



COUNCIL REPORT

DATE: June 11, 2024

CATEGORY: Consent

DEPT.: Public Works

TITLE: **2231 West Middlefield Road
(APN: 147-17-097)—Acquisition of Real
Property**

RECOMMENDATION

1. Approve the acquisition of property located at 2231 West Middlefield Road (APN: 147-17-097) owned by Zack Azzari and Angelina Andrei.
2. Approve a midyear Capital Improvement Program project, Acquisition of 2231 West Middlefield Road, and transfer and appropriate \$2.5 million from the Open Space 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 2231 West Middlefield Road (APN: 147-17-097).
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

2231 West Middlefield Road is in the Monta Loma neighborhood and located 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. 2231 West Middlefield Road is next to 538 Thompson Avenue, which the City recently acquired for a future park. This is a good location for a future park as it would be convenient for residents in the neighborhood with access from Thompson Avenue. The combined size of the two properties would be approximately 0.49 acre (Figure 1). There may also be opportunities for acquiring additional adjacent properties in the future providing for a larger park.



Figure 1: Location of 2231 West Middlefield Road

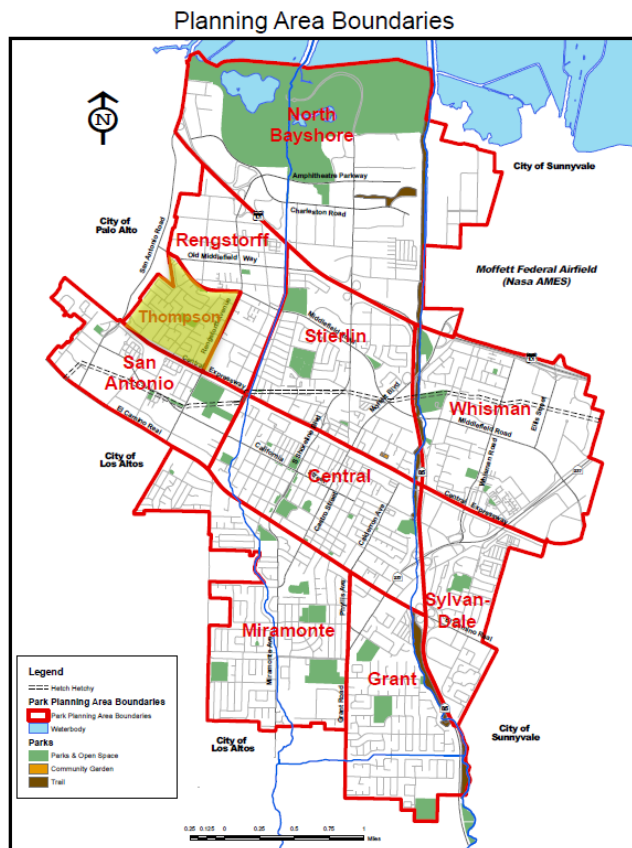


Figure 2: Thompson Planning Area

The property is 0.14-acre (6,120 square feet) with a single-family home that is 1,183 square feet with two bedrooms and two bathrooms. The City obtained an appraisal and, using the appraised value, staff negotiated a purchase price of \$2.2 million with the property owner. 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 for 2231 West Middlefield Road:

- The City will purchase the property for \$2.2 million and pay all closing costs.
- The purchase price is contingent on title review and environmental due diligence.
- A six-month rent-back is included at a nominal rate to cover property management expenses.

The total acquisition and other property-related costs are estimated to be \$2.5 million. In addition to the purchase price and closing cost, 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 the Public Resources Code, Section 21080.28, CEQA does not apply to the acquisition of land for the 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 2231 West Middlefield Road may be up to \$2.5 million. There are no funds available in the Thompson Planning Area Park Land funds nor the Citywide Park Land funds. The Open Space Acquisition Reserve has funding available to acquire the property.

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. After the acquisition of the 538 Thompson Avenue site, the park development project was included in last year's five-year CIP, adopted by Council on June 27, 2023, as Thompson Avenue Mini-Park planned for Fiscal Year 2025-26. Should the 2231 West Middlefield Road property acquisition be approved by Council and successfully executed, this site will be included with the Thompson Avenue Mini-Park project.

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 Open Space Acquisition Reserve.
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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