



CITY OF CARSON

Legislation Text

File #: 2017-857, Version: 1

Report to Mayor and City Council

Tuesday, November 21, 2017

Consent

SUBJECT:

APPROVING A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON PURSUANT TO CALIFORNIA GOVERNMENT CODE § 37421 ET. SEQ. SETTING A DATE FOR THE PUBLIC HEARING FOR THE POSSIBLE SALE OF CITY PROPERTY AT 2403 EAST 223RD STREET (CITY COUNCIL)

I. SUMMARY

The City is interested in possibly selling a parcel it owns at 2403 East 223rd Street to CBC Development, Inc. or an affiliated entity.

California Government Code § 37421 et. seq. requires that the City first set a date of the public hearing at which the public may make testimony regarding a possible sale; this resolution sets a Public Hearing date for December 19, 2017.

II. RECOMMENDATION

Approve Resolution No. 17-157, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, PURSUANT TO CALIFORNIA GOVERNMENT CODE § 37421 ET. SEQ. SETTING A DATE FOR THE PUBLIC HEARING FOR THE POSSIBLE SALE OF CITY PROPERTY AT 2403 EAST 223RD STREET"

III. ALTERNATIVES

Take another action deemed appropriate by the City Council.

IV. BACKGROUND

In 2014, the City acquired a property at 2403 East 223rd Street of a net 3.15 acres (137,285 sq. ft. after easements) for the purpose of reselling it for development.

The gross area of the parcel is 181,245 square feet, but it is encumbered by easements (rail, slope and billboard), of which only 5% of the easements have value. The City

acquired the parcel from the Successor Agency at the appraised value of \$3.5 million (\$25.00/sq. ft. x 137,245 sq. ft. = \$3,431,125, rounded to \$3.5 million.)

Also in 2014, Caltrans leased a 1-acre portion of the property (see map) for access to the Alameda Bridge for painting and repairs. However, Caltrans' lease expired on March 28, 2017. They have not responded to City staff regarding a new lease term.

In September, 2015 Win Chevrolet leased a portion of the site, approximately 33,615 sq. ft., for 36 months for storage of additional inventory. Their lease expires in September, 2018.

While the City has received a number of offers for the site, most have requested the City "share" in the development costs, receive ground rents or building rents in lieu of up-front payment, or write down the cost of the parcel altogether. In 2017, however, the City Council received an all cash offer from CBC Development, Inc. of \$4,500,000, well in excess of the amount paid by the City to acquire it.

Unlike Successor Agency-owned parcels, which are sold after a public hearing pursuant to a Long Range Property Management Plan, this is a City parcel and is sold pursuant to the California Government Code. Code §§ 37421 et. seq. require that the City first set a date of the public hearing at which the public may make testimony regarding the possible sale. This resolution sets the Public Hearing date for the possible sale at December 19, 2017, or as soon thereafter and the matter can be heard.

This action is the second part of a three-step process in selling City-owned parcels: (1) Council directs the negotiator as to price and terms in Closed Session; (2) Council adopts a resolution expressing its intention to possibly sell the property and setting the date of the Public Hearing, and the City publishes a notice of Public Hearing; and (3) Council approves the Agreement for Purchase and Sale of Real Property, as well as a resolution accepting the terms of the sale.

V. FISCAL IMPACT

The offer from the buyer is \$4,500,000, which would be paid to the City.

VI. EXHIBITS

1. Resolution No. 17-157 (Pgs. 3-5)

Prepared by: John S. Raymond, Director of Community Development