



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 26, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Introduction Of Ordinance Approving Sale Of Excess City Land At 536 Bath Street Related To The Cota Street Bridge Replacement Project

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the City Administrator to Execute the Land Purchase Agreement, Escrow Instructions, and Grant Deed for the Sale of Certain City Excess Land Located at 536 Bath Street to NGC FUND 1, LLC, a Delaware Limited Liability Company, in the Amount of \$579,000.

DISCUSSION:

On July 14, 2015, Council authorized the sale of excess real property located at 221 and 230 West Cota Street and 536 Bath Street (Properties), pursuant to the Municipal Code Chapter 4.28. The Properties were acquired as necessary right of way acquisitions for the Cota Street Bridge Replacement Project (Project), which is now substantially complete.

On September 15, 2015, a contract for professional services with Goodwin and Thyne Properties (Goodwin and Thyne) was approved for the listing and bid-auction sale of the Properties. The professional services agreement allowed for a three and one-half percent selling commission, one and one-half percent to be paid to Goodwin and Thyne as the listing agent, and two percent commission to the buyer's agent, should there be one. In the absence of a buyer's agent the total selling commission would be one and one-half percent of the total sales price to Goodwin and Thyne.

SUMMARY OF EXCESS PROPERTY (Attachments 1 and 2):

536 Bath Street (APN 037-161-001) is a two-bedroom, one-bath, single-family residence. It is located adjacent to the southwesterly bank of Mission Creek. The property was originally acquired as approved by Council on April 9, 2013, as a necessary right of way acquisition for the Project.

Marketing and Sale of Land and Noticing of Auction:

Goodwin and Thyne was contracted to manage the marketing and bid-sale process for the excess Properties, as mentioned, and a market analysis of the Properties was completed. A minimum offer/bid price for each of the Properties was established. The Properties were listed in the Multiple Listing Service, 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, dates, and location of the sealed bid/auctions. Information packages were made available to all interested parties five weeks prior to the auctions.

The 221 and 230 West Cota Street properties both received successful bids via the initial bid/auctions held per the Municipal Code, and the authorization to proceed with the sales was approved by Council on April 12, 2016. As reported in the April 12, 2016 Council Agenda Report, the initial bid/auction for 536 Bath Street did not receive a qualifying minimum bid, and was rescheduled for a second bid/auction on April 7, 2016, with a lower minimum bid requirement.

Per the Municipal Code, a Public Notice of the City's bid/auction process with the new date and minimum bid for the 536 Bath Street property was published ten days prior to the bid/auction date, detailing the terms, date, and location of the sealed bid/auction.

On April 7, 2016, the second bid/auction for 536 Bath Street produced three qualifying bids; one for the minimum bid amount of \$550,000, a second bid for \$550,101, and a third in the amount of \$579,000. All three bids were presented for buyers with representation by real estate agents, and all bids were qualified based on deposit and evidence of financial capability to complete the purchase as required. The buyer and seller commissions being equal, for a total of 3.5 percent for all bids, the bid of \$579,000 from NGC FUND 1, LLC, a Delaware limited liability company, was determined to be the successful bid for recommendation to Council for acceptance.

Financial – Escrow:

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

536 Bath Street:

Gross sale amount	\$579,000
Commission (1.5 percent to seller-agent)	-\$8,685
Commission (2 percent to buyer-agent)	-\$11,580
1/2 Title Insurance & Escrow fees (approximate)	-\$1,615
Net proceeds to City (approximate)	\$557,120

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

The City anticipated proceeds from the sale of the Properties associated with the Project and previously appropriated expenditures and estimated net proceeds. The appropriations were used to cover the remaining City funded construction match for the Cota and Mason Bridge Replacement Projects and a portion of the remaining City funded construction match for the Cabrillo Boulevard Bridge Replacement Project. Net proceeds will be deposited into the revenue accounts designated for sale of property for these bridge replacement projects.

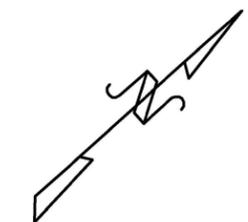
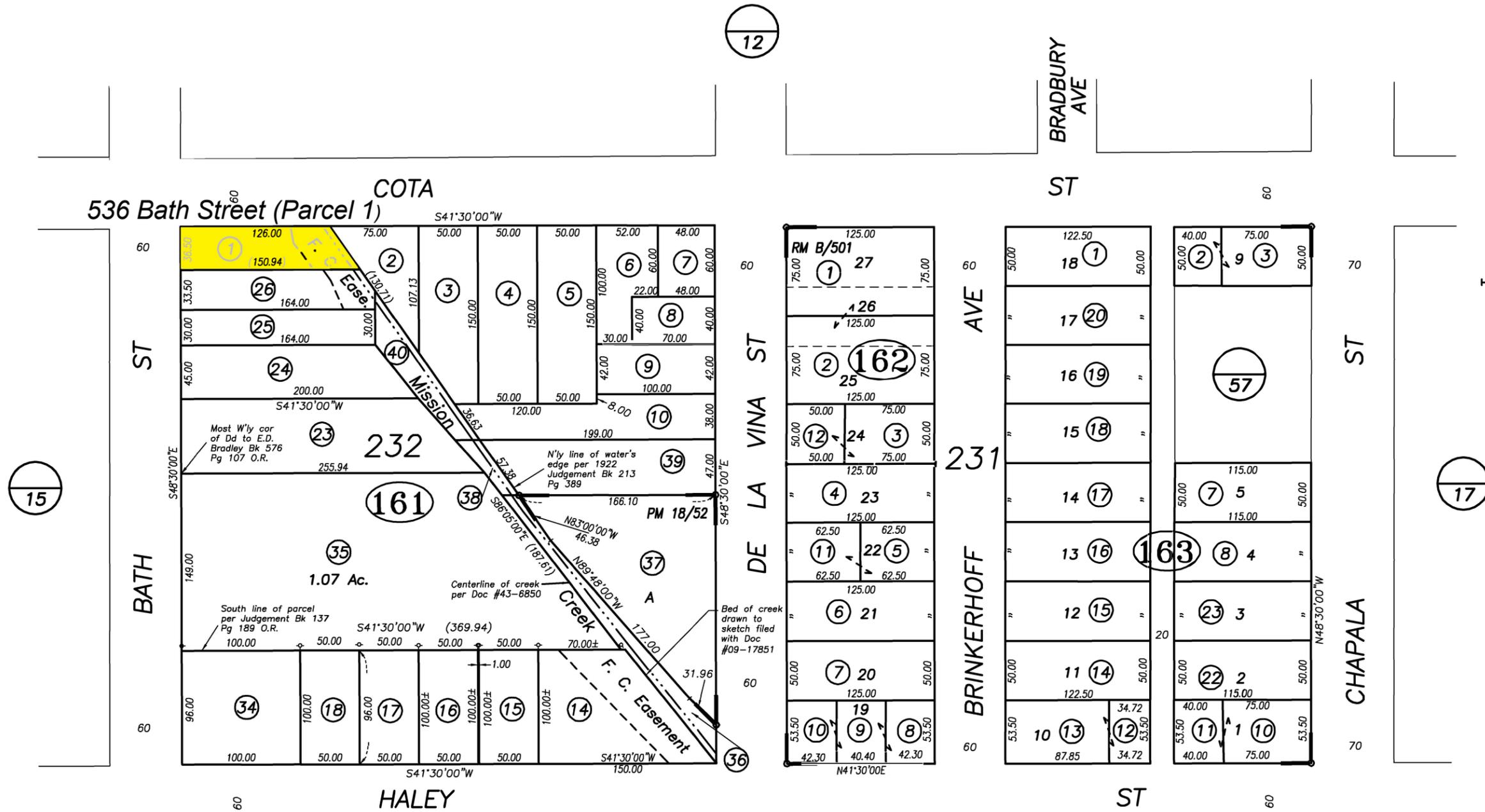
Staff recommends that Council approve the Ordinance as presented and authorize the City Administrator to execute the Purchase Agreement, Escrow Instructions, and Grant Deed for the sale of the 536 Bath Street property, as approved to form by the City Attorney.

ATTACHMENTS: 1. Parcel Map for 536 Bath Street
 2. Vicinity Map of Property

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

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

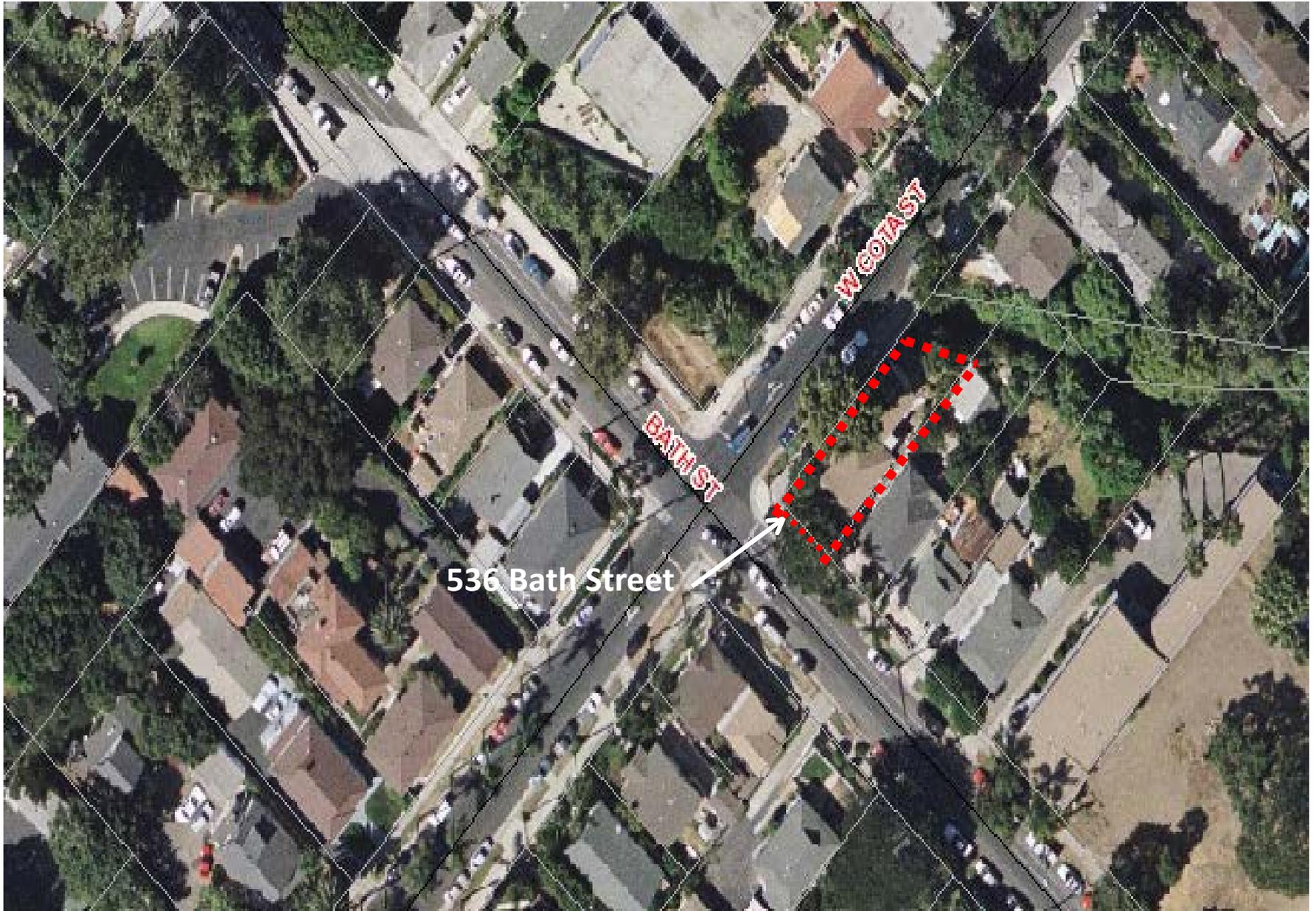
APPROVED BY: City Administrator's Office



rotation = 48° 30'
1" = 100'
scale ±

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, 16
County of Santa Barbara, Calif.



536 Bath Street

BATH ST

W GOTA ST