

Com Rpt
BF
37



RECEIVED
CITY CLERKS OFFICE
CITY OF SACRAMENTO
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
AUG 22 3 57 PM '86



APPROVED
BY THE CITY COUNCIL

AUG 26 1986

August 20, 1986

OFFICE OF THE
CITY CLERK

CITY MANAGER'S OFFICE
RECEIVED
AUG 21 1986

APPROVED
AUG 26 1986
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Purchase Agreement for Development Site at the
Northwest Corner of Stockton and Broadway, Oak Park
Redevelopment Area

SUMMARY

This staff report describes the terms of sale agreed to by the owners of the above referenced site and requests authorization to enter into a purchase agreement with the property owner. This report also requests authorization for the Agency staff to solicit bids and enter into subsequent demolition contracts as necessary to make the site ready for future commercial development.

BACKGROUND

The subject site is comprised of five parcels in one ownership and is located in the Oak Park Development Assistance Target Area as identified in the Oak Park Redevelopment Plan Update adopted March 25, 1985. A description and map of the site is attached as Exhibit 1. Currently a two-unit residential rental building, a liquor store, and a gas station are located on three of the parcels. Two parcels are vacant.

8-26-86
D-5

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

37

Redevelopment Agency of
the City of Sacramento
August 20, 1986
Page 2

Because of the key location of this site, the Agency initiated efforts to acquire the property over a year and a half ago. On August 27, 1985 the Redevelopment Agency adopted a just compensation determination based on an MAI appraisal by Blaesi and Company, Inc. dated May 1, 1985 and authorized the Executive Director to negotiate purchase. The appraised value for real property was established to be \$215,000. A goodwill appraisal prepared by the Law Offices of Sewell and Kruger and dated June 9, 1986 established the goodwill value to be \$15,000. Because the Agency had been unable to negotiate sale of the property, the Redevelopment Agency adopted a Resolution of Necessity authorizing acquisition of the subject properties by eminent domain on July 29, 1986.

Subsequent to the Resolution of Necessity, a voluntary purchase agreement was negotiated and signed by the property owner. A copy of the signed purchase agreement is attached as Exhibit B. The owner agrees to sell his property to the Agency for a total payment of \$290,000. This amount includes a payment of \$265,000 for all five parcels, improvements, and permanent fixtures; \$15,000 for good will; and \$10,000 for relocation of the owner's business. The owner agrees to vacate the property one month from execution of this agreement. Relocation of all tenants will be accomplished in accordance with Redevelopment Law. The subject purchase agreement is contingent on receiving favorable results from a soils test for contaminants related to the operation of a gas station on the property. The negotiated price is 23% over the appraised value, however, potentially less costly than eminent domain when legal fees and contingencies are considered.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

37

Redevelopment Agency of
the City of Sacramento
August 20, 1986
Page 3

FINANCIAL DATA

Sufficient funds to cover the cost to purchase the subject development site are available in cost center 0730, Oak Park Developer Assistance. Funds required for demolition are estimated to be \$31,000 and are also available from the same cost code.

ENVIRONMENTAL REVIEW

The demolition of the structures on this property are considered to be exempt from CEQA requirements.

POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with the previously approved policy and no policy changes are being recommended.

VOTE AND RECOMMENDATION OF THE COMMISSION

It is anticipated that at its meeting of August 15, 1986, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your August 26, 1986 meeting.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

37

Redevelopment Agency of
the City of Sacramento
August 20, 1986
Page 4

RECOMMENDATION

Staff recommends adoption of the attached resolution authorizing the Executive Director to enter into an agreement to purchase the subject properties for \$290,000 and to enter into contracts necessary to demolish the structures on the property.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slupe

WALTER J. SLUPE
City Manager

Contact Person: Trish Davey, 440-1322

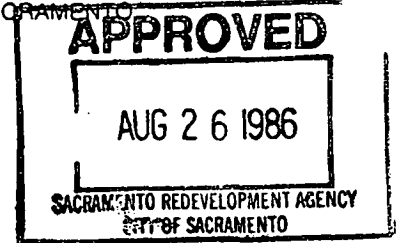
1527K

RESOLUTION NO. ⁰⁵⁵ 86-~~86~~ 37

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

August 26, 1986



PURCHASE AGREEMENT FOR
PROPERTIES LOCATED AT THE
NORTHWEST CORNER OF STOCKTON AND BROADWAY,
OAK PARK PROJECT AREA NO. 7

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO

Section 1: The Executive Director is authorized to enter into an agreement to purchase the real properties located in the block bounded by Broadway, Stockton Boulevard, 44th Street, and 4th Avenue in the City of Sacramento, owned by Massoud and Rafat Aliabadi, Bahram Noury Esfandiary, and Parvanh Mojtabali more particularly described as assessor's Parcel Numbers: 014-163-12, 13, 14, 15, and 16, as described more particularly in Exhibit 1 attached hereto and made a part hereof.

Section 2: The terms of the Agreement to purchase the real property described in Section 1 of this agreement are those agreed to be the owners on August 19, 1986 and attached hereto as Exhibit 2 and made a part hereof.

Section 3: Following purchase of the subject real property, the Executive Director is authorized to enter into any contracts necessary to demolish the existing structures on the property and make the site ready for future commercial development.

Section 4: This resolution shall take effect immediately.

CHAIR

ATTEST:

SECRETARY

0420L

EXHIBIT 1

Lots 4528, 4529, 4530, 4531, 4532 and 4533, as shown on the "Amended Plat of H.J. Goethe Company's Addition "K" to Sacramento", Recorded in Book 6 of Maps, Map No. 27, records of said County.

AMD. PLAT OF H.J. GOETHE ADD "K", AMD. PLAT OF GUST NELSON TR. & STRAWBERRY HILL

Tax Area Code

14-16

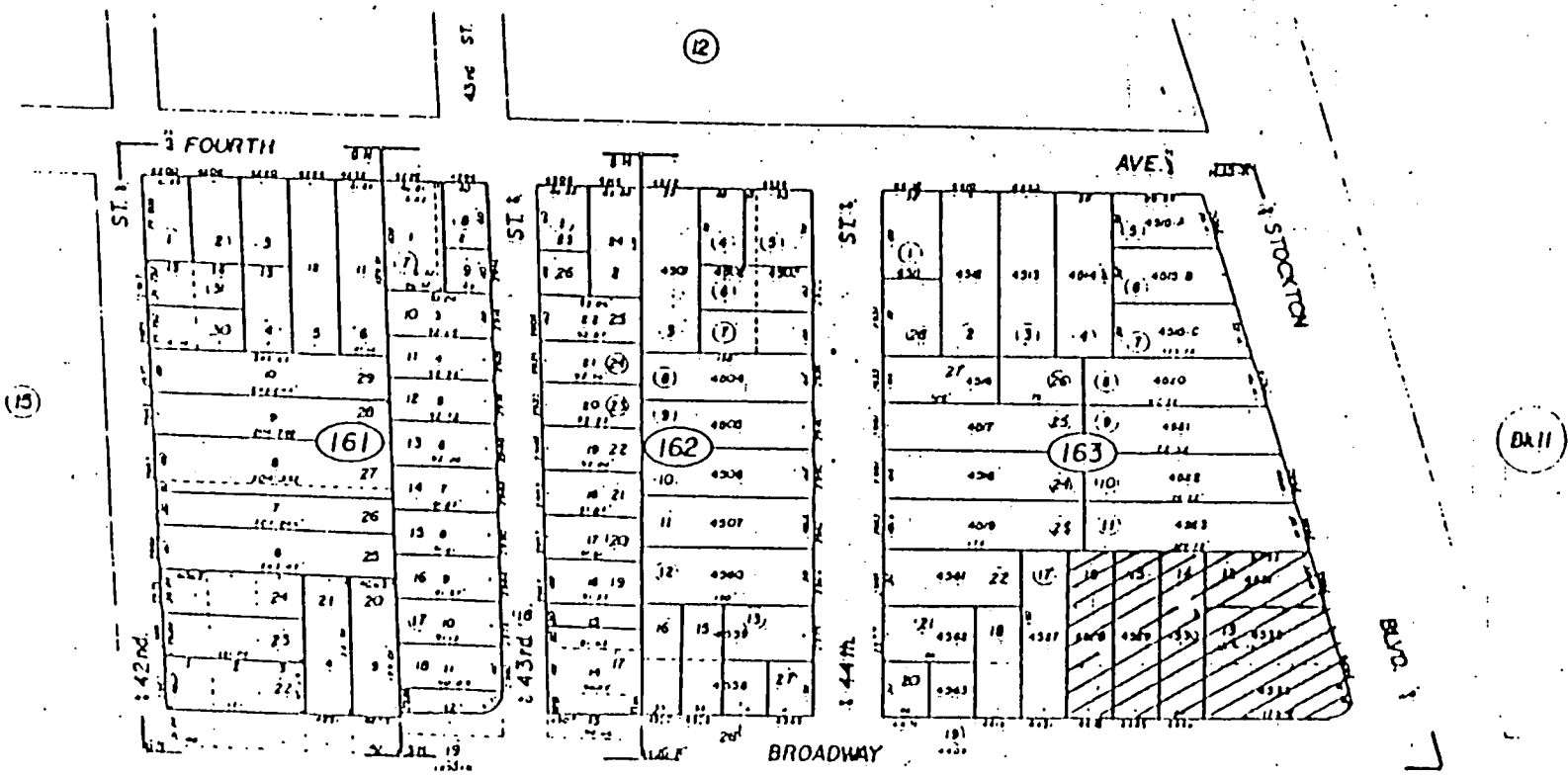


EXHIBIT 1

CITY OF SACRAMENTO
Assessor's Map Bk. M -Pg. 16
County of Sacramento, Calif.

NOTE - Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

(7)