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OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

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SACRAMENTO, CA
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January 13, 1988

Budget & Finance Committee
Sacramento, California

Honorable Members In Session:

**SUBJECT: Acquisition of Four (4) Parcels of Land Located on the North Side of K Street
Between 14th and 15th Streets**

SUMMARY:

This report recommends that the Budget & Finance Committee review and approve for action by the City Council, the purchase of four (4) vacant parcels of real property located on the north side of K Street between 14th and 15th Streets for the purpose of providing additional parking for Community Center activities.

BACKGROUND:

In early 1987, the City retained Howard A. Pearson & Associates to perform a real estate appraisal to establish the estimated market value of selected properties in the vicinity of the Sacramento Community/Convention Center. On May 15, 1987, Mr. Pearson delivered a series of property appraisals to the City Real Estate Supervisor which disclosed the estimated market value effective May 1, 1987 for several properties. Four (4) vacant parcels, currently used for surface parking, located on the north side of K Street between 14th & 15th Streets were included in the appraisals made by Mr. Pearson. In mid-June of 1987, the City Department of General Services, acting as lead agency for an Environmental Impact Report, circulated a notice of preparation for a draft EIR for the proposed City of Sacramento Community/Convention Center expansion. A public meeting was held on July 8, 1987 on the subject of the draft EIR. The City staff received testimony from property owners and interested citizens during that meeting. At that meeting, Robert A. Cook, submitted a letter indicating that the proposed lengthy EIR process was creating an unanticipated delay of his development plans for the four (4) parcels posing an unnecessary financial hardship for him. Mr. Cook further related that he was prepared to sell the property to the City and requested a copy of the Pearson appraisal before he could determine a sales price. On July 21, 1987, City Manager Walter Slife provided Robert A. Cook with a copy of the Pearson appraisal, which estimated the value of the Cook parcels to be \$1,670,000.

Mr. Cook retained David E. Lane, Inc. for a second MAI appraisal to compare with the estimated value of the City's appraisal. On December 21, 1987, Mr. Cook received a new appraisal from Mr. Lane, effective December 15, 1987 which established an estimated value of \$1,900,000 for the property. Mr. Cook shared the Lane appraisal with the City Manager's Office and after several discussions, he agreed to sell the four parcels to the City at a price of \$1,785,000 which is the midpoint between the City's appraisal by Pearson and Lane's appraisal. The City staff feels that the compromise price for the four parcels is fair because both appraisers agree that the property has appreciated during the 6 to 8 months difference in the effective date of appraisals and the dates of the real estate sales selected for comparisons.

The primary purpose for the acquisition of these parcels at this time is to provide parking for employees and clients of the Community Center and Convention Bureau activities. Currently, the City has little off-street parking for City staff and has none for clients or the general public. The City currently uses the loading ramps and access areas for the Community Center Theatre and the Exhibition Building for off-street parking. The spaces are informal and were never intended for permanent off-street parking. In addition to the Community Center complex, the City has acquired the Scofield Building which has private tenant leases and is utilized by the City for a number of meeting rooms and temporary office spaces. The Scofield Building has a gross square footage of 21,911 sq. ft. and no off-street parking. In 1986, the Convention Bureau leased 5,402 sq. ft. in the Panattoni Building, 1421 K Street, and received three (3) off-street parking spaces. More recently the City, on behalf of the Community/Convention Center administration leased an additional 5,767 sq. ft. and received four (4) off-street parking spaces. The need for employee and public parking is great because the City owns or leases approximately 42,000 sq. ft. of office space and only provides seven (7) formal off-street parking spaces and approximately fifteen (15) informal parking spaces (not usable by the public). Based on reasonable standards, the City can justify 70 to 100 parking spaces for the amount of square footage currently in use. The nature of the business carried on by Community Center and Convention Bureau staffs justifies an even higher number of spaces. The Cook parcels currently provide 79 parking spaces which are leased for private parking. Purchase of these parcels and utilization by the City may require the gradual displacement of most of the current users of the parking lot.

FINANCIAL DATA:

The purchase price of the property is set at the negotiated price of \$1,785,000 which is the midpoint between the City appraisal of \$1,670,000 and the owner's appraisal of \$1,900,000. Terms of the real estate purchase are contained in the attached agreement which includes a description of the property.

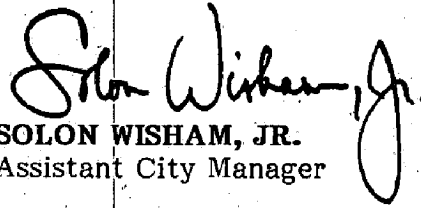
Funding for the purchase is available from the 1987 Public Facility Projects Certificates of Participation.

RECOMMENDATION:

It is recommended that the Budget & Finance Committee approve for action by the City Council, the purchase of the real property, located on the north side of K Street between 14th & 15th consisting of four parcels with Assessor Parcel Numbers of 006-0115-010 through 006-0115-013 inclusive,

and appropriate the necessary funds required to complete the transaction from funding available from the 1987 Public Facility Projects Certificate of Participation.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Solon Wisham, Jr." with a large, stylized flourish at the end.

SOLON WISHAM, JR.
Assistant City Manager

All Districts
January 19, 1988

RESOLUTION No.

Adopted by The Sacramento City Council on date of

A RESOLUTION RECOMMENDING THE PURCHASE OF FOUR (4) VACANT PARCELS OF REAL PROPERTY LOCATED ON THE NORTH SIDE OF K STREET BETWEEN 14TH AND 15TH STREETS TO PROVIDE ADDITIONAL PARKING FOR THE SACRAMENTO COMMUNITY CENTER

WHEREAS, the City desires to provide additional parking opportunities for Community Center activities, and;

WHEREAS, property owner Robert A. Cook has voluntarily entered into an agreement to sell four (4) parcels to the City at a price of \$1,785,000, a price which is based on the midpoint between two MAI appraisals,

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The City Manager is hereby authorized to execute a purchase agreement and other necessary documents to conclude the purchase of four (4) parcels of real property from Robert A. Cook as described in the attached purchase agreement and the property description designated as Exhibit A.
2. The City Treasurer is authorized to appropriate the purchase price of \$1,785,000 and an additional \$5,000 to cover closing costs from the proceeds of the 1987 Public Facilities Project Certificates of Participation (Category II) to cover the full cost of land acquisition.

MAYOR

ATTEST:

CITY CLERK

AGREEMENT TO PURCHASE REAL ESTATE

The parties to this agreement are the CITY OF SACRAMENTO
(hereafter "City") and ROBERT A. COOK (hereafter "Cook").

demnation or precondemnation activities, or any other claims related to or arising out of the subject property he may have against City are hereby settled, compromised and waived by this agreement to purchase the property.

3. INDEMNITY

Cook hereby warrants that he is the owner of the subject property and can and will convey good title to City by warranty deed prior to close of escrow. Cook further warrants and guarantees that he will indemnify, defend and save City harmless from any and all claims of whatever nature arising out of, either directly or indirectly, the purchase of the subject property by any person or entities for any reason, whether or not such claim or claims is caused, in whole or in part, by City, including any attorney's fees incurred by City.

4. TITLE

An escrow shall be opened to consummate the sale of the subject property pursuant to this agreement at the office of Western Title Insurance Company on January 27, 1988. Close of escrow and City's obligation to purchase the subject property pursuant to this agreement are conditioned on:

(a) The conveyance to City of good and marketable title to said property as evidenced by a standard form CLTA title insurance policy in the full amount of the purchase price issued by Western Title Company subject only to such liens, encumbrances, clouds, or conditions as may be approved in writing by City.

(b) Delivery of possession of the subject property to City immediately upon close of escrow and clear of all uses and occupancies except as City may waive in writing. There shall be pro-rated between City and Cook on the basis of 30 day month as of twelve midnight Pacific Standard Time on the day of the close of escrow: real property taxes levied or assessed against the subject property as shown on the latest available tax bill. Any bonds or improvement assessments which are a lien on said property shall on closing of escrow be paid by Cook. The expenses of the escrow described in this agreement shall be paid by Cook.

DATED: _____

ROBERT A. COOK

CITY OF SACRAMENTO
a municipal corporation.

By: _____

EXHIBIT "A"

All that real property situate in the State of California, County of Sacramento, City of Sacramento, described as follows:

PARCEL NO. 1:

The East 13 feet of the West one-half of Lot 7 and the West 10 feet of the East one-half of Lot 7 in the Block bounded by 14th and 15th, "J" and "K" Streets of the City of Sacramento, according to the official plat thereof.

PARCEL NO. 2:

The West 27 feet of Lot 7 in the block bounded by 14th and 15th, "J" and "K" Streets of the City of Sacramento, according to the official plat thereof.

EXCEPTING THEREFROM so much thereof as lies Westerly of a line described as follows:

COMMENCING at a point on the North line "K" Street distant North $19^{\circ} 30'$ East 40 feet and South $70^{\circ} 32'$ East 122.25 feet from the intersection of the center line of 14th Street of the City of Sacramento with the center line of "K" Street of said City; running thence from said point of beginning in a Northerly direction 56.3 feet to a point from the center line of 14th Street bears North $70^{\circ} 32'$ West 122.07 feet; thence in a Northerly direction 77.2 feet to a point from which the center line of 14th Street bears North $70^{\circ} 32'$ West 121.56 feet; thence in Northerly direction 27.425 feet to a point on the South line of an alley from which the center line of 14th Street bears North $70^{\circ} 32'$ West 121.65 feet.

PARCEL NO. 3:

The East 30 feet of Lot 7, in Block bounded by "J" and "K" and 14th and 15th Streets, in the City of Sacramento, according to the official map or plat thereof.

PARCEL NO. 4:

Lot 6 in the block bounded by "J" and "K", 14th and 15th Streets, of the City of Sacramento, according to the official plat thereof.