

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 22, 2021

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

SUBJECT: PURCHASE AND SALE AGREEMENT WITH CHARLES ANTHONY AVILA AND NAOMI AVILA FOR THE SALE OF APPROXIMATELY 18,026 SQUARE FEET OF VACANT CITY-OWNED LAND LOCATED AT 3575 VINE STREET, BEARING ASSESSOR'S PARCEL NUMBER 213-211-008, FOR THE SALE PRICE OF \$180,000

ISSUE:

Approve the Purchase and Sale Agreement with Charles Anthony Avila and Naomi Avila for the sale of approximately 18,026 square feet of vacant City-owned land located at 3575 Vine Street, bearing Assessor's Parcel Number 213-211-008, for the sale price of \$180,000.

RECOMMENDATIONS:

That the City Council:

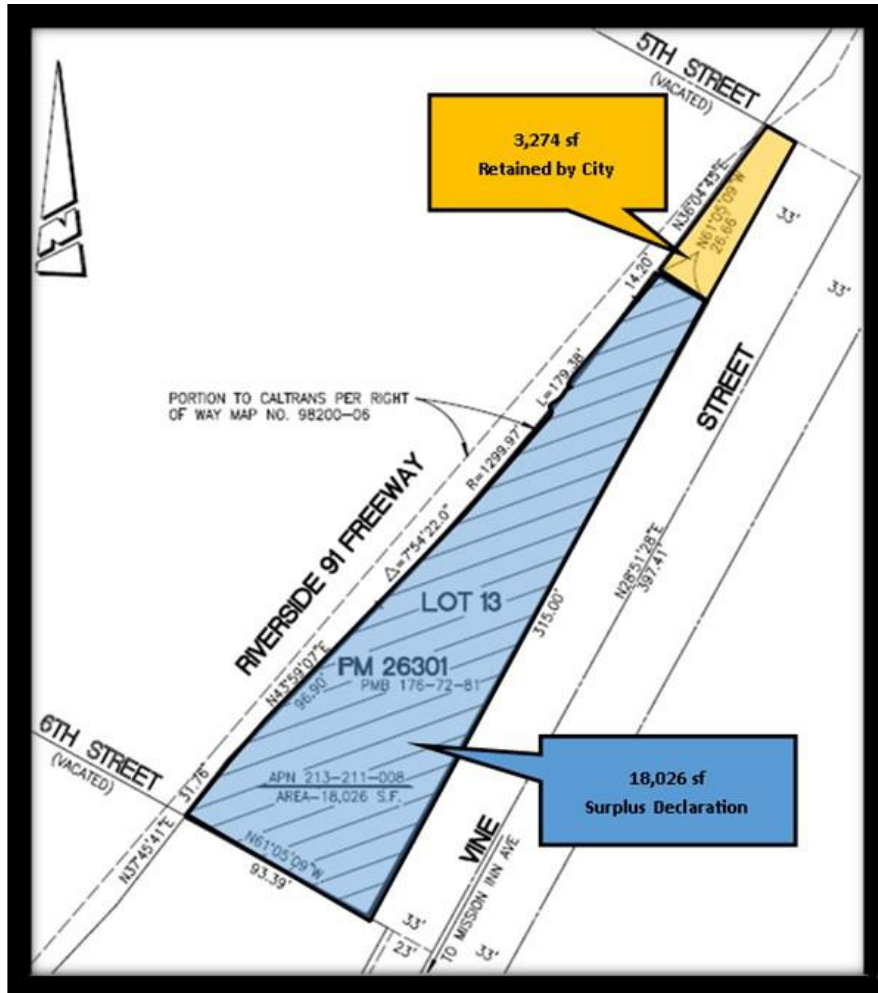
1. Approve the Purchase and Sale Agreement (Attachment) with Charles Anthony Avila and Naomi Avila for the sale of approximately 18,026 square feet of vacant City-owned land located at 3575 Vine Street, bearing Assessor's Parcel Number 213-211-008 (Property), for the sale price of \$180,000; and
2. Authorize the City Manager, or his designee, to execute the Agreement including making minor, non-substantive changes, to sign all documents and instruments necessary to complete this transaction, and to expend up to \$2,500 for escrow and miscellaneous related closing costs.

BACKGROUND:

On February 3, 2003, the former Redevelopment Agency acquired the Property from MBK Riverside Marketplace Partners, LTD for permanent parking and the Marketplace freeway sign. The remnant of that parcel, approximately 21,300 square feet, was transferred to the City's Public Works Department through the dissolution of the former Redevelopment Agency. The property is currently being used as Public Parking Lot 39, which has 37 stalls, along with the Marketplace digital billboard sign.

On March 3, 2020, City Council approved the surplus declaration of approximately 18,026 square feet of Parking Lot 39 retaining the remaining 3,274 square feet of land for the existing

Marketplace Billboard sign. In the plat map below, the 18,026 square feet being declared as surplus is highlighted in blue and the 3,275 square feet to be retained by the City is highlighted in yellow.



DISCUSSION:

In January 2020, the City was contacted by Charles and Naomi Avila (Buyer) for the potential use of the Property for additional parking for the Buyer’s approximate 9,408 square foot banquet facility, located at 3252 Mission Inn Avenue (Banquet Facility), which is in close proximity to the Property. The Planning Division (Planning) reviewed a parking analysis to consider the potential lease or sale of the City-owned parking lot and found that the 37 stalls located at the Property can help reduce the parking deficit for the Banquet Facility to function as a catering facility.

The Buyer was given the option to lease the subject property from the City, provided that: 1) the City would maintain access for the Marketplace digital billboard sign, at no cost to the City; 2) the Buyer would be responsible for maintenance and all associated utilities; and 3) the parking spaces will be leased at market rate. The other option presented to the Buyer was to acquire a portion of the Property, which would be subject to an appraisal, the surplus property disposition process (pursuant to Assembly Bill 1486 and Government Code 54220 et. seq.), retention of easements by the City, and the retention of rights by the City for a potential expansion of the billboard site. The Buyer considered both options and decided to acquire the Property with the stated restrictions.

Staff had the Property appraised by an independent third-party appraiser, which concluded to a value of \$180,000. The appraised value for the Property and the terms of the Purchase and Sale Agreement (Agreement) was accepted by the Buyer. It is the intention of the Buyer to use the Property as additional parking for their existing Banquet Facility property.

The basic terms of the Agreement provide for a 60-day escrow period in which the Buyer have 45 days to perform their due diligence of reviewing the condition of the Property and any other matters affecting the Property along with their funding documentation. A \$1,000 deposit is due within 15 business days of the effective date of the mutual execution of the Agreement. Per the Agreement, the Buyer will be responsible for all costs and half of the escrow fees associated with this transaction including any miscellaneous related closing costs. There are no broker fees associated with this transaction.

Staff has reviewed and determined that the sale price of \$180,000 for the Property represents the current fair market value and recommends entering into the Agreement. The Buyer shall be responsible for obtaining any project development entitlements for the Property or for their Banquet Facility at their sole cost and expense.

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

FISCAL IMPACT:

The fiscal impact of this recommendation is \$180,000. The Property is City-owned and is being sold for \$180,000 less escrow and miscellaneous related closing costs for a total not to exceed \$2,500. The estimated net proceeds from the sale in the amount of \$177,500 shall be deposited into the General Fund, Sale of Land & Buildings account number 0000101-380010.

Prepared by:	David Welch, Community & Economic Development Director
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Kristi J. Smith, Interim City Attorney
Attachment:	Purchase and Sale Agreement – 3575 Vine Street