



## COUNCIL REPORT

**DATE:** November 15, 2022

**CATEGORY:** Consent

**DEPT.:** Public Works,  
Community Services

**TITLE:** **Approve the Acquisition of Real Property  
at 538 Thompson Avenue  
(APN: 147-17-102)**

### **RECOMMENDATION**

1. Approve the acquisition of property located at 538 Thompson Avenue (APN: 147-17-102) owned by Patricia K. Ecker, Trustee of the Ecker Survivors Trust.
2. Approve a midyear Capital Improvement Program project, Acquisition of 538 Thompson Avenue, and transfer and appropriate \$1.47 million from the Park Land Dedication Fund and \$1.53 million from the Strategic Property Acquisition Reserve to the new project. (Five votes required)
3. Authorize the City Manager or designee to execute all documents and take all necessary action related to the acquisition of 538 Thompson Avenue (APN: 147-17-102).
4. Find that in accordance with the California Environmental Quality Act requirements, under Public Resources Code Section 21080.28, the California Environmental Quality Act requirements do not apply to the acquisition of land for preservation of lands for park purposes; and acquisition of the property is categorically exempt under Class 25, acquisition to preserve lands for park purposes.

### **BACKGROUND AND ANALYSIS**

538 Thompson Avenue is for sale in the Monta Loma neighborhood, which is in the Thompson Park Planning Area (Figures 1 and 2). The Thompson Park Planning Area currently has 2.56 acres of parks and open space per 1,000 residents, which is less than the City's goal of three acres per 1,000 residents. 538 Thompson Avenue is in a good location for a future park as it would be convenient for residents in the neighborhood with access from Thompson Avenue. There may also be opportunities for acquiring additional adjacent properties in the future providing for a larger park.

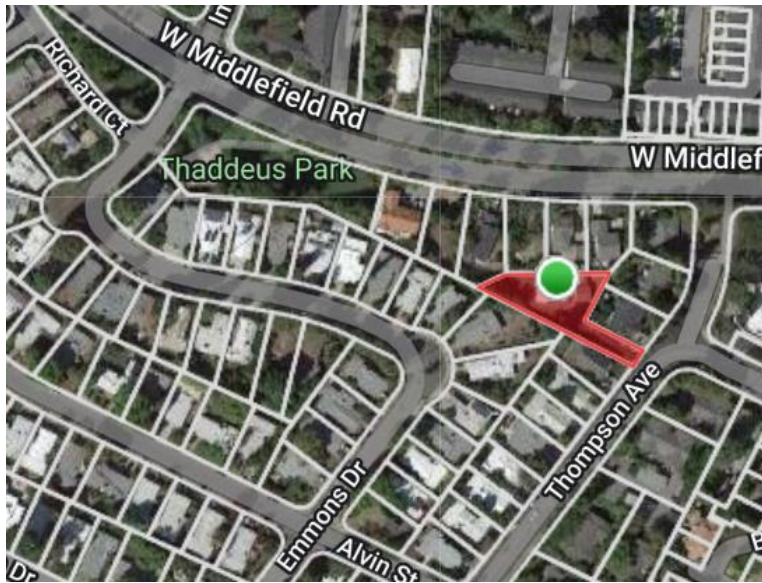


Figure 1: Location of 538 Thompson Avenue

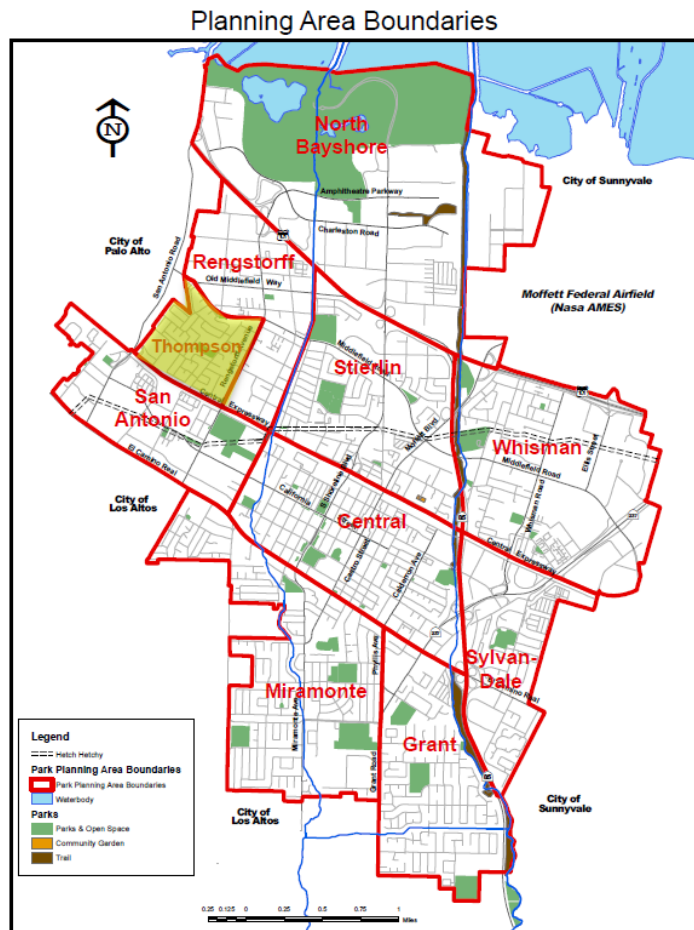


Figure 2: Thompson Park Planning Area

The 13,050 square foot (0.29-acre) lot is currently improved with a single-family home. The property is on the market for \$2.348 million. Because the property is actively listed for sale, the City is not required to have the property appraised and can negotiate a purchase price. The list price of \$2.348 million is within the realm of market value, and in negotiations, the property owner has agreed to accept \$2.348 million. In addition to the purchase price, the City is required by State law to pay all escrow fees and closing costs, per government Code, Section 7260, *et seq.*

The following terms are recommended to be included in the purchase and sale agreement (PSA) for 538 Thompson Avenue:

- The City will purchase the property for \$2.348 million and pay all closing costs.
- The purchase price is contingent upon review of title and environmental due diligence.

The total acquisition and other property-related costs are estimated to be \$3 million. In addition to the purchase price, closing costs, and City administrative fee, this budget includes \$100,000 for any unforeseen repairs required of the City as a potential landlord should the City choose to rent the house until the park is ready for construction.

### **Environmental Clearance**

In accordance with the requirements of the California Environmental Quality Act (CEQA), under Public Resources Code, Section 21080.28, CEQA does not apply to the acquisition of land for preservation of lands for park purposes. Acquisition of these properties has also been determined to be categorically exempt as Class 25, acquisition to preserve lands for park purposes.

### **FISCAL IMPACT**

The total acquisition and other property-related costs for 538 Thompson Avenue may be up to \$3 million. There is \$766,000 in Thompson Planning Area Park Land funds available for property acquisition and another \$705,000 in Citywide Park Land funds committed for property acquisition, for a total of \$1.47 million. The Strategic Property Acquisition Reserve (SPAR) has sufficient funding to provide the remaining funding needed, up to \$3 million.

The estimated cost to design and construct a mini-park is in the range of \$2 million to \$2.5 million. If there are no Park Land funds available to deliver the park when the City is ready to proceed with the project, Council may consider using Capital Improvement Program (CIP) Reserve and/or Construction/Conveyance Tax funds. Should the property acquisition be approved by Council and successfully executed, staff will add the park development to the five-year Capital Improvement Program to be adopted by Council in June 2023.

**ALTERNATIVES**

1. Do not approve the acquisition of the property.
2. Authorize a different amount for the purchase of the property.
3. Appropriate project funding from another source than the Park Land Dedication Fund and/or SPAR.
4. Provide other direction.

**PUBLIC NOTICING**

Agenda posting, and a copy of this report was sent to the property owner and the property owners' broker.

Prepared by:

Angela LaMonica  
Real Property Program Administrator

Approved by:

Dawn S. Cameron  
Public Works Director

John R. Marchant  
Community Services Director

Audrey Seymour Ramberg  
Assistant City Manager/  
Chief Operating Officer

ALM/LL/6/CAM  
930-11-15-22CR-1  
202501