

TO: James L App, City Manager
FROM: Dennis Fansler, Management Analyst
SUBJECT: **Real Property Purchase: 940 Spring Street**
DATE: March 7, 2000

NEEDS: For the City Council to consider real property purchase.

- FACTS:**
1. The City has undertaken, and completed, negotiations with Tom Erskine, Broker, Country Real Estate, to purchase real property located at 940 Spring Street, Paso Robles, California.
 2. The negotiated purchase price is \$1,000,000.
 3. The public purpose, for the subject property, is possible future public facilities.
 4. On February 8, 2000 the Planning Commission determined that the purchase of the property is in conformity with the City's General Plan.
 5. All the conditions of escrow have, or will be, satisfied prior to the Property being transferred.

**ANALYSIS &
CONCLUSION:**

The City has negotiated and agreed upon a purchase price of \$1,000,000 for the property at 940 Spring Street. The negotiated price is within 5% of the appraised value, a negative declaration of Environmental Impact has been scheduled and there are adequate reserves in the General fund to cover the purchase price.

**POLICY
REFERENCE:**

California Government Code Section 37351 empowering legislative body to purchase property.

California Government Code Section 27281 authorizes the City Manager to execute a Certificate of Acceptance for the property purchase.

**FISCAL
IMPACT:**

\$1,000,000 from general fund budget 100-910-5450-464. Funding for this acquisition will come out of general fund reserves. Thus, unless there is some major unanticipated revenue received by June 30, 2000, this expenditure will have a negative impact upon current year general fund results. In other words, without an increase in revenues equal to the amount of the purchase, and despite the facts that there are (1) sufficient funds in reserve to cover the expense and (2) the City has other real property assets of equal or greater value available for sale, the general fund would end the year with an operating "deficit" of \$1,000,000.

OPTIONS:

- A. Adopt the resolution authorizing the purchase of real property at 940 Spring Street, APN No. 009-151-002.
- B. Amend, modify or reject option above.

RESOLUTION NO. 00-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF EL PASO DE ROBLES, CALIFORNIA, APPROVING THE PURCHASE
OF REAL PROPERTY (940 SPRING STREET)

WHEREAS, on or about October 21, 1999, Tom Erskine, Broker, Country Real Estate and the City of El Paso de Robles (herein "City") entered into negotiations to purchase real property located at 940 Spring Street, Paso Robles, California, APN No. 009-151-002 (herein the Property"), based on an appraised value of \$1,043,000; and

WHEREAS, these negotiations have concluded with a negotiated purchase price of \$1,000,000; and

WHEREAS, Government Code Section 37351 provides that a legislative body may purchase real property situate inside or outside the City limits as is necessary or proper for municipal purposes; and

WHEREAS, the public purpose for the purchase of the Property is possible future public facilities; and

WHEREAS, on February 8, 2000, the City Planning Commission determined that the purchase of the Property is in conformity with the City's General Plan; and

WHEREAS, all of the conditions of escrow have or will be satisfied prior to the Property being transferred to the City; and

WHEREAS, based on the Staff Report, Staff presentation, and public testimony received at hearing on this matter the City finds as follows:

1. The negotiated purchase price is within 5% of the appraised value, and is therefore reasonable.
2. A Negative Declaration of Environmental Impact has been scheduled for City Council consideration.
3. That the purchase of the Property for possible future public facilities is a proper municipal purpose.
4. That there are adequate reserves in the General fund for the purchase of the Property.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES AS FOLLOWS:

1. That the purchase of the Property is approved.
2. The City Manager is authorized to execute a Certificate of Acceptance as provided in Government Code Section 27281, and all other documents required to consummate the purchase.

3. The City Council hereby approves a budget appropriation in the amount of \$1,000,000 from the General Fund to budget account 100-910-5450-464.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 7th day of March 2000 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Duane Picanco, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk