



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Del D. Borgsdorf
Harry S. Mavrogenes

SUBJECT: NISICH NEIGHBORHOOD PARK
LAND ACQUISITION

DATE: 3-25-05

Council District: 7
SNI: Tully/Senter

RECOMMENDATION

(a) It is recommended that the City Council:

- (1) Approve an agreement in the amount of \$1,600,000 with Louis M. Nisich, Louis M. Nisich, Jr., Gaylen L. Nisich & Anthony J. Nisich for the purchase of real property located at 1484 Suzay Court and 1487 Nisich Drive (APN: 477-55-105 & 106) (Property).
- (2) Adopt a resolution authorizing the Director of Public Works to execute any additional documents necessary to complete the purchase of the Property.
- (3) Adopt a resolution making certain determinations regarding the expenditure of Redevelopment Agency Funds for the acquisition of property that will be publicly owned.

(b) It is recommended that the City Council and Redevelopment Agency Board approve a Cooperation Agreement between the City and the Redevelopment Agency, providing for the Agency's transfer of \$1,600,000 to an Escrow Account for the purchase of the Property.

BACKGROUND

The acquisition of land for a neighborhood park on Nisich Drive is the number three priority in the Tully/Senter Neighborhood Improvement Plan under the Strong Neighborhoods Initiative (SNI). The community recognized the rare opportunity within the Meadows neighborhood to acquire and develop this parcel as a park site during the planning process as this neighborhood has the greatest deficiencies in close-to-home park and/or recreational lands within the Strong Neighborhood area. Securing this land for a park would help meet park and recreation needs of the community.

ANALYSIS

The subject site measures approximately 52,526 square feet and is situated in a residential neighborhood with access from McLaughlin Avenue. The property is currently improved with an older, single-family home, garage, shed and fencing. The improvements are old and in fair condition. Upon acquisition, a hazardous materials assessment of the structures would be conducted; any hazardous materials would be abated prior to demolition of the structures. It should be noted that a Phase I Environmental Site Assessment was completed by the Environmental Services Department in February 2004 indicating no significant evidence of environmental concerns related to past or present on-site activities or conditions. Demolition work would precede the initiation of the master planning and environmental process for the park.

The Parks, Recreation and Neighborhood Services Department has secured \$825,000 in State Proposition 40 Bond Act Per Capita grant for park development. The funds were programmed to the project by the City Council in January 2004. This funding would be used for hazardous materials assessment and abatement, structure demolition, planning, design, and any environmental clearance. Remaining funds would be applied toward park construction. No detailed project scope or schedule has yet been developed for the project. Preliminary estimates are \$1.0 million to \$1.6 million for the development of a park of this size. Staff will be investigating alternative funding sources to complete the construction of the park. A map showing the subject property is attached as Exhibit A.

Pursuant to the purchase agreement, the owners of the property would convey title to the property to the City for a purchase price of \$1,600,000. The purchase price was based upon the fair market value established by an independent appraisal reviewed and approved by City staff. The current resident will vacate the property prior to the close of escrow. The Redevelopment Agency will place funds into an escrow account, prior to closing, in accordance with the terms of the recommended cooperation agreement. Despite lack of funds for physical improvements, given the fact that the property is available on the market, we propose to capitalize on this opportunity since we do not know when this property will be available on the market again. Maintenance costs will be minimized given the elimination of structures on the property.

FINDINGS

Section 33445 of the Redevelopment Law requires the City Council to make certain determinations with respect to publicly owned improvements funded by the Redevelopment Agency. The required findings are as follows:

1. The project includes the acquisition of property for the development of a park located on Nisich Drive. The property is within and will benefit the Strong Neighborhoods Initiative Redevelopment Project Area by providing a neighborhood park that would serve the Project Area's residents.
2. The project is not currently included in the City's Capital Budget and there are no other reasonable means of financing the project.

3. The project will help eliminate blight by developing a quality park for residents in an area with substantially insufficient open space. The park development will make the neighborhood a more desirable place to visit and live by providing open space, removing buildings in a fair condition and providing space for recreation. This in turn should encourage further investment in the neighborhood that would cumulatively help eliminate blight.
4. The implementation plan for the Strong Neighborhoods Initiative Redevelopment Project Area includes the construction of quality parks and open space.

PUBLIC OUTREACH

Multiple public meetings were held by the Planning Department in the preparation of the Tully/Senter Neighborhood Improvement Plan. The Neighborhood Action Council (NAC) was formed as a result of this process. The Nisich Park acquisition is an ongoing topic of discussion at regular meetings of the Council.

COORDINATION

This memorandum and agreement have been coordinated with the Departments of Parks, Recreation and Neighborhood Services; Planning, Building and Code Enforcement; Public Works, the City Manager’s Budget Office, General Counsel’s Office, and City Attorney’s Office.

COST IMPLICATIONS

The Redevelopment Agency will deposit the acquisition funds into the escrow account from its Adopted FY 2004-05 Capital Budget for Nisich Park project line in the Tully/Senter Strong Neighborhoods Area. In addition, there will be escrow, title and closing fees of approximately \$32,000, which will be funded from Property Services in the Central Fund of the City’s Capital Improvement Budget. Estimated project development costs are \$1.0 to \$1.6 million for a park of this size. Estimated annual maintenance costs are \$15,000 to \$20,000.

BUDGET REFERENCE

| Fund # | Appn. # | Appn. Name | RC # | Total Appn. | Amount For Contracts | Adopted 2004-05 Budget Page | Last Budget Action (Date, Ord. No.) |
|--------|---------|-------------------|--------|-------------|----------------------|-----------------------------|-------------------------------------|
| 390 | 4191 | Property Services | 048392 | \$117,000 | \$32,000 | CIP V-722 | none |

HONORABLE MAYOR AND CITY COUNCIL

3-25-05

Subject: Neighborhood Park Acquisition – Nisich

Page 4

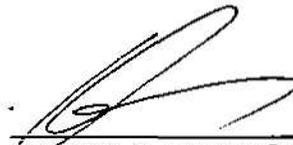
The funds for acquisition in the amount of \$1,600,000 will be transferred to escrow upon City Council approval of the acquisition. The \$1,600,000 is in the Agency's Adopted FY 2004-05 Capital Budget for Nisich Park project line in the Tully-Senter SNI Area.

CEQA

Exempt, PP05-027.

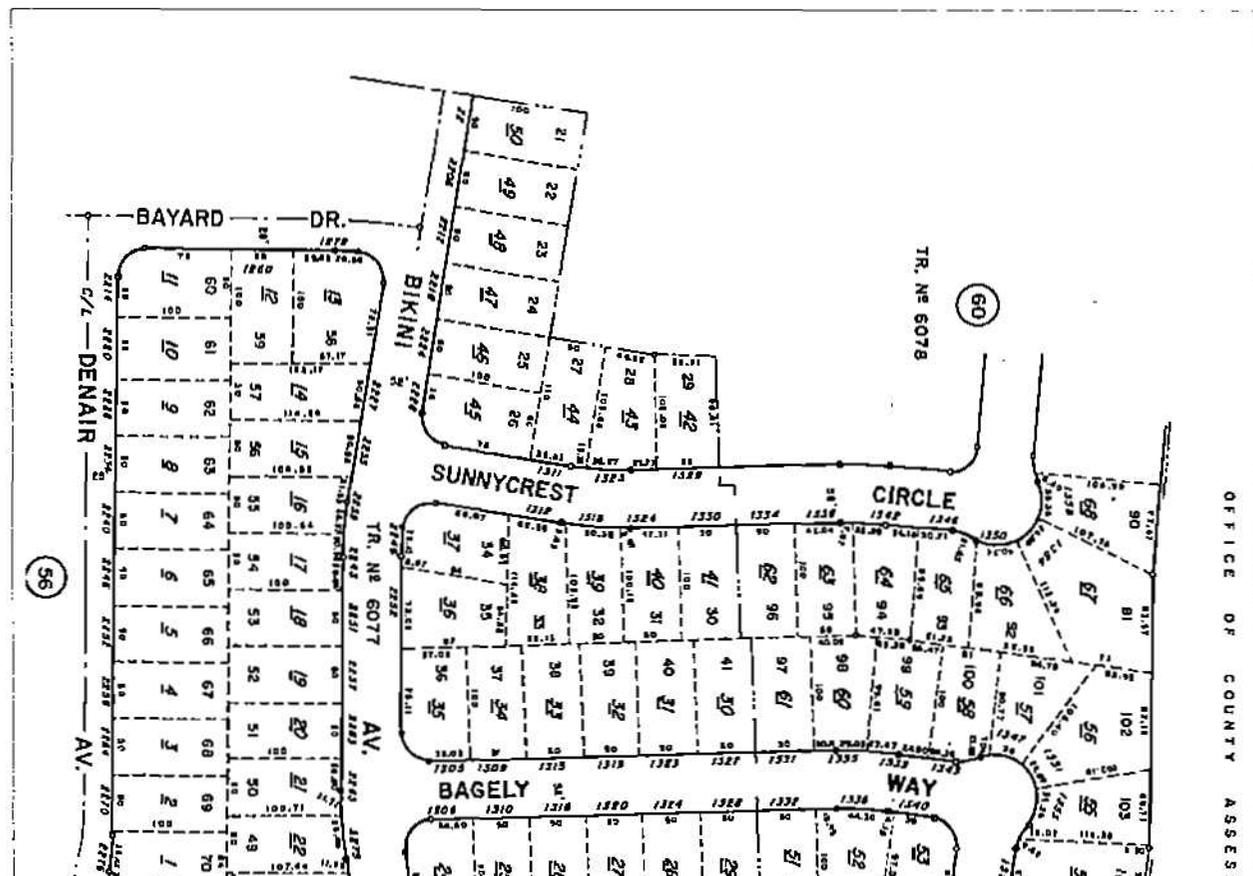


DEL D. BORGS DORF
City Manager



HARRY S. MAVROGENES
Executive Director

Attachment



OFFICE OF COUNTY ASSESS