

STAFF REPORT

Date: January 26, 2016
To: City Council and Council acting as the Successor Agency Board
From: Bryan Montgomery, City Manager 
SUBJECT: **Approval of sale to Thomas Properties, Inc. of Undeveloped Property located at 101 and 111 Carol Lane in Oakley (APN# 037-132-038 & 037-132-0383)**

Background and Analysis

At Incorporation the County deeded the vacant property at 101 Carol Lane to the City. The property had been purchased to widen Main Street and an easement was also approved at that time that bifurcated the property to provide access to the home at 111 Carol Lane that had lost its access to Main St. with the widening project (see the attached aerial photo).

For years the City made attempts to attract development to the 101 Carol Lane property. As a part of these efforts the City even deeded the property to the then Oakley Redevelopment Agency to see if some incentives could get some interest from developers, but we were repeatedly told that the easement rendered the property undevelopable. After a couple years of negotiation, the City (not the Redevelopment Agency) was able to acquire the home and property at 111 Carol Lane – with the intent of assembling the two properties to make them developable. The home was torn down and a public solicitation of bids, pursuant to State law, was conducted for the purchase of both properties.

Two sealed bids were received, one from Thomas Properties, Inc. for \$339,000, and one from the Equus Group for \$305,000. The Council subsequently awarded the bid to Thomas Properties on September 10, 2013 (see attached resolution).

It was believed that because no Redevelopment Agency funds were used to purchase either property, the City could proceed with the sale, even though the 101 Carol Lane property was held in title at the time by the Oakley Redevelopment Agency. Due to the State's action of dissolving redevelopment agencies and the new rules imposed on the disposition of redevelopment agency assets, the State would not allow the sale to go through, but requested that the property be included in the required Long Range Property Management Plan (LRPMP) for redevelopment agency properties.

The City Council, acting as the Successor Agency Board, and the Oversight Board both approved the LRPMP in November of 2014; however, the State's review and approval of the Plan did not take place until December of 2015.

In the State-approved LRPMP the 101 Carol Lane property was designated as a "Sale of Property" with proceeds going to fulfill approved Successor Agency obligations and the value set for the property was \$25,000. (This value was set because of the easement that rendered the property undevelopable).

The attached resolution affirms the City's action to sell the property to Thomas Properties, Inc.; and, the Council acting as the Successor Agency Board, would approve the sale of the 101 Carol Lane property for \$25,000 as part of the transaction. (This amount would come out of the \$339,000 bid and be used to fulfill Agency obligations approved by the State). The Oversight Board will then need to consider approval of this action, which consideration is set for the January 28, 2016 Oversight Board Meeting. Because the LRPMP was approved prior to January 1, 2016, there is no review by the State Department of Finance.

It is important to note that Thomas Properties, Inc. does have a buyer for the project – Popeye's Chicken, and the City Council has already approved the design review and a conditional use permit for that project.

Fiscal Impact

The Successor Agency would realize \$25,000 of the sales proceeds and the City \$314,000 (revenues to the General Fund). This transaction will also lead to the development of the property that includes future property and sales tax revenues to the City and to other public entities.

Recommendation

Staff recommends that the Council and the Council acting as the Successor Agency to the Oakley Redevelopment Agency adopt a joint resolution approving the sale of 101 and 111 Carol Lane to Thomas Properties, Inc., pursuant to the State-approved Long Range Property Management Plan, and authorizes the City Manager to execute all required documents to complete the sale.

Attachments

1. Aerial Photograph of the parcels
2. September 10, 2013 Resolution accepting bid of Thomas Properties, Inc.
3. Joint resolution approving the sale



Main Street

Carol Ln

414 Carol Lane

114 Carol Lane

Easement Encumbrance

A RESOLUTION ACCEPTING THE BID FROM THOMAS PROPERTIES, INC. TO PURCHASE THE UNDEVELOPED REAL PROPERTY LOCATED AT 101 AND 111 CAROL LANE, OAKLEY, CALIFORNIA (APNS 037-132-0383 and 037-132-0375)

WHEREAS, the City is the owner of the real property located at 101 and 111 Carol Lane, Oakley, California (APNS 037-132-0383 and 037-132-0375), and

WHEREAS, on June 15, 2013, the City Council declared the property surplus and approved the publication of an Invitation to Bid so interested parties could competitively submit proposals to purchase and develop the property; and

WHEREAS, on August 27, 2013, the date and time for bids to be received, two bids were received; and

WHEREAS, Thomas Properties, Inc. has proposed to purchase the property for \$339,000 and develop within 18 months; and

WHEREAS, after careful consideration, the City Council has determined this proposal from Thomas Properties, Inc. is in the best interests of the community.

NOW, THEREFORE BE IT RESOLVED, that by adoption of this Resolution, the Oakley City Council hereby accepts the bid from Thomas Properties, Inc. to purchase undeveloped Real Property located at 101 and 111 Carol Lane, Oakley, California (APNS 037-132-0383 and 037-132-0375, and directs Staff to prepare the appropriate disposition agreement.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 10th of September 2013 by the following vote:

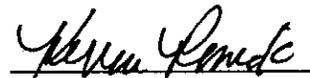
AYES: Burgis, Hardcastle, Pope, Rios, Romick

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:


Kevin Romick, Mayor

ATTEST:



Libby Vreonis, City Clerk

9-13-13
Date

JOINT RESOLUTION NO. _____

A JOINT RESOLUTION OF THE OAKLEY CITY COUNCIL AND THE CITY COUNCIL ACTING AS THE BOARD OF THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY APPROVING THE SALE OF UNDEVELOPED REAL PROPERTY LOCATED AT 101 AND 111 CAROL LANE, OAKLEY, CALIFORNIA (APNS 037-132-0383 and 037-132-0375) TO THOMAS PROPERTIES, INC.

WHEREAS, the City holds title to the real properties located at 101 and 111 Carol Lane, Oakley, California (APNS 037-132-0383 and 037-132-0375), and

WHEREAS, on June 15, 2013, the City Council declared the properties as surplus and approved the publication of an Invitation to Bid so interested parties could competitively submit proposals to purchase and develop the property; and

WHEREAS, on August 27, 2013, the date and time for bids to be received, two bids were received; and

WHEREAS, Thomas Properties, Inc. has proposed to purchase the property for \$339,000 and this bid was accepted and awarded by the City Council on September 10, 2013; and

WHEREAS, because the property at 101 Carol Lane had once been held in title by the now dissolved Oakley Redevelopment Agency, the State Department of Finance requested that this property not be conveyed until approved as part of the State-mandated Long Range Property Management Plan; and

WHEREAS, Oakley's Long Range Property Management Plan included the sale of 101 Carol Lane and the Plan was approved by the State on December 30, 2015; and

WHEREAS, to implement this item of the Long Range Property Management Plan the City Council acting as the Board of the Successor Agency desires to authorize the sale of 101 Carol Lane, and as the City Council desires to affirm its September 10, 2013 decision of selling the 111 Carol Lane property to Thomas Properties, Inc..

NOW, THEREFORE BE IT RESOLVED, that by adoption of this Resolution, the Oakley City Council and the City Council acting as the Board to the Successor Agency of the Oakley Redevelopment Agency hereby approves the sale of the undeveloped Real Property located at 101 and 111 Carol Lane, Oakley, California (APNs 037-132-0383 and 037-132-0375 to Thomas Properties, Inc and authorizes the City Manager to execute any and all documents required to accomplish the transaction.

