



*City of Arts & Innovation*

# City Council Memorandum

**TO:** HONORABLE MAYOR AND CITY COUNCIL      **DATE:** NOVEMBER 5, 2019

**FROM:** COMMUNITY & ECONOMIC DEVELOPMENT      **WARD:** 6

**DEPARTMENT**

**SUBJECT:** PURCHASE AND SALE AGREEMENT WITH CANDIDO TELLEZ, JR., FOR THE SALE OF A CITY-OWNED VACANT LAND PARCEL CONTAINING APPROXIMATELY 4,839 SQUARE FEET LOCATED AT 10307 COOK STREET FOR THE SALE PRICE OF \$24,000

## **ISSUE:**

Approve a Purchase and Sale Agreement with Candido Tellez, Jr. for the sale of a City-owned vacant land parcel containing approximately 4,839 square feet located at 10307 Cook Street, identified as Assessor's Parcel Number 147-281-022, for the sale price of \$24,000.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve a Purchase and Sale Agreement with Candido Tellez, Jr., for the sale of a City-owned vacant land parcel containing approximately 4,839 square feet located at 10307 Cook Street, identified as Assessor's Parcel Number 147-281-022, for the sale amount of \$24,000; and
2. Authorize the City Manager, or designee, to execute the Purchase and Sale Agreement with Candido Tellez, Jr., including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction and to expend up to \$6,000 for title, escrow, and miscellaneous related closing costs.

## **BACKGROUND:**

On July 25, 2017, the City Council declared Assessor's Parcel Number 147-281-022, which is 4,839 square feet of vacant land, as surplus (Property). The Property was previously improved with a single family detached residence which was acquired by the Public Works Department for the now completed Tyler Street Widening Project. The single family residence was demolished and the remaining vacant land is no longer needed by the City.

## **DISCUSSION:**

The Property shown in the map below is zoned R-1-7000 and the General Plan Designation is Medium Density Residential. The Property is suitable for development of a single family residence.



No interest was received from any Public Agencies following the 60-day offering period as required by government Code Section 54220, et seq. Candido Tellez, Jr., (Buyer), approached the City with an interest in constructing a single family residence on the Property.

The Purchase and Sale Agreement allows the Buyer to have up to 24 months from the Effective Date of the Agreement to complete a due diligence review of the Property, obtain development entitlements, and close escrow. The Buyer shall have up to four months from the close of escrow to commence construction and 12 months to complete construction.

The City had the Property appraised by an independent third party appraiser, which concluded to a value of \$24,000. The Buyer accepted the appraised value for the Property, and the terms of the attached Purchase and Sale Agreement.

Staff has reviewed and determined that the sale price of \$24,000 for the Property represents the current fair market value of the Property and recommends entering into the Purchase and Sale Agreement. The Buyer shall be responsible for all costs for obtaining project development

entitlements.

The Public Works Director concurs with the recommendations in this report.

**FISCAL IMPACT:**

The Property is City owned and is being sold for \$24,000, less all title, escrow, and miscellaneous related closing costs for a total not to exceed amount of \$6,000. The estimated net proceeds from the sale in the minimum amount of \$18,000 shall be deposited into Public Works Measure A – Sale of Land & Buildings Account number 0000432-380010.

Prepared by: David Welch, Community & Economic Development Director

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer

Approved by: Al Zelinka, FAICP, City Manager

Approved as to form: Gary G. Guess, City Attorney

Attachment: Purchase and Sale Agreement