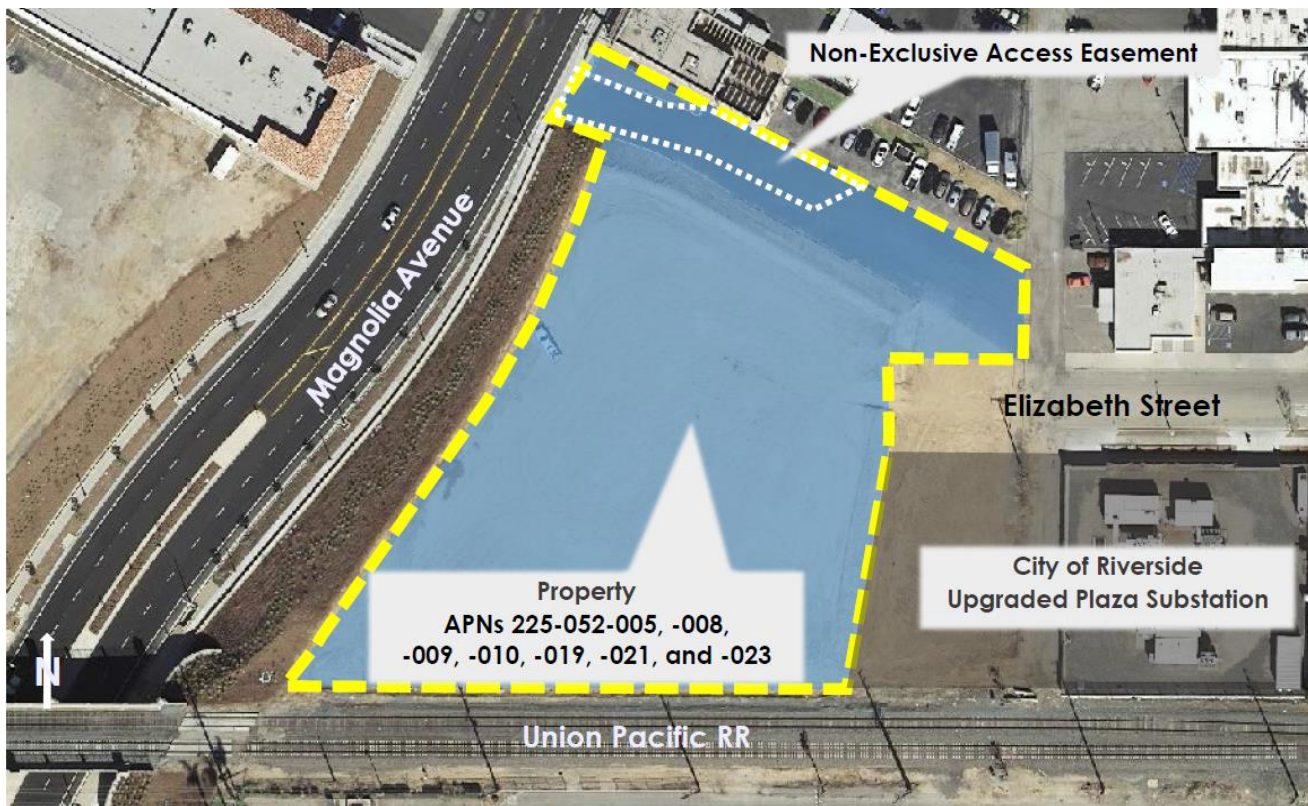


require a Vapor Intrusion Mitigation System (VMS) on the entire parcel; construction and testing of a vapor barrier system and associated piping prior to the construction of concrete slab and buildings. Monitoring devices on building roofs must include: a) Fan, b) Exhaust Cap, c) Flow Gauge, d) Test port, and e) a System Failure Device.

On January 12, 2016, City Council declared the Property surplus. Staff did not receive interest from any Public Agencies during the following 60-day offering period to Public Agencies as required by government Code Section 54220, et seq.

DISCUSSION:

On October 18, 2016, staff issued a Request for Proposals (RFP) for development of the Property as highlighted in yellow and depicted below in the shaded area. On December 15, 2016, the RFP deadline, staff received one responsive proposal from R.C. Hobbs Company, Inc. (Hobbs) for a multi-story residential project. The Property is located within the Magnolia Avenue Specific Plan – Magnolia Center District. Zoning is both Commercial General (CG) and Commercial Retail (CR) which does not allow the proposed residential land use. Therefore, the proposed residential project would require a General Plan Amendment and Re-zone at the sole cost and expense of Hobbs.



The Hobbs proposal is summarized below:

1. Site Area: Approximately 2.06 acres
2. Purchase Price: \$1,350,000 (\$15 per square foot) determined by a current fair market appraisal
3. Proposed Project: Four 3-story multi-family buildings totaling 80 units with 144 stall

subterranean parking structure, and amenities as shown on the attached site plan and conceptual rendering (Attachment 1)

4. Total Anticipated Investment: \$19,828,000

Hobbs was founded in 1976 by Mr. Roger C. Hobbs. Hobbs has successfully sold, developed and managed nearly one billion dollars of commercial, industrial and residential real estate in California and Montana. Additionally, Hobbs has been recognized with local, state, and national awards.

The Selection Committee determined that R.C. Hobbs Company, Inc. has sufficient development experience to undertake the acquisition and development of the Property as proposed. The Property was recently appraised by an independent third party appraiser with a value conclusion of \$1,350,000. Staff believes the proposed purchase price of \$1,350,000 represents the current fair market value of the property. As such, staff recommends that the Development Committee select the proposal submitted by R.C. Hobbs Company, Inc.

FISCAL IMPACT:

The Property is City owned and is being sold for \$1,350,000 less closing costs, title, and fees not to exceed \$15,000. The estimated net proceeds from the sale in the amount of \$1,335,000 shall be prorated and deposited into Public Works accounts based on the source of funding used to acquire the Property. Parcels 225-052-005 and 225-052-009 sale proceeds will be deposited into Public Works account number 9589719-440315 (Magnolia Grade Separation – TUMF); sale proceeds from parcels 225-052-008, 225-052-010, 225-052-019, 225-052-021, and 225-052-023 will be deposited into Public Works account number 0000432-380010 (Measure A – Sale of Land & Buildings).

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds:	Scott G. Miller, PhD, Chief Financial Officer/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Site Plan and Conceptual Rendering
2. Presentation