



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

CONSENT
November 6, 2008

**Honorable Mayor and
 Members of the City Council**

Title: Agreement: Authorization to Execute an Agreement for Sale of Real Property

Location/Council District: South side of Old Garden Highway west of Northgate Blvd.
 / Council District 1

Recommendation: Adopt a **Resolution:** 1) finding that, it is in the best interests of the City, pursuant to Sacramento City Code section 3.88.090(A)(2), to sell the subject real property without calling for bids; 2) authorizing the City Manager or the City Manager's designee to execute the Agreement for Sale of Real Property with Surjit Mahal for the amount of \$104,500; and 3) authorizing the City Manager or the City Manager's designee to execute such additional documents and to take such additional actions as necessary to implement the Agreement.

Contact: Bill Sinclair, Program Manager, 808-1905

Presenter: Not applicable

Department: General Services

Division: Facilities and Real Property Management

Organization No: 13001521

Description/Analysis:

Issue: Subject to City Council approval, an Agreement for Sale of Real Property has been negotiated with Surjit Mahal to sell approximately 13,068 square feet of unimproved surplus real property located at the south side of Old Garden Highway west of Northgate Blvd., further identified as Assessor Parcel Numbers (APNs) 274-0110-008 and 274-0110-009 as shown on Attachment 2. This property is contiguous to the property of the proposed buyer which is currently impeded from development due to inadequate access. The subject parcels, if adjoined to the buyer's property, would provide adequate access to the buyer's property and allow development of the assembled site.

Committee/Commission Action: Not applicable

Policy Considerations: The recommendations in this report are consistent with the provisions of Sacramento City Code section 3.88.090(A)(2), which allows for the sale of real property rights without first calling for bids when City Council, by resolution, finds that such action is in the best interests of the City.

Environmental Considerations:

California Environmental Quality Act (CEQA): There are no environmental impacts and the sale is categorically exempt from CEQA requirements per CEQA Guideline 15061(b)(3) which provides for the sale of surplus government property.

Sustainability Considerations: Not applicable

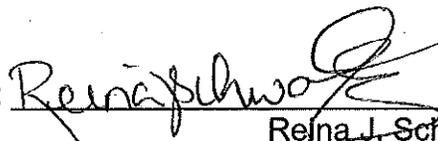
Rationale for Recommendation: It is in the best interests of the City to use the procedures set forth in Sacramento City Code section 3.88.090(A)(2) in lieu of the bidding process as (i) the sale is consistent with the highest and best use of the property; and (ii) the sale price was determined by an independent appraiser and is consistent with the fair market value of the property.

Additionally, the approval of the Agreement for Sale of Real Property with Surjit Mahal will allow the City to dispose of undeveloped surplus property, generate revenue, and place unused property back into private control, encouraging in-fill development.

Financial Considerations: In May 2008, an independent appraiser estimated the fair market value of the subject property at \$104,500. The negotiated sales price is the same as the appraised value. In addition, the buyer will pay all escrow fees and closing costs. Estimated net revenue in the amount of \$100,750 will be deposited into the General Fund. The City will not incur any costs in this transaction other than the administrative costs to process the sale.

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this report.

Respectfully Submitted by: 
Cynthia Kranc
Facilities Manager

Approved by: 
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:



OK

Ray Kerridge
City Manager

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Attachment 1

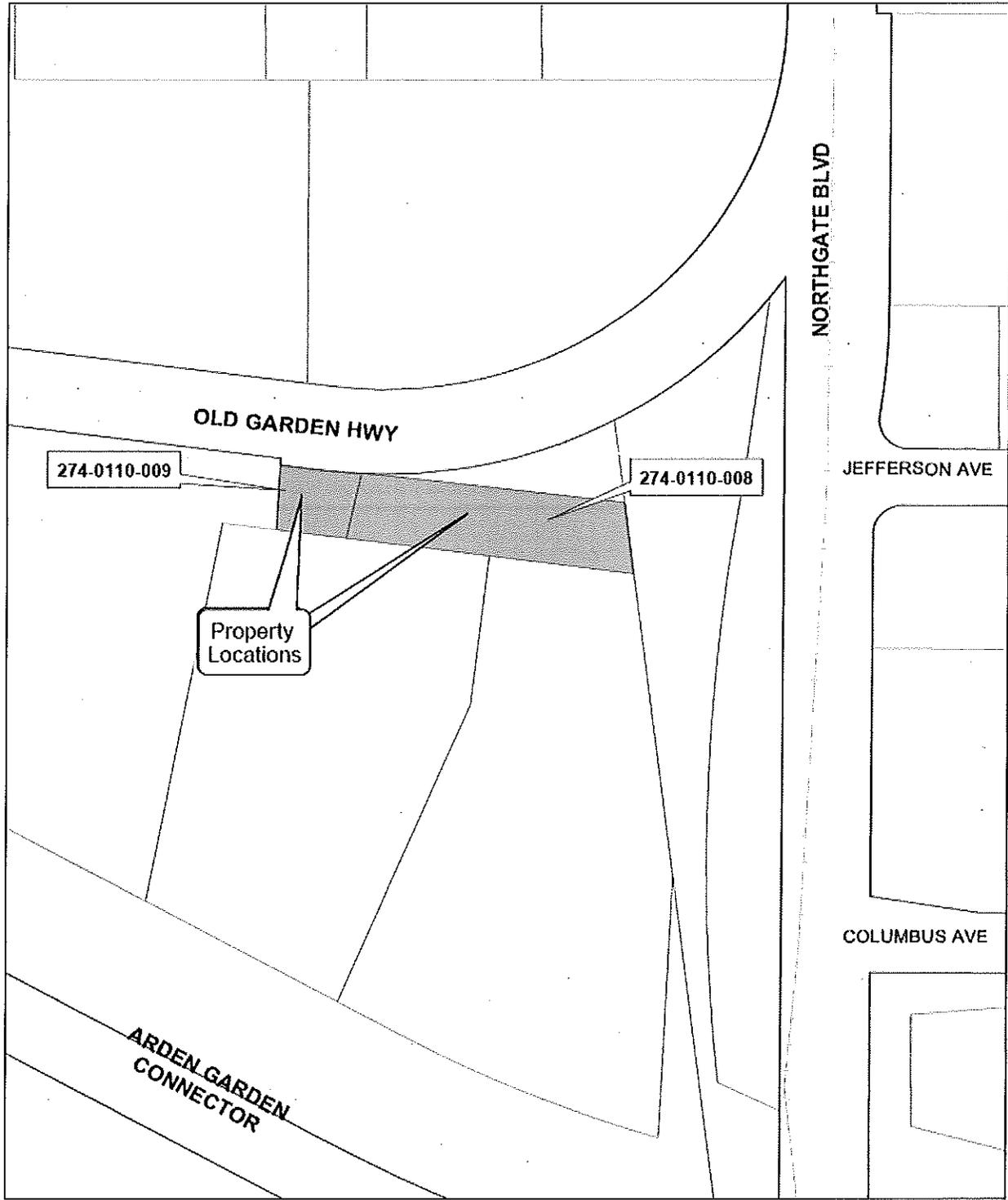
Background Information:

The subject property comprises approximately 13,068 square feet and is the fractional remainder of land acquired for the realignment of Old Garden Highway to Northgate Blvd. Staff has determined that the property is excess to the City's need since the Old Garden Highway realignment and Arden-Garden connector projects are now complete. In addition, Property Transaction Clearance letters were sent to all City Departments having a potential current or future interest in the subject property and staff received no indication of any possible future use by the City or any objection to the sale of this property.

The subject site is vacant, unimproved land of rectangular shape that bounds Garden Highway on the northerly side with approximately 234 feet of frontage on Old Garden Highway and approximately 50 feet deep. A title report indicates miscellaneous easements for roadway and utility purposes. Its potential development or future use as a "stand alone" parcel is significantly restricted due to its size, shape, location and existing easements. Furthermore, the property is contiguous to the property of the proposed buyer which is currently impeded from development due to inadequate access. The subject parcels are necessary to provide adequate access to the buyer's property to a public road.

The proposed buyer has development plans submitted for review and intends immediate development of his site if Council approves sale of the surplus parcels. Without the sale of these parcels, the adjoining parcels would likely remain undeveloped due to poor access. It is in the best interests of the City to enhance economic vitality by encouraging new development to existing areas.

Attachment 2



City of Sacramento/ IT Dept
Map Contact: D. Wilcox

Surplus Property at Old Garden Highway & Northgate Blvd Map Date: October 2008

RESOLUTION NO. 2008-_____

Adopted by the Sacramento City Council

November 6, 2008

**APPROVING AGREEMENT: SALE OF REAL PROPERTY TO SURJIT MAHAL
(APNS: 274-0110-008 & 274-0110-009)**

BACKGROUND

- A. It is in the best interests of the City to use the procedures set forth in Sacramento City Code section 3.88.090(A)(2) in lieu of the bidding process as (i) the sale is consistent with the highest and best use of the property; and (ii) the sale price was determined by an independent appraiser and is consistent with the fair market value of the property.
- B. The subject property is contiguous to the northern boundary of the property of the proposed buyer which is currently impeded from development due to inadequate access. The subject parcels are necessary to provide adequate access to the buyer's property to a public road.
- C. An Agreement for Sale of Real Property has been negotiated with Surjit Mahal to acquire fee title to real property located at the south side of Old Garden Highway, west of Northgate Blvd., further identified as Assessor Parcel Numbers (APNs) 274-0110-008 and 274-0110-009.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. Pursuant to Sacramento City Code section 3.88.090(A)(2), the sale of the subject real property without bidding is in the best interests of the City.
- Section 2. The City Manager or the City Manager's designee is hereby authorized and directed to execute an Agreement for Sale of Real Property with Surjit Mahal in an amount of \$104,500.
- Section 3. The City Manager is further authorized to execute such additional documents and to take such additional actions as necessary to implement the Agreement for Sale of Real Property.

