

City of Sacramento

Legislation Text

File #: 2021-00107, Version: 1

Title:

Agreement: Sale of City Property at 2126 Garden Highway

File ID: 2021-00107

Location: 2126 Garden Highway, District 4

Recommendation:

Adopt a Resolution: 1) declaring the City property located at 2126 Garden Highway as “exempt surplus property” under the Surplus Land Act; 2) approving Purchase and Sale Agreement (PSA) with Sacramento Area Flood Control Agency (SAFCA) for the sale of City property at 2126 Garden Highway (APNs 274-0220-047, 274-0220-053 and 274-0220-058) for the appraised amount of \$475,000; 3) authorizing the City Manager or the City Manager’s designee to execute the PSA, escrow instructions, the grant deed, and to take all additional actions and execute all additional documents as may be necessary to implement the property sale; 4) finding that selling 2126 Garden Highway (APNs 274-0220-047, 274-0220-053 and 274-0220-058) without first calling for competitive bids according to the procedures in City Code Chapter 3.88 is in the best interest of the City; 5) authorizing the City Manager or the City Manager’s designee to increase the Citywide and Community Support Department’s FY2020/21 revenue budget by up to \$475,000 (South Natomas Community Infrastructure Fund, Fund 2020) based on the net proceeds of the property sale; and 6) authorizing the City Manager or the City Manager’s designee to increase the expenditure budget in the South Natomas Community Park Improvements Project (L19156600) by up to \$475,000 (South Natomas Community Infrastructure Fund, Fund 2020) based on the net proceeds of the property sale.

Contact: Bill Sinclair, Real Property Agent, (916) 808-1905; Department of Public Works, Raymond Costantino, Park Planning, Design and Development Manager (916) 808-1941; Department of Youth, Parks and Community Enrichment

Presenter: None

Attachments:

1-Description/Analysis

2-Resolution

3-Purchase and Sale Agreement

Description/Analysis

Issue Detail: In 2001, the City acquired three vacant parcels of land encompassing 6.93 net acres (the “Property”) located along the north side of Garden Highway, bisected by Interstate 80, for the intention of developing a public park. The cost of the acquisition was \$275,000, with funds sourced from the Land Acquisition Capital Improvement Project Fund (LS66). At the time of the purchase, the intent was to develop a City park to be located partially in the City and partially in the County with access under the elevated Interstate 80 freeway. Due to the Homeland Security concerns stemming from terrorist events on September 11, 2001, Caltrans would no longer allow public access under the elevated freeway. Therefore, the portion in the County was effectively cut off from the rest of the Property. Further, the subsequent sale of utility easements through the middle of the Property running north/south has left the Property with little usable site area to place park improvements. No other City use for the Property has been identified.

SAFCA approached the City to utilize all three parcels as part of the Sacramento River Levee Reach H Levee Improvement Project. The Property has been appraised, the appraisal reviewed and accepted, negotiations are complete, and a Purchase and Sale Agreement has been prepared.

The Property sale to a public agency for the agency’s use is considered “exempt surplus property” so the City is not required to implement the procedures under the State Surplus Land Act, as recently amended by Assembly Bill 1486 (CA Government Code section 54221 (f)(1)(D)).

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.04.020 and Chapter 3.88 regarding the disposition of real property owned by the City of Sacramento. Pursuant to City Code section 3.04.020, agreements for the sale of City property in an amount of \$250,000 or more must be approved by the City Council. Pursuant to City Code section 3.88.090(A)(2), the City Council may, by resolution, provide for the sale of real property without first calling for competitive bids if such sale is in the best interest of the City. Staff recommends that City Council find it is in the best interest of the City to sell the property without following the bid procedures outlined in Chapter 3.88 because the property being sold to another government agency for a public purpose.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): In accordance with Section 15312 of the California Environmental Quality Act (CEQA) Guidelines, the project is exempt from environmental review. Section 15312 exempts sales of surplus government property except for parcels of land located in an area of statewide, regional, or areawide concern identified in Section 15206(b)(4). The Property is not located in any of the areas as defined in Section 15206(b)(4) and is therefore not considered of statewide, regional, or areawide concern

pursuant to the CEQA Guidelines. No further environmental review of the property sale is required. SAFCA is responsible for environmental review for its use of the Property.

Sustainability: Not applicable

Commission/Committee Action: None

Rationale for Recommendation: Approval of the Purchase and Sale Agreement and related documents will allow the City to dispose of this surplus property and eliminate on-going maintenance requirements. In addition, the sale will provide additional funds for the South Natomas Community Park Improvements Project (L19156600).

Financial Considerations: The recommended Purchase and Sale Agreement allows the City to sell the Property at the appraised price of \$475,000. There is no brokerage commission required as part of this agreement. The City will be obligated to pay its share of prorations of taxes and assessments and escrow fees. These costs will be deducted from sales proceeds through escrow. In addition, Department of Public Works staff time will be paid out of sales proceeds after the close of escrow. The net sales proceeds will be budgeted in the Citywide and Community Support Department, and corresponding revenues will be deposited in the South Natomas Community Park Improvements Project (L19156600). The costs associated with the property sale will be charged to the South Natomas Community Park Improvements Project (L19156600).

Local Business Enterprise (LBE): Not applicable.