



Agenda Item No. _____

File Code No. 330.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 10, 2012

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works

SUBJECT: Declaration Of Property At 306 West Ortega Street As Excess And Subject To Disposal By Public Auction

RECOMMENDATION:

That Council declare the real property located at 306 West Ortega Street in excess to the City's needs, and authorize disposition of said property according to state and local guidelines. All actions will be subject to the review and approval by the City Attorney to dispose of said property by public auction in accordance with Santa Barbara Municipal Code (SBMC) Chapter 4.28 and Section 520 of the Santa Barbara City Charter.

DISCUSSION:

The property located at 306 West Ortega Street was acquired as a necessary right of way acquisition for the Ortega Street Bridge Replacement Project (Bridge Project) (see Attachments 1 and 2). Council approved the acquisition of the Bridge Project properties on February 23, 2010. The subject property was acquired in full, due to its proximity to the bridge and potential damage to the residence as a consequence of pile driving and other heavy construction activity. The property abuts the east side of Mission Creek where the new bridge has been installed. The property was part of an existing rental complex owned by Mission Creek Properties (MCP). MCP sold the property to the City and retained an option to re-acquire the property at the same price as sold upon completion of the Bridge Project. A separate parcel was created prior to the City acquiring the property. MCP opted to not exercise their option to re-purchase the property stating that the value of the property had declined since the original sale. Subsequently, the property is now considered surplus to the City and eligible to be sold through the public auction process.

Staff will follow all necessary procedures, including noticing to agencies and the preparation and coordination of the execution of documents by authorized parties as required. All actions will be subject to the review and approval of the City Attorney to dispose of said property by public auction in accordance with SBMC Chapter 4.28 and Section 520 of the Santa Barbara City Charter.

Council Agenda Report

Declaration Of Property At 306 West Ortega Street As Excess And Subject To Disposal By Public Auction

April 10, 2012

Page 2

Pending any interest expressed by the state or local agencies being noticed of the excess land sale, staff is proposing to offer the property for sale via the City's public auction process. The public auction process was successfully used in the sale of the City excess property at 404 Garden Street in 2005. It is intended that the auction will be advertised for a two-week period with a deadline designated for receipt of sealed bids by interested parties. Bid packages containing general information about the property, including an established minimum bid, will be made available.

In addition to this process, staff is evaluating proposals from local realtors to market and list this property, as well as the other City properties, previously declared excess, using the Multiple Listing Service and all other resources available to professional real estate sales companies. This is intended to result in a larger number of parties bidding on the properties, with the expectation of increasing the proceeds from the sales. Staff is considering hiring one realtor for the sales of the residential properties, and another for the sale of the commercial property. Staff will return to Council in approximately a month to request authorization to hire the selected realtor(s).

The anticipated sale process includes accepting bids from the most qualified buyers identified which includes an earnest money deposit of \$5,000 dollars by cashier's check or money order. At bid opening, a designated City official will open the sealed bids and declare the highest bidder eligible to purchase the property. From this point, overbidding in increments of \$5,000 dollars shall be allowed until the highest bid is determined. The remaining bidders shall have their respective deposits returned. The winning bidder will then be required to complete any subsequent negotiations with staff in order to execute a Land Purchase Agreement to be approved and accepted by City Council.

Proceeds from the sale shall be deposited to a specified City Public Works account as appropriate, per Federal Highway Administration standards for use as the City's match portion of funding for future City bridge replacement projects eligible for funding under the FHWA Highway Bridge Program (HBP). The success of this effort will be a significant boost to the City's ability to finance its share of the Federal Highway Administration's HBP grant projects going forward.

The Bridge Project was funded at approximately 88.5% by the Federal Highway Administration's Bridge Replacement Program with the City making up the remaining 11.5%.

ATTACHMENTS: 1. Aerial map of property location
2. Assessor's parcel map of 306 West Ortega Street

PREPARED BY: John Ewasiuk, Principal Civil Engineer/DT/mj

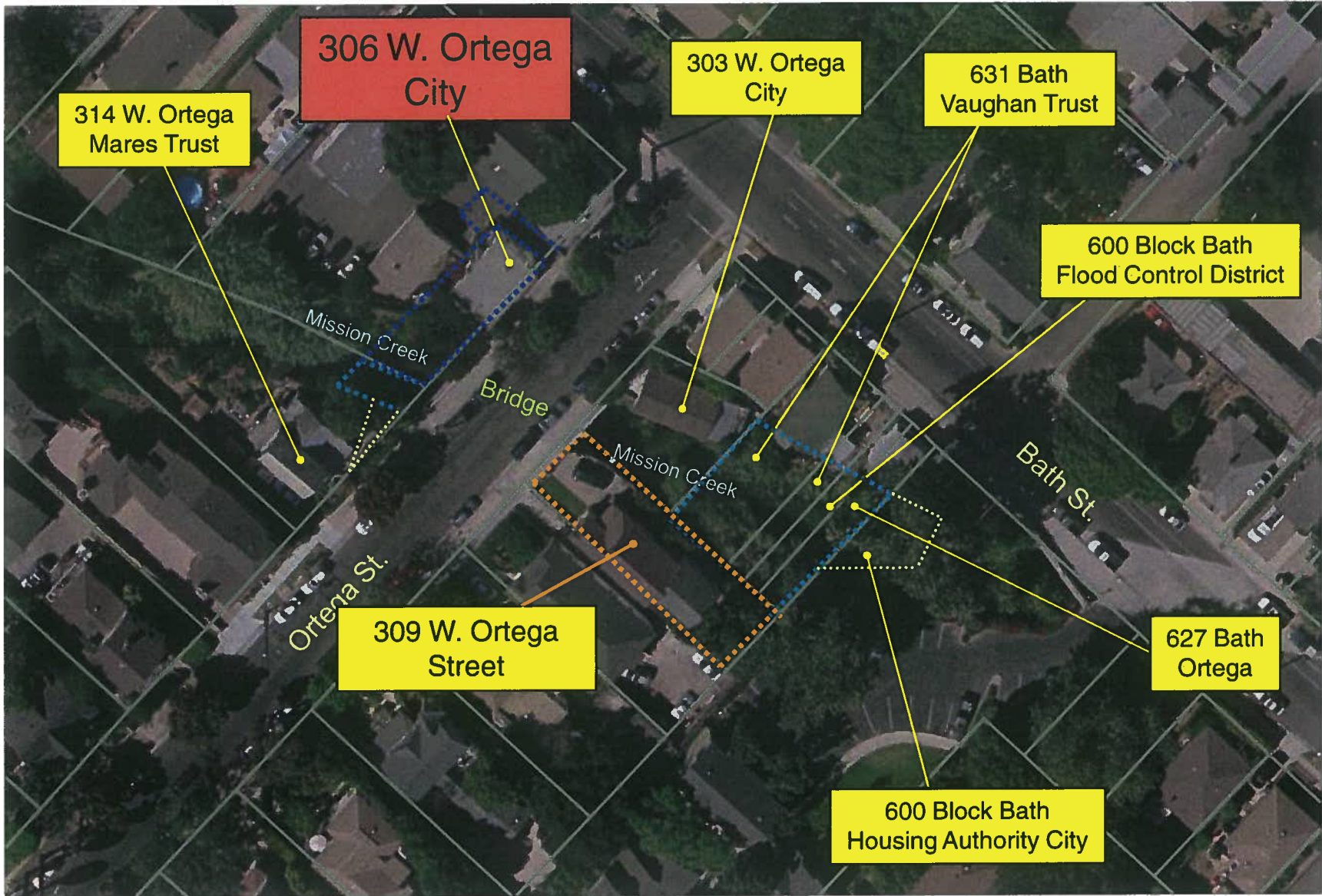
SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office

Aerial Map

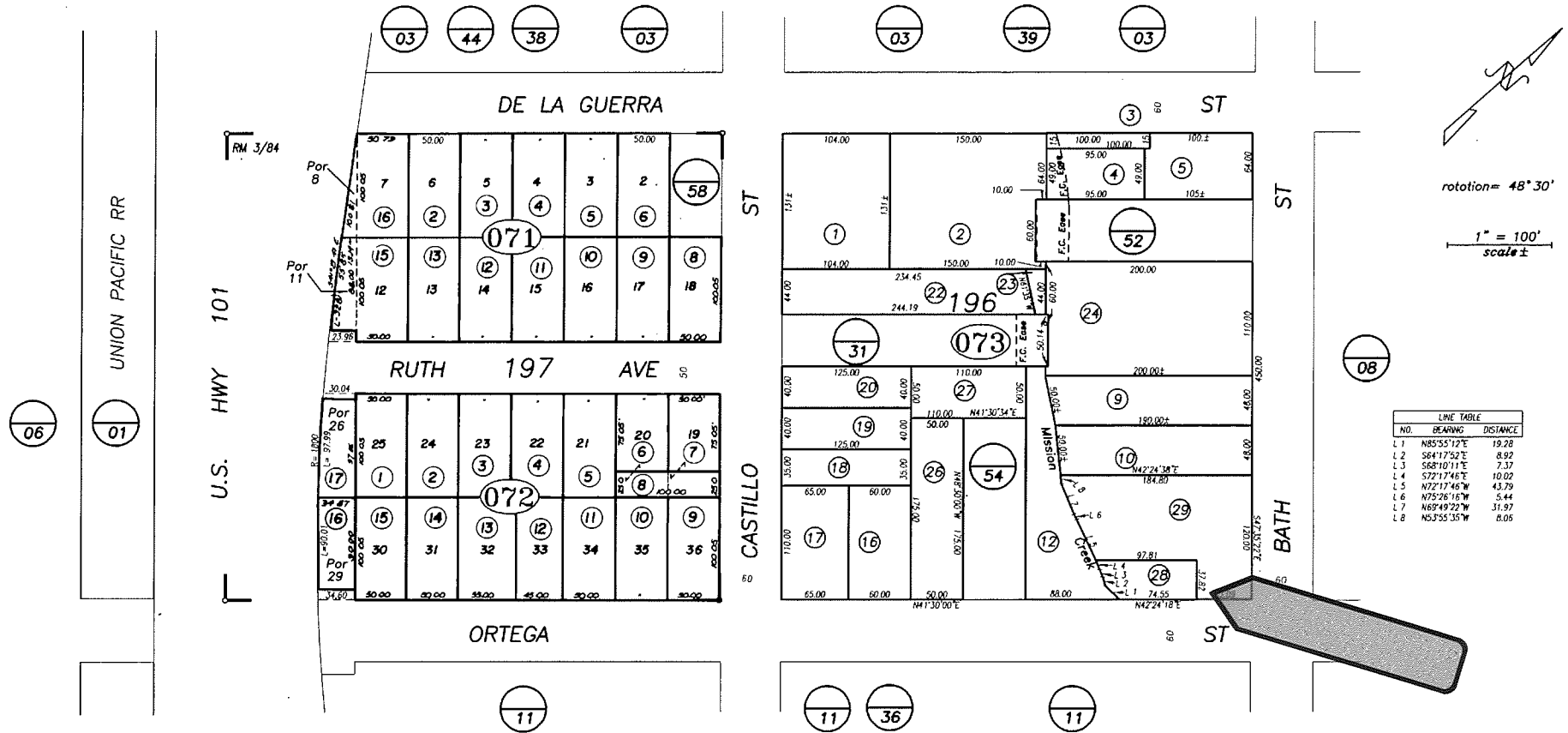
306 West Ortega Street

ATTACHMENT 1



POR. PUEBLO LANDS

037-07



rotation = 48° 30'
1" = 100'
scale ±

LINE TABLE		
NO.	BEARING	DISTANCE
L 1	N85°55'12"E	19.28
L 2	S64°17'52"E	8.92
L 3	S68°10'11"E	7.37
L 4	S72°17'48"E	10.02
L 5	N72°17'46"W	43.79
L 6	N75°26'16"W	5.44
L 7	N69°49'22"W	31.97
L 8	N63°55'35"W	6.06

NOTICE
Assessor Parcels are for tax assessment purposes only and do not indicate either parcel legality or a valid building site.

City of Santa Barbara
Assessor's Map Bk, 037 -Pg, 07
County of Santa Barbara, Calif.