



CITY OF SACRAMENTO

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Acquisition of Surplus School Sites

SUMMARY

This report discusses recent developments in the City's proposal to acquire surplus school parcels from the Sacramento City Unified School District and requests City Council direction on the matter.

BACKGROUND INFORMATION

During FY 79-80, the City appropriated \$482,000 to acquire three separate surplus school parcels from the Sacramento City Unified School District. The parcels are listed as follows in the City's Capital Improvement Program.

- A. G-15 Glenbrook School Park (CP-6). Acquisition of a 5.4 acre site. Source: AB 8 State Assistance Fund. \$166,000
- B. G-16 Glenbrook Open Space (CP-6). Acquisition of a 7+ acre site. Source: AB 8 State Assistance Fund. \$211,000
- C. G-17 East Broadway Area (CP-5). Acquisition of Redding Avenue surplus school site. Source: AB 8 State Assistance Fund. \$105,000

This office is now in receipt of updated appraisals provided by the School District and specific advanced notification as an offer to sell the subject parcels. The appraisal amounts are greatly in excess of the amounts previously budgeted by the City. The amounts included in the budget were provided by the School District based on earlier determined land values. The following is a description of the School District offer.

- A. Glenbrook Parcel A. This redefined parcel consists of 14.145 acres which includes two previously described parcels indicated as G-15 and

G-16 in the City's Capital Improvement Program. The fair market value established by the Blaesi Company for Parcel A is \$656,000, excluding bonds, based on R-1 development. Additionally, the value is \$868,000 based on a planned unit development. The amount that the City has budgeted for the two parcels as combined is \$377,000, including all closing costs which were estimated on the previous value. The new fair market value leaves the City \$279,000 deficient if the parcel were declared as R-1 for highest and best use or \$491,000 deficient if the parcel is decided for PUD density. It is my understanding that the School District Board of Education has selected the PUD value as an offer to the City.

- B. The Redding Avenue School site, aka Muddox School Property. The new appraisal prepared by the Blaesi Company indicates that this 9.395 acre parcel has a fair market value of \$127,000. The City's appropriation totals \$105,000 which is \$22,000 deficient. The City appropriation included all closing costs and is therefore even more deficient.

The City is limited to a response time of 60 days on both offers. We can assume that the School District will not foreclose any City options due to the earlier expressed interest and the potential political pressure which will be applied to the School District by community groups.

CONSIDERATIONS:

The staff provides the following considerations for Council information:

- A. The City School District is allowed by State law to lease, sell or deed any surplus school property to another local government without financial consideration. The offer to sell the newly created two parcels to the City at a price which will exceed \$900,000 when closing costs are included, appears to be excessive when both agencies are responsible to the same public.
- B. The purchase of 8 acres at Glenbrook and the 9+ acres at the Redding Avenue site for public open space by the City removes a political problem for the School District since they have allowed community youth sports groups to occupy the parcels in their entirety. The School District, like the City, has a responsibility to provide for public recreation. As a matter of fact, the State Code requires the former, but not the latter, to do so.
- C. The land should be retained in public ownership for open space and recreational use. However, the City Council should negotiate with the Board of Education for a new sharing of the recreational responsibilities. This could be done by retaining the sites in District ownership or by reducing the price to an expenditure level affordable by the City.
- D. The City has been more than cooperative in assisting the School District in recent years by providing public recreation opportunity and direct school support. For Example:

1. Washington Square Park site was acquired and developed primarily to benefit the new Washington School at a cost of over \$650,000 to the City.
2. The City acquired the Coloma School site for park purposes, which relieved the District of a sensitive divesting of property.
3. The City assumed maintenance responsibility for the Sierra Play ground area and contributed \$200,000 for rehabilitation of some of the Sierra buildings.
4. The City has improved a number of School District owned properties that directly benefit the school population and the public with new recreational facilities. Some of the more recent ones include Camellia School, Maple School, Argonaut School, Morse School (Chorley Park), Woodbine School, Warren School, Peter Burnett School, Ethel Phillips School, John Bidwell School, Freeport School, Susan B. Anthony School, Kemble School, Stanford Junior High School (old Stanford site), Miller School, Hollywood Park School, John Cabrillo School and others.

FINANCIAL DATA

The City appropriated \$482,000 in FY 79-80 for the purchase of three surplus school parcels. The appropriation amount was based on prior estimates provided by the school district and included all anticipated closing costs. The new appraisals provided by the School District are in excess of the City appropriation with a range of \$301,000 to \$513,000, excluding closing costs.

ALTERNATIVES


The new land value appraisals leaves the City seriously under funded in an effort to acquire the subject surplus school parcels. The staff requires direction for the City Council before proceeding to negotiate with the School District on this matter. The following alternatives are identified for consideration by the City Council:


- A. Withdraw the offer to acquire the subject parcels.
- B. Acquire only 5.4 acres of Glenbrook Parcel A which is now the site of a developed City park (Glenbrook Park): \$250,400 to \$331,400.
- C. Offer the School District the full amount of funds appropriated by the City for the subject parcels (\$482,000).
- D. Increase the existing appropriation and acquire the subject parcels (\$301,000 to \$513,000).

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RECOMMENDATION

It is recommended that the City Council review this matter and select an alternative that provides direction to the City staff on this matter. A City staff preference is Alternative C.

Respectfully submitted,

SOLO W. WIGHAM, JR., Director
Department of Community Services

Recommendation Approved:

WALTER J. SLIPE, City Manager
SH:ket.

April 29, 1980
District 6