

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Peter Jensen

SUBJECT: SALE OF CITY-OWNED SURPLUS PROPERTY AT 9TH AND KEYES
DATE: 01-04-10

Approved

Date 1/8/10

COUNCIL DISTRICT: 3
SNI: Spartan Keyes

RECOMMENDATION

Adoption of a resolution:

- a. Approving an agreement between the City and Steve Nguyen, the adjoining property owner, for sale of the property identified by APN 477-03-054 and located at 9th and Keyes in the amount of \$20,000; and
- b. 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 approve the sales agreement for a 2200 square foot portion of the approximate 6,200 square foot (0.143 acre) City-owned property, APN 477-03-054, transferring the property to Steve Nguyen for the amount of \$20,000.

BACKGROUND

The proposed surplus City-owned property is a parcel purchased for the widening of Keyes Street and is approximately 6,200 square feet. The City will retain a 4,000 square foot portion of the property as part of the Keyes Street right of way. The remaining 2,200 square feet is comprised of a strip 15 feet in width, not independently developable, which the adjacent property owner wishes to acquire in order to expand the backyard area of his duplex.

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, Steve

Nguyen, is the adjacent property owner. By Resolution No. 74994, the City Council declared this property surplus on June 16, 2009.

ANALYSIS

The City parcel being proposed for sale is located on the southeast corner of Ninth and Keyes Street. A parcel map has been attached as Exhibit A. The property will be sold "as is" to the adjoining property owner.

Staff proposes to sell the portion of the property that is not required for the widening of Keyes Street to the adjacent property owner. The property is not independently developable and the sale to the adjacent property owner will not add entitlements to that property. Given these conditions, staff values the property at \$8 a square foot, or 10% of the value of properties that do not have such limitations. The negotiated sales price for this 2200 square foot parcel of \$20,000 is consistent with this valuation.

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)**

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This action does not meet any of the above listed criteria; however it will be posted on the City's website for the January 26, 2010, Council agenda.

COORDINATION

This memorandum has been coordinated with 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: PP06-037.

/s/

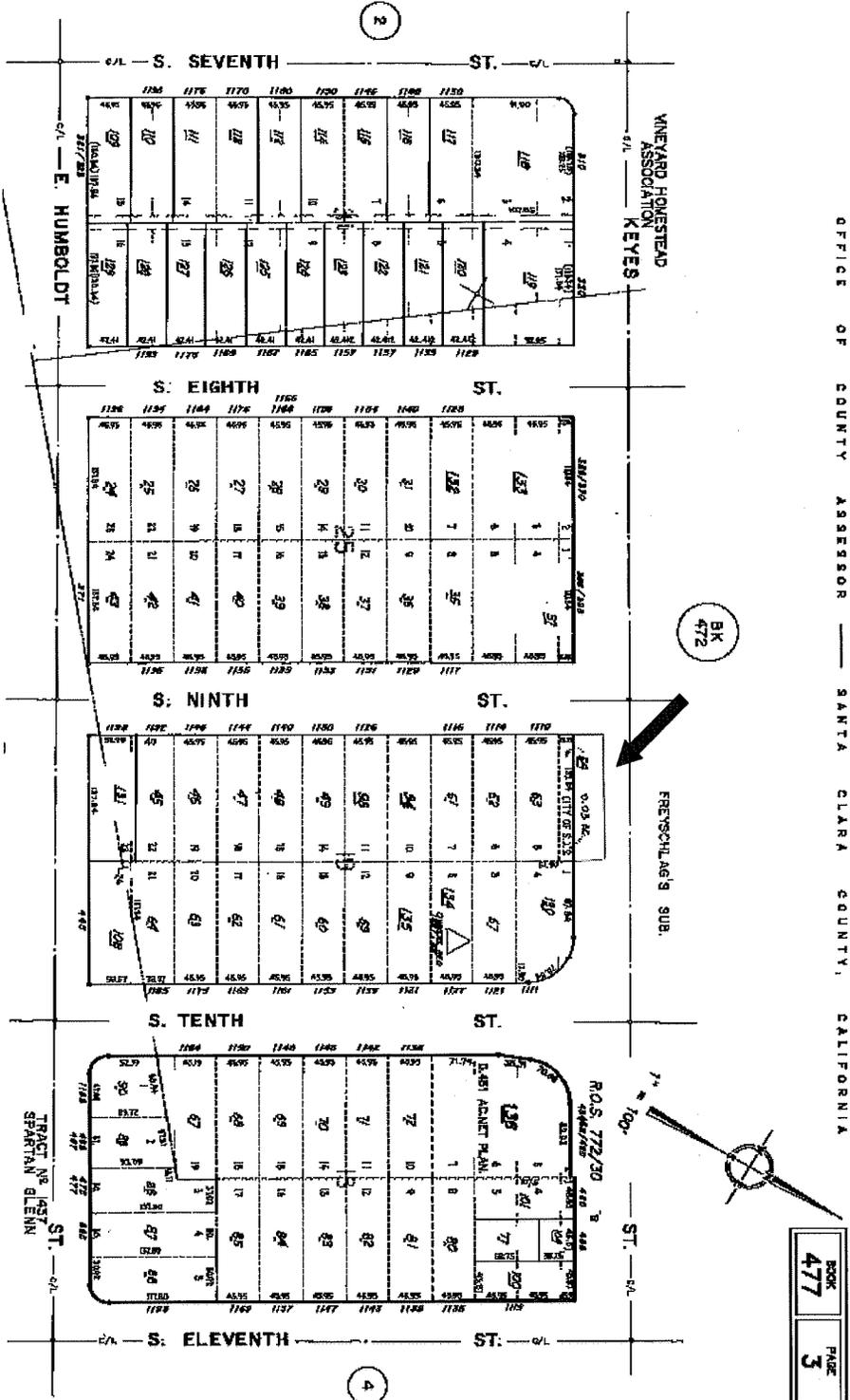
PETER JENSEN

Director of General Services

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

Attachment

EXHIBIT A



OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK
477
PAGE
3

NINTH

STREET

40'

15.95'

99'

KEYES

STREET

A portion of Lot 2, Block 15, Book C of Maps, p. 43
Reed Addition

37.84

37.84

15.95'

PL # 210802

