



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant Yates, City Manager

Prepared by: Barbara Leibold, City Attorney

Date: February 26, 2019

Subject: Commercial Property Purchase Agreement and Joint Escrow Instructions for 522 N. Poe Street (APN 377-231-003)

Recommendations

1. Approve the Commercial Property Purchase Agreement and Joint Escrow Instructions to purchase the property at 522 N. Poe Street (APN 377-231-003) for \$575,000.
2. Affirm the City Manager's execution of the Commercial Property Purchase Agreement and Joint Escrow Instructions and further authorize the City Manager to execute such other ancillary documents as may be necessary to complete the purchase, in such final form as approved by the City Attorney.

Background

The proposed real property acquisition is located at 522 N. Poe Street and is adjacent to the City's Public Works Yard. The property's location is depicted on the attached Vicinity Map.

Earlier this year, the property owner's representative contacted City staff and informed the City of the property owners' intent to list the property for sale and to inquire whether the City was interested in purchasing the property.

City negotiators conferred with the City Council in closed session on January 22, 2019 and again on February 12, 2019. Following the City Council's direction to the negotiating team, the City reached an agreement with the owner to purchase property for \$575,000.

Discussion

The lot, consisting of approximately 9,000 square feet (s.f.), is fully fenced with block walls and an electric gate. The lot is improved with a block wall building consisting of a large open shop downstairs (3,000 s.f.) and second story (800 s.f.), bag-house system for dust and debris removal, and two large bay doors.

The property presents an opportunity for the City to site the Emergency Operations Center, Public Works Yard offices or other municipal use. Accordingly, staff recommends that the City Council take advantage of this timely opportunity to acquire the property.

Fiscal Impact

The funding for acquisition in the amount of \$575,000, plus closing costs, will come from the City Hall and Public Works Facilities Fund.

Exhibits

A – Vicinity Map

B – Commercial Property Purchase Agreement and Joint Escrow Instructions