



COUNCIL AGENDA: 12-08-09

ITEM: 2.6

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Peter Jensen

**SUBJECT: SALE OF CITY-OWNED  
PROPERTY TO SENTER ROAD  
SERVICE STATION LP**

**DATE:** 11-16-09

Approved

Date

11/25/09

**COUNCIL DISTRICT: 7**  
**SNI: NA**

## RECOMMENDATION

Adoption of a resolution:

- a. Declaring the vacant 0.067 acres of City-owned property on the north west corner of Capitol Expressway and Senter Road surplus to the needs of the City;
- b. Approving an agreement between the City and Senter Rd. Service Station LP for sale of the property in the amount of \$102,148; and
- c. Authorizing the Director of General Services to execute all sales documents and the deed necessary to complete the transaction.

## OUTCOME

Adoption of this resolution will declare the approximate 2,918 square foot (0.067 acre) City-owned property (adjacent to Assessor Parcel 497-13-061) on the west side of Senter Road, north of Capitol Expressway surplus to the needs of the City and approve the sales agreement transferring the property to Senter Road Service Station LP.

## BACKGROUND

The adjoining property was recently sold by BP West Coast Products to Senter Road Service Station. The current station will be going through modifications and upgrades requiring purchase of the City property for landscaping and vehicle access onto the station property from Senter Road.

The subject property was purchased by the City on December 28, 1982 from the Atlantic Richfield Company. The property has been retained for possible right of way needs for Senter Road, but is no longer required for that purpose.

Municipal Code Section 4.20.50 permits the City Council to declare City-owned property surplus to the needs of the City and to authorize the sale of that property to the owner or owners of property adjacent to such City property at private sale for the fair market value, and subject to such terms and conditions as the Council may in its discretion provide. The purchaser, Senter Road Service Station LP, is the adjacent property owner.

### **ANALYSIS**

The City parcel being proposed for sale is located on the north west corner of Senter Road and Capitol Expressway. A parcel map has been attached as Exhibit A. The property will be sold "as is" to the adjoining property owner. The property will be incorporated into the plans and modification of the current service station on site.

The sale of comparable properties in the area of this City-owned property is \$35 per square foot. The fair market value for the property and sales price is \$102,148.

In April 2009, the Council directed staff to make various changes to the ordinances and policies related to Real Estate Asset management. One change would allow this type of transaction to be completed under the City Manager's authority. These ordinance and policy changes will be coming before Council within the next few months.

### **EVALUATION AND FOLLOW-UP**

The transfer of the subject property is anticipated to be completed within 30 days of approval by Council.

### **POLICY ALTERNATIVES**

*Alternative # 1:* Reject the sale of the property and continue City ownership.

**Pros:** By retaining the property, City retains the ability to develop the property for future municipal purposes.

**Cons:** The property is not independently developable and unmarketable to buyers other than the adjoining owner. By rejecting the sales, the City will continue to incur costs for maintenance of the property and the ongoing liability for repairs and safety.

**Reason for not recommending:** Continuing ownership of the property will result in continuing maintenance expenses and potential liability. No future municipal uses have been identified.

### PUBLIC OUTREACH

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This action does not meet any of the above listed criteria; however it will be posted on the City's website for the December 8, 2009, Council agenda.

### COORDINATION

This memorandum has been coordinated with Public Works, the City Manager's Budget Office and the City Attorney's Office.

### FISCAL/POLICY ALIGNMENT

This sale is in alignment with *1h-Asset Management, Investment Strategies, Mayor's Budget Message, March 13, 2009.*

### COST SUMMARY/IMPLICATIONS

The City's cost for the sale of the property will consist of staff time to prepare the sales documents and complete the transaction. The buyer will pay any title, tax and recording fees.

### CEQA

CEQA: Exempt File No. PP09-181.

/s/

PETER JENSEN

Director of General Services

For questions please contact MATT MORLEY, DEPUTY DIRECTOR, at (408) 975-7200.

Attachment

EXHIBIT A



