City. Here, the adjacent property owners have approached the City to purchase the subject property to develop the property. Sale of the property to the adjacent property owners will relieve the City of certain on-going costs and will return the property back to the tax rolls.

The adjoining property owners have agreed to purchase the surplus property at its appraised fair market value of \$33,000.00. There are no City subsidies involved in the sale of the surplus property.

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 issues of 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.

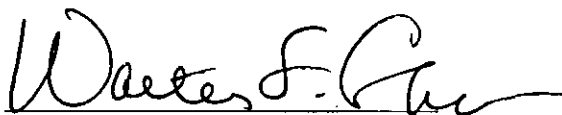
RECOMMENDATION AND RATIONALE

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 owners, approximately 3,300square feet of City owned surplus real property located along Mandela Parkway and 32nd Street for the fair market value of \$33,000.00 Dollars.

ACTION REQUESTED OF THE CITY COUNCIL

Council is requested to adopt the Ordinance authorizing the City Administrator to enter into a Purchase and Sales Agreement, to sell to the adjoining property owner, City-owned surplus real property located along the Mandela Parkway and 32nd Street for the total fair market value of \$33,000.00.

Respectfully submitted,



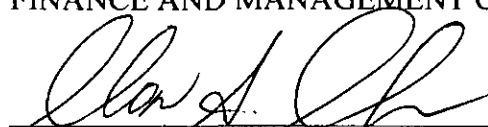
Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by: Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Reviewed by: Frank Fanelli, Manager
Real Estate Services Division

Prepared by: Barbara James
Real Estate Agent

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:

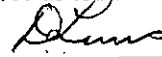


Office of the City Administrator

Item: _____
Finance and Management Committee
June 23, 2009

FILED
OFFICE OF THE CITY CLERK
OAKLAND

Approved as to Form and Legality



CITY ATTORNEY

2009 JUN 11 PM 9:43

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 3,300 SQUARE FEET OF CITY-OWNED SURPLUS REAL PROPERTY LOCATED ADJACENT TO 3207 MANDELA PARKWAY TO JOSEPH O. SANTINI AND MORTIMER PROPERTIES, LLC THE ADJOINING PROPERTY OWNERS, FOR THE TOTAL FAIR MARKET VALUE OF THIRTY THREE THOUSAND DOLLARS (\$33,000.00)

WHEREAS, the City of Oakland ("City") owns a strip of land located at 32nd Street and Mandela Parkway ("the City Parcel" or "Property"), which is adjacent to 3207 Mandela Parkway, Assessor's Parcel Number 007-0599-003-02 and 007-0599-006 owned by Joseph O. Santini and Mortimer Properties, LLC; and

WHEREAS, a legal description has been developed that indicates the property is approximately 3,300 square feet in area, and such legal description is attached hereto as Exhibit A; and

WHEREAS, although the City Parcel is public right-of-way, the City Engineer has determined that said portion of the public-right-of way is insufficient to accommodate a future expansion of the roadway for Mandela Parkway or 32nd Street; and

WHEREAS, the City Parcel has been vacated by the City and is no longer used as a street; and

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

WHEREAS, the Property is not needed by the City for public purposes; and

WHEREAS, the Planning Commission has reviewed the zoning designation; and

WHEREAS, 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, 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, an independent appraisal established the Property's fair market value at Thirty Three Thousand (\$33,000.00) Dollars; and

WHEREAS, Joseph O. Santini and Mortimer Properties, LLC, the owners of the abutting property, have tendered an offer to purchase the Property for the amount of Thirty Three Thousand Dollars (\$33,000.00); and

WHEREAS, it is in the City's best interest to sell the Property to Joseph O. Santini and Mortimer Properties, LLC, because 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, is not developable as a separate parcel, 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 surplus property when such a sale is in the best interest of the City. 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 maintenance responsibility.

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 maintenance responsibility.

Section 4. The City Administrator, or his designee, is authorized to negotiate and execute a sales agreement and any and all other documents necessary to effectuate the sale of the Property to Joseph O. Santini and Mortimer Properties, LLC, the adjoining property owners, for the sum of \$33,000.00, and to execute a Quitclaim Deed conveying 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).

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 Ordinance, 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 15312 (Surplus Government Property Sales) of the CEQA guidelines.

Section 7. The City Administrator, or his 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 of 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 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, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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

DATE OF ATTESTATION: _____

MANDELA PARKWAY (WIDTH VARIES)

FORMER BEACH STREET (60' WIDE)

PORTION OF RELINQUISHMENT TO CITY OF OAKLAND 444 OR 880

R=55.00'
L=12.23'
Δ=12°44'30"

R=59.50'
L=44.12'
Δ=42°28'54"

N17°22'34"W (R)

S13°12'28"E

160.29'

N01°29'11"E
42.87'

S01°29'11"W
53.96'

R=50.00'
L=65.72'
Δ=75°18'21"

S76°47'32"W
59.23'

32.25'

N13°12'28"W (R)

POINT OF BEGINNING

LOT 10

BLOCK A

LOT 11

LOT 12

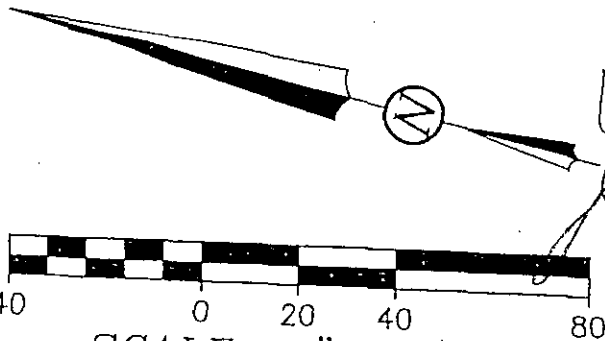
32nd STREET (60' WIDE)

EXHIBIT A

A PORTION OF RELINQUISHMENT TO CITY OF OAKLAND (444 OR 880) BEING A PORTION OF FORMER BEACH STREET AND A PORTION OF LOT 12, BLOCK A, "MAP NO. 2 OF WATTS TRACT" (6 M 13) CITY OF OAKLAND, COUNTY OF ALAMEDA, CALIFORNIA APRIL, 2008 SCALE: 1" = 40'

MORAN ENGINEERING, INC.

CIVIL ENGINEERS \ LAND SURVEYORS
1930 SHATTUCK AVENUE, SUITE A
BERKELEY, CALIFORNIA 94704
(510) 848-1930



SCALE: 1" = 40'

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NOTICE AND DIGEST

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT TO SELL APPROXIMATELY 3,300 SQUARE FEET OF CITY-OWNED SURPLUS REAL PROPERTY LOCATED ADJACENT TO 3207 MANDELA PARKWAY TO JOSEPH O. SANTINI AND MORTIMER PROPERTIES, LLC THE ADJOINING PROPERTY OWNERS, FOR THE TOTAL FAIR MARKET VALUE OF THIRTY THREE THOUSAND DOLLARS (\$33,000.00)

This Ordinance authorizes the sale of surplus City-owned property to the adjoining property owners at 3702 Mandela Parkway, Oakland.