



COUNCIL REPORT

DATE: June 28, 2022

CATEGORY: Consent

DEPT.: Public Works, Community Services

TITLE: **Approve the Acquisition of a Portion of Real Property at 711 Calderon Avenue (APN 158-04-001)**

RECOMMENDATION

1. Approve the acquisition of a portion of a property located at 711 Calderon Avenue (APN 158-04-001) owned by Juli Alis Whitman and Cary Thompson Weigle, Trustees of the Weigle Family Trust U/T/A, dated April 6, 1982, and Juli Alis Whitman and Cary Thompson Weigle, Trustees of the Weigle Marital Trust U/T/A, dated April 6, 1982.
2. Approve a midyear Capital Improvement Program project, Acquisition of 711 Calderon Avenue, and transfer and appropriate \$5.8 million from the Park Land Dedication Fund to the new project. (Five votes required)
3. Authorize the City Manager or designee to execute all documents and take all necessary actions related to the acquisition of a portion of property located at 711 Calderon Avenue (APN 158-04-001).

BACKGROUND

The property at 711 Calderon Avenue, located at the southeast corner of Calderon Avenue and Church Street, is a 36,036 square foot (0.83-acre) parcel of land, improved with a single-family dwelling (Figure 1). The house was constructed in 1921 and is a historic resource.

In 2018, the property owner approached the City with a proposal to move the existing house to one side of the property and sell the remaining area to the City to be developed into a park. The City informed the property owner that the property owner must acquire the necessary approvals and permits to move the historic house before any property negotiations and transactions could occur. In April 2022, the property owner obtained a permit to move the historic house to the edge of the property. The parcel remaining, after the house is moved, will have a net area of 27,308 square feet (0.63 acre) (Figure 2).

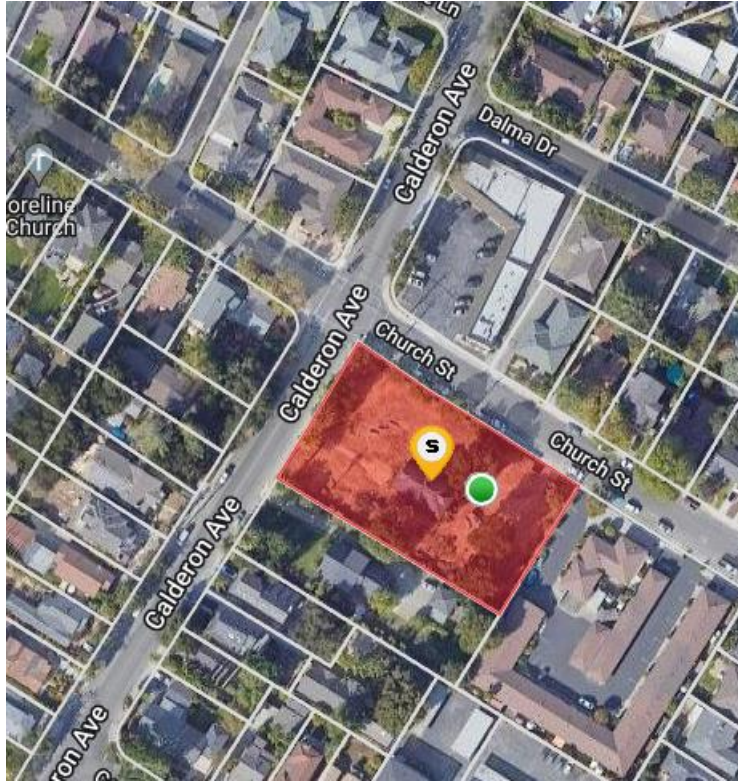


Figure 1: Aerial View of Property



Figure 2: Proposed Parcel Configuration

ANALYSIS

It is recommended that approximately 27,308 square feet (0.63 acre) of the parcel at 711 Calderon Avenue be acquired for the development of a mini-park. The property is located in the Central Planning Area of the Parks and Open Space Plan, which will have 2.06 acres of parks and open space per 1,000 residents upon completion of the new mini-park on Villa Street. Acquisition of this property for a mini-park will contribute toward reaching the City goal of three acres per 1,000 residents for the Central Planning Area.

Both the City and the property owner obtained appraisals from reputable appraisers. Based on the appraised values, staff recommends approval of a purchase price of \$5.4 million. In addition to the purchase price, the City is required by State law to pay all closing costs, including title and escrow fees, per Government Code Section 7260, *et seq.* These expenses, plus a City administrative fee of 5%, would bring the total acquisition cost to approximately \$5.8 million.

The following terms are recommended to be included in the purchase and sale agreement:

- The City will purchase the property for \$5.4 million and pay all closing costs.
- Purchase price is contingent on an Environmental Site Assessment Phase I report, commissioned by the City, that confirms the property is not likely to contain any environmental issues.
- Property owner is responsible for moving the historic house to the portion of the property they will retain.
- Property owner will have one year to move the house with an option to extend at the City's discretion, in order for the agreement to remain in effect. Escrow will close after the house is moved.

FISCAL IMPACT

The total cost of acquiring approximately 0.63 acre of 711 Calderon Avenue, including incidental real estate costs, is \$5.8 million. There is currently \$7,981,680 available in the Park Land Fund for the Central Planning Area, including \$2,139,720 committed for open space acquisition and \$5,841,960 in uncommitted funds. There is sufficient funding available in the Park Land Dedication Fund for this property acquisition.

Design and construction of a 0.63-acre mini-park is estimated to cost between \$2.0 million and \$2.5 million. After expending all of the open space acquisition funds and a portion of the uncommitted funds to purchase the property, there will be approximately \$2,182,000 remaining

in uncommitted Park Land funds for the Central Planning Area. An additional funding request for the Villa Mini-Park construction in the amount of \$1,710,000 is included in the Fiscal Year 2022-23 Capital Improvement Program (CIP), which is also being brought to Council as part of the June 28, 2022 Council agenda. Should Council also approve the Fiscal Year 2022-23 CIP as recommended, the total balance of uncommitted funds in this planning area will be approximately \$472,000. This is sufficient funding for the design of the mini-park, which staff will include in the five-year CIP to be considered by the Council in spring 2023. Funding options for the construction of the mini-park can be presented to Council when the design is complete, by which time there may be additional Park Land Dedication Funds available in the Central Planning Area.

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.
4. Provide other direction.

PUBLIC NOTICING

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

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Attachment: 1. Park Land Fund Commitment