



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Peter Jensen

SUBJECT: SALE OF CITY-OWNED SURPLUS DATE: 01-04-10
PROPERTY AT DANIEL AND FOREST

Approved

Date 1/8/10

COUNCIL DISTRICT: 6
SNI: NA

RECOMMENDATION

Adoption of a resolution:

- a. Approving an agreement between the City and John and Angela Wilcock, the adjoining property owner, for sale of the property identified by APN 274-44-002 and located at Daniel Way at Forest in the amount of \$643.23; 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 7,147 square foot (0.16 acre) City-owned property, APN 274-44-002, transferring the property to John and Angela Wilcock for the amount of \$643.23.

BACKGROUND

The proposed surplus City-owned property is one of two parcels purchased for development of Forest Avenue. One of the two parcels was used as the street was developed. This second parcel was used in part for the development of the street with a portion equivalent to approximately 7,147 square feet left unneeded for the project. The subject property is not independently developable and the adjacent property owner wishes to acquire the property to expand the side yard area of his residence.

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 purchasers, John and

Angela Wilcock, are the adjacent property owners. 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 north side of Forest Avenue, east of Daniel Way. A parcel map has been attached as Exhibit A. The property will be sold "as is" to the adjoining property owner. The property is not independently developable and the sale to the adjacent property owner will not add entitlements to that property.

Within the westerly side of the subject parcel is a public stairway leading from Daniel Way to Forest Avenue. The proposed sale will include reservation of an easement to the City for the stairway.

Through contract with the City, Grubb and Ellis determined fair market value to be \$643.23. That valuation has been independently reviewed and approved by staff and agreed to as the sale price by the buyer.

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 sale, 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

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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 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

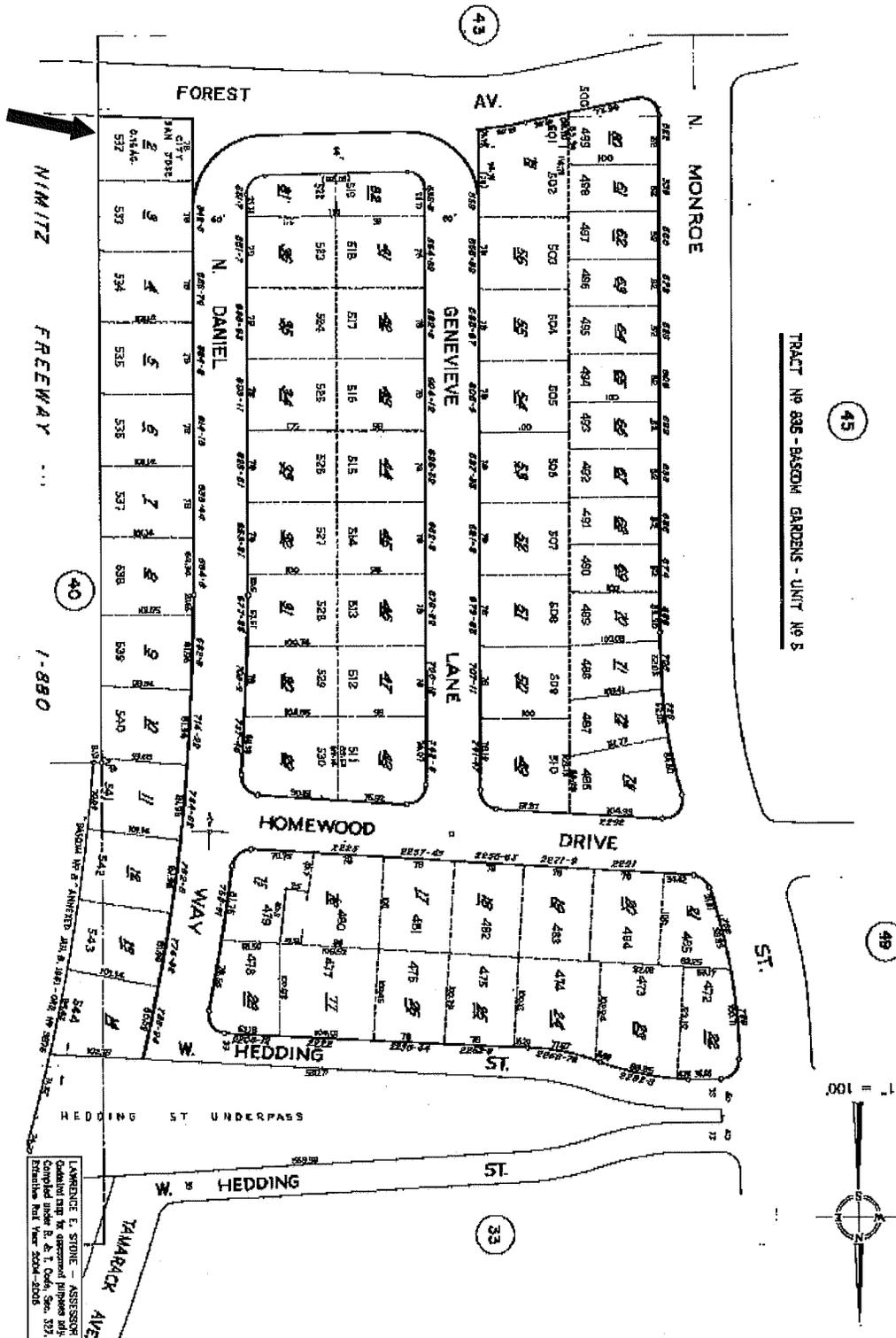
For questions please contact MATT MORLEY, DEPUTY DIRECTOR, at (408) 975-7200.

Attachment

EXHIBIT A

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

TRACT # 836 - BASCOM GARDENS - UNIT # 5



BOOK	PAGE
274	44

LAWRENCE E. STONE - ASSESSOR
 Certified map for assessment purposes only.
 Compiled under S. & T. Code, Sec. 537.
 Executive Bill Year 2004-2005