



City of Culver City

Staff Report

File #: 19-104, **Version:** 1

Item #: C-3.

CC - Approval of a Purchase and Sale Agreement with WS Investments Property LLC to Purchase a Portion of a City-Owned Property Located Adjacent to 4201 Jackson Avenue.

Meeting Date: August 27, 2018

Contact Person/Dept: Joe Susca/Public Works-Administration

Phone Number: 310-253-5636

Fiscal Impact: Yes No

General Fund: Yes No

Public Hearing: **Action Item:** **Attachments:**

Commission Action Required: Yes No **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (08/21/18); WS Investments Property LLC (08/07/18)

Department Approval: Charles D. Herbertson (08/16/18)

RECOMMENDATION

Staff recommends the City Council approve a Purchase and Sale Agreement with WS Investments Property LLC to purchase a portion of Assessor Parcel Number 4209-002-900, a City-owned property located adjacent to 4201 Jackson Avenue for an amount of \$95,000.

BACKGROUND

The 4201 Jackson Avenue property is comprised of a 750 square foot single family house built in 1923, located on a 3,000 square feet, R2-zoned lot (the "Jackson Property"). The City owns the adjacent parcel comprised of a 3,742 square foot L-shaped lot that wraps around the rear of the Jackson Property. The City parcel is improved with a fenced-in walkway providing pedestrian access from Farragut Drive and Jackson Avenue to Farragut Drive and Jasmine Avenue with cobra head streetlights that illuminate the walkway at night, mature trees and a sewer main running along the rear property line that serves the Jackson Avenue/Jasmine Avenue block of houses (the "City Property") (See Attachment 1 - Photographs of 4201 Jackson Avenue).

The previous owners of the Jackson Property sold it in November 2017 to WS Investments Property LLC of Paramount, California (the "Buyer"). The Buyer will be demolishing the existing house to build a modern, two story single family house that they will eventually sell.

The Buyer wishes to purchase that portion of the City Property located immediately behind the Jackson Property to extend its depth to match those of the neighboring properties. This portion of the City Property is 15' deep by 25' wide and amounts to 375 square feet.

DISCUSSION

Staff presented the Buyer's initial offer to the City Council in closed session to obtain negotiating instructions on how to respond. After some negotiations, the City and Buyer reached an agreement on the terms and conditions of the land sale that were contained in a May 14, 2018 Agreement (See Attachment 2 - May 14, 2018 Agreement). The terms and conditions of the Purchase and Sale Agreement are as follows:

Land Sale:

- Buyer agrees to provide a \$10,000 non-refundable deposit toward the land sale transaction. *(The Buyer did so on May 15, 2018. If the Buyer fails to complete the land sale, the deposit will become the City's liquidated damages.)*
- Buyer agrees to pay the land's fair market value of \$95,000. *(Three bids were received from competing appraisers to determine the land's fair market value. The lowest bidder was Moore Real Estate Group and staff entered into a \$4,500 agreement with them administratively.)*
- Buyer agrees to cover all land sale expenses including, but not limited to, City's review of their surveyor's parcel map (Sikand Engineering; \$1,051.25), appraiser fees (Moore Real Estate Group; \$4,500), title report preparation, recording fees and all escrow fees.
- Buyer agrees to design and construct a cinder block wall along the east/west property line separating the two properties. City will review and approve Buyer's design prior to construction and City agrees to pay one-half of the verified cost to construct the wall or \$10,000, whichever is less. Buyer agrees the City side of the wall will be constructed with a smooth finish and include an anti-graffiti coating. *(The Buyer obtained 3 competing bids to construct the cinder block wall, the lowest of which was received by Yadgir Construction, Inc. in the amount of \$25,000. As such, the City will pay \$10,000 toward its cost to construct and the Buyer will pay the remaining \$15,000.)*
- Buyer agrees their house design will adhere to the Multi-Family Neighborhood Design Guidelines established for development projects in the neighborhood.
- Buyer agrees to record an easement granting the City access to the existing sewer main and to preserve the existing power pole easement and all other utility easements contained in the title report.

Cinder Block Wall Maintenance:

The utility easements, along with the following maintenance provisions, will be recorded upon the 4201 Jackson Avenue property in the form of a covenant:

- The cinder block wall will be mutually owned by City and Buyer.
- Both parties agree to maintain their side of the cinder block wall, including the removal of graffiti when it occurs.
- City reserves the right to improve its side of the cinder block wall with such alterations as electrification, lighting fixtures and painting a mural.
- City and Buyer agree that if damage or normal wear and tear occurs to the cinder block wall, both parties will split the cost to perform the repair equally unless such damage or wear and tear is caused by the City or the Buyer, in which case the party causing the damage will cover the entire cost of the repair.
- The Buyer will arrange to prepare plans for the wall's design for City review and once approved, the Buyer will proceed to construct it.

FISCAL ANALYSIS

On May 15, 2018, the Buyer submitted a non-refundable deposit of \$10,000 toward the land sale.

The \$95,000 fair market value of the land plus approximately \$5,551.25 in City expenses the Buyer has agreed to pay is offset by the City's \$10,000 contribution toward construction of the cinder block wall and the Buyer's \$10,000 deposit. The net amount of approximately \$80,551.25 will be deposited into the City's Land Sale Deposit Account No. 10116100.386350.

ATTACHMENT

1. Photographs of 4201 Jackson Avenue
2. May 14, 2018 Agreement

MOTIONS

That the City Council:

1. Approve a Purchase and Sale Agreement to sell a portion of City property located adjacent to 4201 Jackson Avenue to WS Investments Property LLC for its fair market value; and
2. Authorize the City Attorney to prepare the necessary documents; and

3. Authorize the City Manager to execute such documents on behalf of the City.