



# COUNCIL REPORT

**DATE:** December 13, 2022

**CATEGORY:** Consent

**DEPT.:** Public Works

**TITLE:** **Biennial Real Estate Technical and Legal Services, Project 22-26—Appropriate Funding**

## **RECOMMENDATION**

1. Transfer and appropriate \$50,000 from the Construction/Conveyance Tax Fund and \$40,000 from the Park Land Dedication Fund to Biennial Real Estate Technical/Legal Services, Project 22-26. (Five votes required)
2. Acting in its capacity as Board of Directors of the Shoreline Regional Park Community, transfer and appropriate \$40,000 from the Shoreline Regional Park Community Fund to Biennial Real Estate Technical/Legal Services, Project 22-26.

## **BACKGROUND AND ANALYSIS**

Biennial Real Estate Technical and Legal Services, Project 22-26 (Project 22-26), funds studies and services for potential strategic property acquisitions, park land acquisitions, City property leases, and right-of-way transactions. The studies and services include title reports, appraisals, Phase 1 Environmental Site Assessments, specialized studies, legal support, and economic analysis. Project 22-26 is used to fund all due-diligence work on potential property acquisitions until Council authorizes the City Manager or designee to execute a Purchase and Sale Agreement and establishes a Capital Improvement Program (CIP) project budget for the acquisition. This Project also supports real estate studies and services related to City property and right-of-way for which there is no CIP capital project.

The volume and complexity of real estate transactions requiring technical and legal services has been significantly higher than usual over the last year, including the following:

- Conducting the Surplus Land Act process for Lot C at 1 Amphitheatre Parkway.
- Acquiring property for future parks on Calderon Avenue, San Rafael Avenue, and Thompson Avenue.
- Preparing annual Citywide appraisals to determine developer park land in-lieu fee amounts.

Project 22-26 currently has a budget of \$125,000, of which approximately \$9,000 remains available. This is not sufficient for the upcoming real estate work that will require technical and legal services, which include:

- Appraisals, technical studies, and legal services for additional park land purchase opportunities.
- Appraisal, economic, and legal services for a potential long-term ground lease of Lot C at 1 Amphitheatre Parkway.
- Title reports, appraisals, and various technical studies related to other City property and right-of-way interests as needs arise.

Staff recommends adding \$130,000 to Project 22-26, funded by the Park Land Dedication Fund (\$40,000), Shoreline Regional Park Community Fund (\$40,000), and Construction/Conveyance Tax Fund (\$50,000). These allocations are in proportion to the anticipated technical and legal services that will be required specific to park land, Shoreline Community, and other City needs.

### **FISCAL IMPACT**

Biennial Real Estate Technical and Legal Services, Project 22-26, is currently funded with \$125,000 using Park Land Dedication Fund (\$50,000), Shoreline Regional Park Community Fund (\$30,000), Construction/Conveyance Tax Fund (39,000), and applicant reimbursement for an appraisal originally funded by Project 22-26 (\$6,000). There is sufficient funding in the Park Land Dedication Fund, Shoreline Regional Park Community Fund, and Construction/Conveyance Tax Fund to add the recommended \$130,000 increase to the budget for Project 22-26.

### **ALTERNATIVES**

1. Do not approve the appropriation.
2. Provide other direction.

**PUBLIC NOTICING**—Agenda posting.

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