



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 11, 2012

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Introduction Of Ordinance Approving Sale Of City Surplus Real Property Located At 309 West Ortega Street

RECOMMENDATION: That Council:

- A. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving the Sale of the Surplus Real Property Located at 309 West Ortega Street (APN 037-113-007) to Raquel Medina in the High Bid Amount of \$400,300; and
- B. Authorize the City Administrator to Execute the Land Purchase Agreement, Escrow Instructions and Title Transfer Documents, as approved by the City Attorney, to effectuate the sale of the real property located at 309 West Ortega Street.

DISCUSSION:

On February 7, 2012, Council authorized the sale of excess real property located at 309 West Ortega Street (Property) pursuant to Municipal Code Chapter 4.28. The Property is an approximately 4,375 square foot parcel with R-4 zoning designation, containing a 3 bedroom, 2 bath residence of approximately 1,314 square feet (see Attachment). The Property was originally purchased for \$675,000 by the City in 2010 as a necessary right of way acquisition for the Ortega Bridge Replacement Project. The Highway Bridge Program funded 88.53% of the acquisition and the City provided the 11.47% match. A portion of the Property was incorporated as vegetated creek bank for the Ortega Bridge Replacement Project. The residence underwent minor repairs after the bridge construction was complete and new landscaping with irrigation system was installed.

Marketing and Sale of Land and Noticing of Auction

On May 15, 2012, a contract for professional services with Goodwin and Thyne Properties was approved for the listing and bid sale of the Property. The professional real estate services agreement allotted for a four percent selling commission, one and one-half percent to be paid to Goodwin and Thyne as the listing agent, and two and one-half

percent to the buyer's agent. The one and one-half percent commission will be paid to Goodwin and Thyne Properties, as the only bidder did not have an agent.

A market analysis of the Property was completed and a minimum offer/bid price of \$395,000 dollars was determined. The Property was listed in the Multiple Listing Services, on the Internet, and advertised in local print publications on several occasions. Notice of the City's bid/auction process was published on two different occasions detailing the terms and date of the sealed bid/auction. Information packages were available to all interested parties, five weeks prior to the auction.

As advertised, on August 15, 2012, at 10:00 a.m., the bid/auction took place at the City's Purchasing Office, with the General Services Manager administering the sale. One sealed bid was received and opened for \$400,300 from Raquel Medina acting for herself without agent representation. This was the only bid received and as it met the minimum bid requirement, was accepted as the winning high bid per Municipal Code. Evidence of financial capability to complete the purchase was demonstrated, and a deposit in the form of a check for \$12,009 was received from Ms. Medina.

Financial - Escrow

Upon execution of the Land Purchase Agreement and Escrow Instruction by the City Administrator, an escrow will be opened and administered by First American Title Company. Title insurance and escrow fees will be split between the City and the buyer. The escrow will also administer the payment of the seller-agent sales commission, and distribute the net remaining sales proceeds to the City as follows:

Gross sale amount	\$400,300.00
Commission (1.5% to seller-seller agent)	(\$6,004.50)
1/2 Title Insurance & Escrow fees	(\$593.50)
Net proceeds to City Streets Fund	\$393,702.00

Upon close of escrow, and the effective date of the approving Ordinance, First American Title will be authorized to record the Grant Deed in the Official Records of Santa Barbara County, and the transfer of the title will be completed.

The net proceeds from the sale go to the City Streets Fund and can only be used towards eligible federal projects. These funds can be used as City match funds for eligible City bridge replacement projects.

Staff recommends that Council approve the Ordinance as presented and authorize the City Administrator to execute the Purchase Agreement and Grant Deed for the sale of the Property, as approved to form by the City Attorney.

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ATTACHMENT: Vicinity map

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

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



309 West Ortega Street

ATTACHMENT

