



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 15, 2008

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Exercise Of Option And Execution Of Agreements To Purchase Office Space At 619 Garden Street For City Offices

RECOMMENDATION: That Council:

- A. Authorize the City Administrator, or his designee, to deliver written notice to Mental Health Association Garden Street Apartments, LP (MHA), informing MHA of the City's intent to exercise the City's option to purchase an office condominium parcel described as Condominium Unit C of Parcel 1 of Parcel Map 20723 for condominium purposes, together with eight designated parking spaces within the parking garage, and associated common area located at property commonly known as 619 Garden Street, City of Santa Barbara, Assessor's Parcel Number 031-152-034;
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting Real Property Located at 619 Garden Street and Authorizing the City Administrator, Subject to Review and Approval as to Form by the City Attorney, to Execute All Documents That May be Required and Consenting to the Recordation of the Grant Deed in the Official Records, County of Santa Barbara;
- C. Authorize the transfer of funds in the amount of \$1,164,145 from the Fiscal Year 2009 Water Capital Fund budget into escrow to purchase property; and
- D. Authorize the General Services Manager to negotiate and issue a Purchase Order to Hochhauser/Blatter in an amount not to exceed \$35,000, to develop plans and specifications for construction of tenant improvements.

DISCUSSION:

On November 15, 2006, the City of Santa Barbara and MHA entered into an Option Agreement, Purchase and Sale Agreement and Joint Escrow Instructions that set forth the City's right to purchase approximately 3,100 square feet of commercial condominium office space located at 619 Garden Street (see Attachment 1). The Option Agreement established a purchase price for the property in the amount of \$1,164,145. The purchase price was allocated by Council in the Fiscal Year 2009 Water Fund Capital budget.

The purchase is for approximately 3,100 square feet of unimproved office space, along with eight designated parking spaces located in the parking garage, and a share of the common area. The City is responsible for the necessary tenant improvements (see Attachment 2). The common area will be owned by the City in common with MHA, and managed through a Declaration of Covenants, Conditions and Restrictions (CC&R). The CC&Rs will be finalized and recorded prior to close of escrow.

City Water Resources staff and staff from Community Development are scheduled to occupy this space, which is anticipated to be ready for occupancy in early 2009. Staff will relocate from the Public Works/Community Development building at the 630 Garden Street facility, freeing up much needed space and relieving current congestion. Hochhauser/Blatter is the architect to MHA for this structure and has been assisting City staff in planning the use of these spaces.

BUDGET/FINANCIAL INFORMATION:

This capital project is budgeted in the Fiscal Year 2009 Water Fund Capital Program and the Water Commission approved this project during the Fiscal Year 2009 budget process.

SUSTAINABILITY IMPACT:

The tenant improvements will be designed to the latest green building standards and maximize the use of environmental products.

ATTACHMENTS: 1. Exhibit B Description of Option Space with Floor Plan
2. City Space Layout

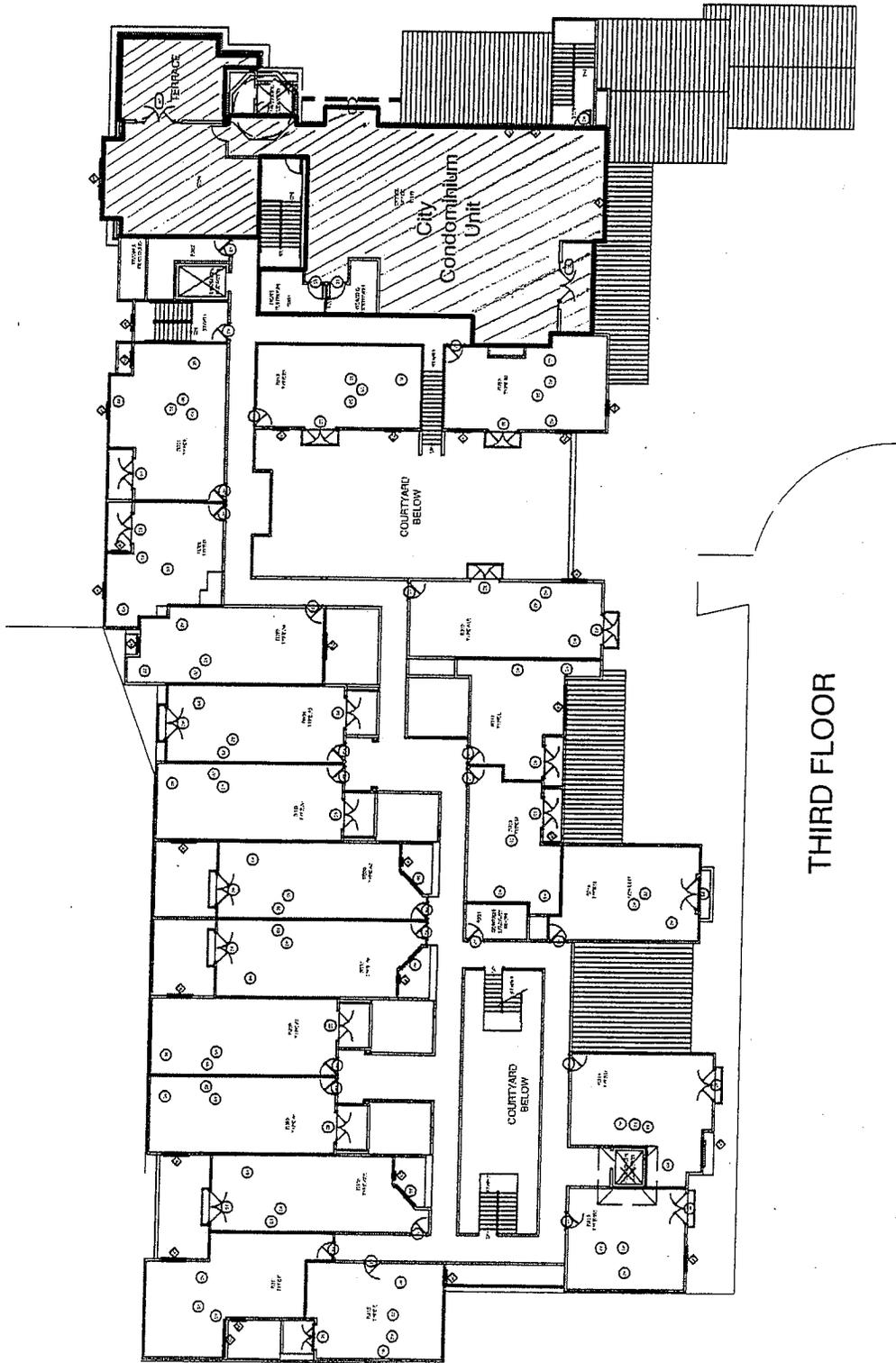
PREPARED BY: William P. McTomney, PW Administrative Officer/mh

SUBMITTED BY: Christine Andersen, Public Works Director

APPROVED BY: City Administrator's Office

EXHIBIT B
DESCRIPTION OF OPTION SPACE

The Option Space shall be located on the Third Floor of that certain mixed-use development approved by the City of Santa Barbara on the Property and shall also include eight (8) parking spaces within the parking garage located on the Property. The commercial portion of the Option Space, less the eight (8) parking spaces, shall be approximately 3,077 square feet of net space (4,013.9 square feet gross). The parking spaces included within the Option Space shall be specifically designated for the City of Santa Barbara through the Condominium Plan and associated Conditions, Covenants and Restrictions imposed on the development. The commercial portion of the Option Space is graphically depicted on the following page.



THIRD FLOOR

