



Staff Report

May 14, 2019

TO: Honorable Mayor and Members of the Town Council
FROM: Sean Rabé, Town Manager
DATE: May 14, 2019
RE: Direction on Divestment of Town-Owned Property (Mandarin Court Properties)

Recommendation

Staff recommends the Council provide direction to Staff to not divest any of the properties on Mandarin Court since they are all being used for the Town's Corporation Yard.

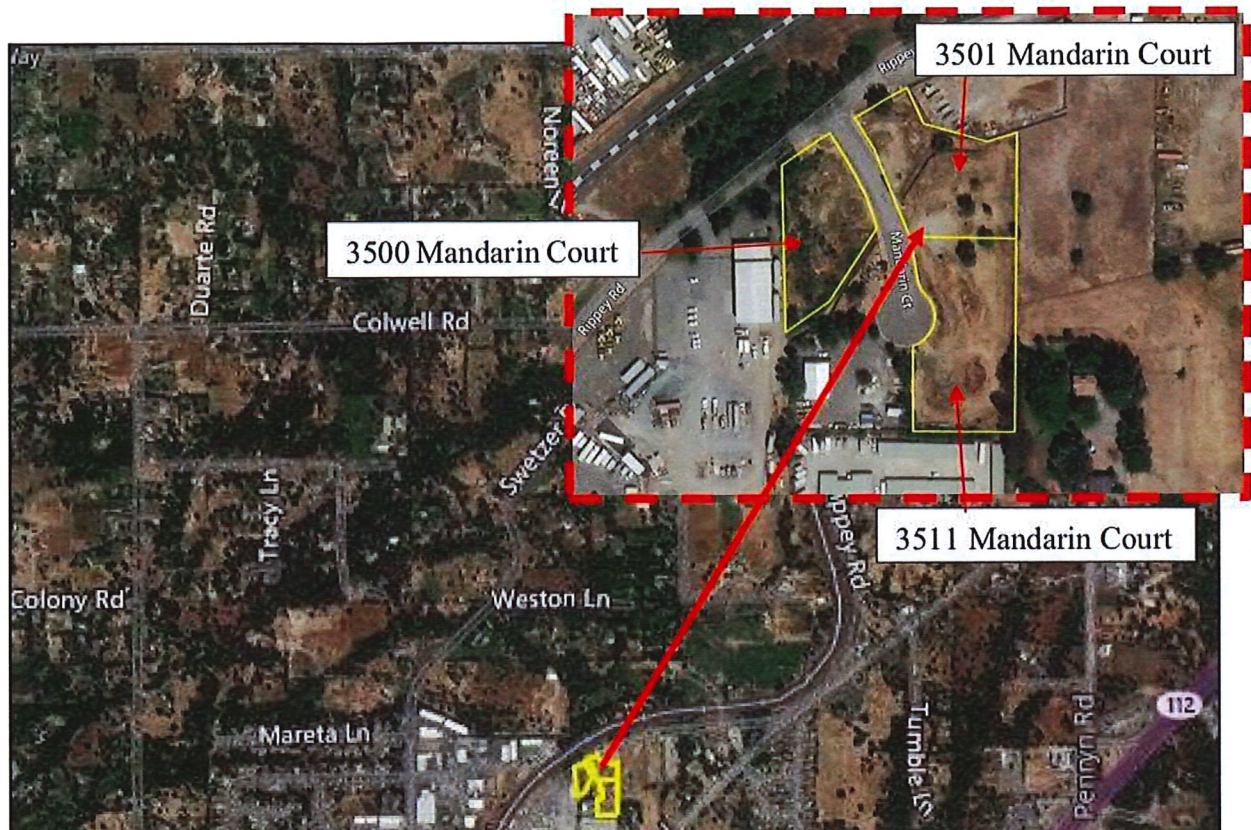
Issue Statement and Discussion

The Town Council previously provided direction to Staff to begin the process of potentially selling several Town-owned properties. At this point, Staff seeks direction on the Town-owned properties on Mandarin Court that are currently being used as the Town Corporation Yard.

As noted in previous Staff reports, there are specific processes for divesting public properties. The first step in that process is obtaining an appraisal for the property. That appraisal has been completed, but it is not attached to this Staff report in order to maintain confidentiality.

There are four parcels owned by the Town on Mandarin Court, one of which currently houses the Town's Corporation Yard. However, all of the properties are used for Town purposes – material (soil, asphalt, etc.) storage, equipment training or temporary storage during construction-related events. While the Town could consolidate its Corporation Yard into a smaller footprint, retaining the properties would be better to guard against potentially running out of room in the future.

Alternatively, Council could direct Staff to sell the parcel located at 3501 Mandarin Court. If Council wishes to divest any property on Mandarin Court, Staff proposes the Town retain the existing Corporation Yard and the two parcels immediately adjacent to it (see map below) for the eventual expansion of the Corporation Yard. The Town would then sell the remaining parcel – 3501 Mandarin Court through the open market. As noted above, however, Staff does not recommend selling any of the properties.



Should Council choose to divest 3501 Mandarin Court, Staff would request specific direction and authorization to contract with Geocon Consultants, Inc. to prepare a Phase I Environmental Site Assessment to determine if the parcel has any environmental contamination.

A recent State law (AB 806, 2016) authorizes local governments to acquire, sell or lease property for the "furtherance of the creation of an economic opportunity." Once the Town has received the results of the RFP, the Town will need to follow a specific process to sell the property, which includes approving the sale at a public hearing. The Town will need to prepare a report that discloses the estimated value of the property at that time. The Town can sell the property for less than fair market value if it wishes, but the Town must provide an explanation for doing so. An explanation as to why the sale or lease of the property will assist in the creation of economic opportunity, as defined by statute, must also accompany the report.

CEQA Requirements

None.

Financial and/or Policy Implications

The sale of the property would generate some General Fund revenue for the Town; however, Staff feels the additional revenue would not offset the potential negative of running out of room at the Corporation Yard.

Attachments

None.