

## RESOLUTION NO. 2006-246

Adopted by the Sacramento City Council

April 11, 2006

### APPROVING THE BUSINESS POINTS FOR PURCHASE OF REAL PROPERTY LOCATED AT 725 14<sup>TH</sup> STREET (ASSESSOR'S PARCEL NUMBER [APN]: 002-0166-013-0000), AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR PURCHASE AND SALE AND APPROVE THE FUNDING PLAN FOR THE ACQUISITION AND RELATED EXPENSES

#### BACKGROUND

- A. The former Midtown Athletic Club is located at 725 14<sup>th</sup> Street, on the northeast corner of 14<sup>th</sup> and H Streets, adjacent to the Wells Fargo Pavilion and across from a City parking garage and retail establishments. The building, which sits on a land parcel of approximately 12,800 square feet, was constructed in 1975 and renovated in 1991. Midtown Athletic Club ceased operation in 2004.
- B. Given its proximity to other City-owned property, acquiring the site will provide additional opportunities for future public use.
- C. The purchase price for the subject property is \$2.8 million plus the cost of demolition for the existing building. Based on comparable sales, staff has determined that the purchase price falls within market parameters for a site of similar size with similar improvements.

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

- Section 1. The following primary business points to acquire fee title to real property located at 725 14<sup>th</sup> Street (APN: 002-0166-013) are hereby approved:
- a. **Purchase Price:** \$2.8 million
  - b. **Condition of Title:** Fee title will be conveyed free and clear of all liens and encumbrances, excepting easements, rights-of-way or other matters of record, subject to approval by the City of an updated Preliminary Report to be provided by the Seller.
  - c. **Demolition of Improvements:** Seller will demolish the existing improvements and deliver the site to the City in a ready to build condition within sixty (60) days of the close of escrow. City will reimburse Seller the actual cost of demolition in an amount not to

exceed \$98,896 based on an estimate of \$7.00 per square foot of building area.

- d. **Due Diligence:** Seller will obtain a Phase II Environmental Site Assessment, which cost will be reimbursed by City. City shall have fifteen (15) days following execution of the Agreement to complete any remaining or additional due diligence activities related to the property.
- e. **Costs and Expenses of Escrow:** Seller shall provide and pay for title insurance and the policy of title. All other escrow fees and costs will be split equally between the parties.
- f. **Pro-rations:** As of the close of escrow, taxes, assessments and other fees will be prorated between the parties.
- g. **Close of Escrow:** Escrow will close within thirty (30) days of execution of the Agreement, unless extended by mutual agreement of the parties.

Section 2. The City Manager is hereby authorized and directed to execute an Agreement for Purchase and Sale of Real Property with Robert W. Clippinger and Grace Y. Clippinger, which will include the approved business points.

Section 3. A capital improvement project (MB01) for acquisition and demolition shall be established with an appropriation of \$2,930,000 from the community projects reserve. These funds shall be reimbursed from the Community Reinvestment Capital Improvement proceeds upon issuance of the bond.

Adopted by the City of Sacramento City Council on April 11, 2006 by the following vote:

Ayes: Councilmembers Cohn, Hammond, McCarty, Pannell, Sheedy, Waters and Vice Mayor Fong.

Noes: None.

Abstain: None.

Absent: Mayor Fargo and Tretheway.

  
\_\_\_\_\_  
Robert King Fong, Vice Mayor

Attest:

  
\_\_\_\_\_  
Shirley Concolino, City Clerk