



CITY OF CARSON

Legislation Text

File #: 2018-961, Version: 1

Report to Mayor and City Council

Tuesday, January 08, 2019

Special Orders of the Day

SUBJECT:

PUBLIC HEARING TO CONSIDER RESOLUTION NO. 19-010, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 37421 ET. SEQ. APPROVING THE PURCHASE AND SALE AGREEMENT FOR CITY PROPERTY AT 21828 AVALON BLVD WITH MY FATHER'S BARBEQUE, LLC (CITY COUNCIL)

I. SUMMARY

The City is considering selling a City-owned parcel located at 21828 Avalon Boulevard to "My Father's Barbeque LLC" ("Buyer") which currently owns and operates a restaurant in the City.

California Government Code § 37421 et. seq. requires that the City set a date of the public hearing at which the public may provide testimony regarding a possible sale of real property. On December 4, 2018, the City adopted Resolution No. 18-171, which set the Public Hearing date for tonight's meeting.

This action is the last legislative step for selling City-owned parcels, which entail the approval of the Purchase and Sale Agreement and acceptance of the terms of the sale by adoption of Resolution 19-010.

II. RECOMMENDATION

1. OPEN the Public Hearing, TAKE public testimony and CLOSE the Public Hearing.
2. WAIVE FURTHER READING AND ADOPT RESOLUTION NO. 19-010, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 37421 ET. SEQ. APPROVING THE PURCHASE AND SALE AGREEMENT FOR CITY PROPERTY AT 21828 AVALON BLVD WITH MY FATHER'S BARBEQUE, LLC."

3. AUTHORIZE the Mayor to execute the Purchase and Sale Agreement following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE another action deemed appropriate by the City Council.

IV. BACKGROUND

The City-owned property at 21828 Avalon Boulevard ("Property") is bordered by the Renaissance City Center mixed-use development directly to the north, single family homes to the east, and a McDonald's restaurant to the south. The 10,082 square-foot Property was originally purchased by the City using General Fund for approximately \$966,282, which included \$20,000 in closing costs and \$35,284 for demolition of the improvements on the property (\$911,000 purchase price). The City Council approved this purchase on October 7, 2014. A recent appraisal (dated March 2018) conducted after the demolition of the improvements, valued the Property at \$355,000.

The Buyer is currently the owner and operator of "My Father's Bar-B-Que" located on University Drive and Del Amo Blvd. The Proposed Buyer is looking to build a new restaurant at this location, possibly including a rooftop deck.

The Buyer will acquire the Property in its "AS-IS" condition and will be responsible for any defects in the property. The Buyer will have the right to undertake normal due diligence in the transaction (title issues, environmental condition), and the City will not make any assurances regarding uses or entitlements.

Purchase and Sale Process

This Property is being sold pursuant to the California Government Code, Code § 37421 et. seq. which requires that the City first set a date for a public hearing at which the public may provide testimony regarding the sale of the property. Resolution No. 18-171, adopted on December 4, 2018, sets tonight's meeting as the official the Public Hearing date.

On December 13, 2018, the Notice of Public Hearing was published in "Our Weekly" and posted at City Hall (2 locations), Los Angeles County Regional Library at Carson, Los Angeles County Library - Victoria Park Branch, Los Angeles County Sheriff's Department, Dominguez Park, and Congresswoman Juanita Millender-McDonald Community Center.

The following are the major deal points on the proposed transaction:

- Opening of Escrow to occur within 5 days upon a fully executed Purchase and Sales Agreement (PSA);
- Buyer to deposit \$25,000 concurrently with the opening of escrow;
- A Preliminary Title Report ("Report") to be issued within 5 days upon the opening of escrow, and the Buyer will have 10 days after receipt of the Report to disapprove

any matters;

- Due diligence period is 21 days from opening of escrow, during which the Buyer is able to investigate the conditions of the property; and
- Close of escrow to occur 20 days after the commencement of the Due Diligence Period.

Tonight's action is the last part in a three-step process for 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 current offer from the Buyer is \$420,000, which would be paid to the City and deposited to the General Fund. The City as Seller will pay the 4% commission costs of \$16,800 plus normal and customary documentary transfer fees, which are estimated to be \$462. The Buyer will pay the cost of Title Policy, escrow fees, recording fees and all other escrow costs which are estimated to be \$3,500.

VI. EXHIBITS

1. Resolution No. 19-010 (pgs. 4-7)
2. Purchase and Sales Agreement (PSA) with My Father's Barbeque LLC. (pgs. 8-23)

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