



*City of Arts & Innovation*

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 18, 2016

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARD: 5

SUBJECT: PURCHASE AND DEVELOPMENT AGREEMENT WITH DR. MOHAMED A. HASSAN FOR THE DISPOSITION OF SURPLUS CITY-OWNED VACANT LAND, LOCATED AT 3909-3917 VAN BUREN BOULEVARD FOR THE APPRAISED VALUE OF \$150,000

## **ISSUE:**

Approve a Purchase and Development Agreement with Dr. Mohamed A. Hassan for the disposition of surplus City-owned vacant land, located at 3909-3917 Van Buren Boulevard for the appraised value of \$150,000 to facilitate a medical office development project.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Purchase and Development Agreement (Attachment 2) for the disposition of surplus City-owned vacant land located at the 3909-3917 Van Buren Boulevard, identified as Assessor's Parcel Numbers 191-311-037 and -038 (Attachment 1) at the appraised value of \$150,000; 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 and to expend up to \$5,000 out of sales proceeds for title, escrow and related closing costs.

## **BACKGROUND:**

On February 6, 2009, the City acquired the vacant land located at the 3909-3917 Van Buren Boulevard (Property) for the widening and improvement of Van Buren Boulevard from Garfield Street and Andrew Street with Local Measure A funds. The previous structures on the Property were demolished as necessary for the project.

The Property is currently vacant land, which is no longer needed by the Public Works Department. On April 17, 2012, the City Council declared the Property as surplus and authorized the marketing and sale of the Property in accordance with the City's Administrative Manual for Disposition and

## Sale of City-Owned Real Property.

The Property has been appraised for \$150,000 and staff believes this represents the current fair market value for the Property.

The Property is being disposed in accordance with the City's Administrative Manual Procedures for Surplus Property. The Property was first offered to other City departments and then to local public agencies pursuant to Government Code 54220, et seq. Staff did not receive any responses during the 60-day public agency review period.

### **DISCUSSION:**

On July 19, 2016, staff received a purchase offer at the appraised value of \$150,000 for the Property from Dr. Mohamed A. Hassan (Buyer). The Property consists of two parcels of vacant land, located at the northeast corner of Van Buren Boulevard and Hayes Street, totaling approximately 11,902 square feet. The Property is zoned Office and is subject to reciprocal easements for ingress, egress and parking. The Buyer proposes to develop a medical facility on the Property in accordance with City's Zoning Code within 24 months from the close of escrow. The disposition of the Property to facilitate development of a medical facility falls under the Seizing Our Destiny Route 7, Transforming Spaces into Places.

Staff recommends that the City Council approve the Agreement to dispose of the Property to the Buyer to facilitate development of a medical facility.

The Public Works Department Director concurs with this recommendation.

### **FISCAL IMPACT:**

Since the Property was acquired with Local Measure A funds as part of the widening and improvement of Van Buren Boulevard from Garfield Street and Andrew Street, the net sale proceeds, less the closing cost expenditures estimated to be \$5,000, will be deposited into account number 0000432-380010 (Measure A – Sale of Land and 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 Map
2. Purchase and Development Agreement