



# City of Morgan Hill

## Legislation Text

---

File #: 16-641, Version: 1

---

## **SUCCESSOR AGENCY STAFF REPORT**

### **MEETING DATE: SEPTEMBER 21, 2016**

PREPARED BY: Leslie A. Little, Asst. City Manager/Community Development  
APPROVED BY: City Manager

### **AUTHORIZATION OF SALE OF 11,000 S.F. REMNANT PARCEL, SITE 7- EL CAPRI/GATEWAY, APN 764-10- 006, TO MOHAMMAD HABIB, CONSISTENT WITH THE NOVEMBER 2013 LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP)**

#### **RECOMMENDATION(S)**

Adopt a Resolution:

1. Authorizing staff to accept offer of \$10,000 from Mohammad Habib for the purchase of the eleven thousand square foot (11,000) remnant parcel of land located on North Monterey Road, on the northwest side of the intersection on Monterey and Cochrane Roads, APN 764-10-006, known as Site 7 in the Long Range Property Management Plan;
2. Authorizing the City Manager, as Executive Director of the Successor Agency, to execute a purchase and sale agreement and other related documents to effect the transfer; and
3. Directing staff to forward the recommendation to the Morgan Hill Oversight Board for its review and concurrence.

#### **REPORT NARRATIVE:**

Pursuant to Health and Safety Code Section 34191.5, and in accordance with laws governing the dissolution of redevelopment agencies, within six months after receiving a Finding of Completion from the State Department of Finance (DOF), each redevelopment agency Successor Agency is required to submit for approval to the Oversight Board and State Department of Finance, a Long Range Property Management Plan (LRPMP) that addresses the disposition and use of all real properties previously owned by a former Redevelopment Agency (RDA). On June 4, 2013, the Successor Agency to the former Morgan Hill RDA received a Finding of Completion from the DOF. On November 30, 2013 the Successor Agency submitted Morgan Hill's LRPMP to the Morgan Hill Oversight Board for review. The LRPMP was approved by the Oversight Board on November 30, 2013, and subsequently reviewed and approved by DOF.

Site 7 is a remnant parcel which was acquired by the former RDA in April of 2008 to facilitate the acquisition of a key downtown parcel located at 17450 Monterey Rd (the office building portion of the former Downtown Mall site). The property is zoned commercial general (CG) and is vacant. The RDA paid \$300,000 for the site in the multi-parcel acquisition. The lot is 11,000 s.f., is irregularly shaped, lacks sufficient dimension to be developed individually, and has no access from Monterey Road. Its value comes from being combined with an adjacent property. Minimum lot dimensions for the CG

zone require lot width of 100 feet and lot depth of 100 feet. In addition, minimum front and rear setbacks are 25 feet and building coverage is limited to 50%.

The 2013 LRPMP indicated that the use/disposition of the property should be disposition. In early 2014, the Successor Agency listed and advertised the property in conjunction with other properties for sale/development in the Downtown. In addition, a large real estate sign has been posted on the property since 2014, indicating its availability. On November 21, 2014, the Successor Agency received one offer for the property of \$1,000. With continued visibility in the market, on July 18, 2016, an offer of \$10,000 was received for the property. This latter offer is the subject of this request.

### **PRIOR ACTIONS:**

On November 30, 2013, the Successor Agency submitted Morgan Hill's LRPMP to the Morgan Hill Oversight Board for review. The LRPMP was approved by the Oversight Board on November 30, 2013, and subsequently reviewed and approved by DOF. The LRPMP recommended disposition of Site 7. Subsequently, in early 2014, the Successor Agency advertised the availability of the parcel and placed a large real estate "for sale" sign on the site.

### **FISCAL AND RESOURCE IMPACT:**

The proceeds of the sale of the property will shared with County taxing entities. The City will receive its representative portion of the sale, which is 10% or approximately \$1,000.

### **CEQA (California Environmental Quality Act):**

Not a Project.

The real property sales transaction results in a transfer of title to real property only, with no particular additional development forecasted, planned, or anticipated and will not result in any change in the physical environment such that this action does not constitute a project under the provisions of the California Environmental Quality Act of 1970 and regulations promulgated thereunder.

### **LINKS/ATTACHMENTS:**

1. LRPMP Description
2. Site Map
3. Legal Description
4. Resolution
5. Letter from Buyer