



City of Arts & Innovation

# City Council Memorandum

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: NOVEMBER 10, 2015**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT      WARD: 2**  
**DEPARTMENT**

**SUBJECT: PURCHASE AND SALE AGREEMENT WITH ALLEN PROPERTIES – HIDDEN SPRINGS, LLC FOR THE SALE OF 0.45 ACRES OF CITY-OWNED LAND NEAR THE INTERSECTION OF PEARBLOSSOM DRIVE AND EL CERRITO DRIVE IN THE TOTAL AMOUNT OF \$5,000**

## **ISSUE:**

The issue for City Council consideration is the approval of a Purchase and Sale Agreement with Allen Properties – Hidden Springs, LLC (Allen Properties) for the sale of 0.45 acres of City-owned land located near the intersection of Pearblossom Drive and El Cerrito Drive (Property), identified as Assessor's Parcel Number (APN) 253-210-015 and as shown on the attached Site Map – Attachment 1.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Purchase and Sale Agreement with Allen Properties (Agreement – Attachment 2) for the sale of the Property located near the intersection of Pearblossom Drive and El Cerrito Drive (Property), APN 253-210-015, for the sales price of \$5,000; and
2. Authorize the City Manager, or his designee, to execute the Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

## **BACKGROUND:**

The Property is located at the southeasterly terminus of Pearblossom and El Cerrito Drives and consists of approximately 20,223 square feet of land and is improved with a tennis and basketball court. On April 16, 2013, City Council declared the Property surplus and authorized sale of the Property subject to its continued use as recreational open space and reservation of a 10' wide storm drain easement.

As requested by City Council, staff had the Property appraised in its current condition which includes the depreciated value of the tennis and basketball court located on the property. The appraised value of the Property is \$30,000. As required by Government Code Section 54220 et seq., staff made the Property available to public agencies for the required 60-day advance notice period. Staff did not receive any public agency interest to acquire the Property.

Allen Properties owns the adjacent 112 unit Hidden Springs apartment complex and has been

maintaining the Property along with their apartment complex since they purchased the Hidden Springs apartment complex in 2006. Since Allen Properties thought the Property was part of the purchase of their apartment complex, Allen Properties claims they have spent \$34,766 in repairs and maintenance to the Property including, basketball equipment and concrete work, tennis court resurfacing and new net installation, chain link fence repairs, tree removal and installation and general landscape repairs. Allen Properties is willing to purchase the Property from the City for \$5,000 since Allen Properties believes the money they have already spent exceeds the appraised value of the property. Given that the City has no use for the Property as a recreational facility due to its location and limited access points and that Allen Properties has maintained the Property, staff recommends sale of the Property to Allen Properties for \$5,000. Selling the property avoids future liability and eliminates maintenance obligations for the City.

The Parks, Recreation and Community Services Director concurs with the recommendations.

**FISCAL IMPACT:**

The proceeds from the sale of the Property of \$5,000 will be deposited into the General Fund, account number 0000101-374200. The buyer will be responsible for payment of all title, escrow, and related closing costs.

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds:	Brent A. Mason, Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Site Map
2. Purchase and Sale Agreement