

*STAFF REPORT**CITY OF OCEANSIDE*

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DATE: November 10, 2010

TO: Honorable Mayor and City Councilmembers

FROM: Economic & Community Development Department/ Property Management

SUBJECT: **DECLARATION OF CITY-OWNED PARCEL OF LAND AS SURPLUS PROPERTY; APPROVAL TO ISSUE REQUEST FOR PROPOSALS FOR THE SALE OR LEASE OF THE PARCEL OF LAND TO THE PUBLIC**

**SYNOPSIS**

Staff recommends that the City Council declare as surplus property a City-owned vacant parcel of land 4.86 total gross acres in size, located at the northeast corner of Rancho del Oro Drive and Oceanside Boulevard (Portion of APN 162-082-45) that is no longer needed for public use; and approve the issuance of a Request for Proposals for the sale or lease of the property.

**BACKGROUND**

The subject property consists of approximately 4.86 total gross acres located at the northeast corner of Rancho del Oro Drive and Oceanside Boulevard ("Property"). Currently, the Property is vacant land and is in a rough-graded condition. The Property will require additional improvements before it can be developed. The zoning of the property is M-1 Light Industrial. See Exhibit "A" for a depiction of the Property.

The Property was originally acquired in 1997, as part of a larger parcel of land for different public purposes ranging from habitat mitigation, right-of-way expansion to flood control improvements in connection with the Rancho del Oro Master Plan. During the construction of Rancho del Oro Drive staff determined that a pad could be created with the excess dirt from construction.

**ANALYSIS**

The property is no longer needed for the improvement of the City rights-of-way, habitat mitigation or facilities as originally contemplated. Once the Property is declared surplus it will be presented to various governmental agencies in order to determine if there is any interest by those agencies. If no interest is shown by those agencies, the Property may be made available to the public to purchase or lease.

Due to the interest by the public to develop property in the City of Oceanside similar to this Property, the sale or lease of the Property could command market prices relative to the entitlements made to the Property (e.g., tentative map, etc.).

Following the issuance of an RFP for the sale or lease of the Property to the public, there will be a two-month period in which an interested party can submit a response to the RFP to acquire or lease the Property. A copy of the RFP is attached as Exhibit "B". The response to the RFP will need to include such items as the proposed use, purchase price or lease rent, terms and conditions, and the estimated closing or occupation date and any proposed improvements. The purchase price or lease rent for the Property may be subject to an appraisal.

### **FISCAL IMPACT**

The potential revenue from the sale of the Property would be a minimum of \$1,500,000 and could go as high as \$2,500,000. The potential lease rent for the Property would be in the range of \$7,500 to \$15,000 per month. The revenue from the sale or lease of the Property could be affected by the cost of additional grading and improvements to the Property; the size of the developable pad; ingress and egress; off-site utility costs; financing considerations; and the type of development on the Property and the entitlements.

Further, the Property currently requires annual maintenance for weed abatement and periodic litter removal. Inasmuch as the owner of the property is the party responsible for the maintenance thereof, the sale or lease of the Property would also relieve the City of this responsibility in the future. Thus, sale of the Property would also provide a slight maintenance expense savings to the City.

### **COMMISSION OR COMMITTEE REPORT**

Does not apply.

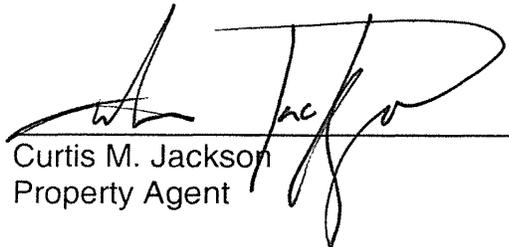
### **CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

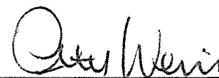
**RECOMMENDATION**

Staff recommends that the City Council declare as surplus property a City-owned vacant parcel of land 4.86 total gross acres in size, located at the northeast corner of Rancho del Oro Drive and Oceanside Boulevard (Portion of APN 162-082-45) that is no longer needed for public use; and approve the issuance of a Request for Proposals for the sale or lease of the property.

PREPARED BY:

  
Curtis M. Jackson  
Property Agent

SUBMITTED BY:

  
Peter A. Weiss  
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager

  
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Jane McVey, Economic and Community Development Director

  
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Doug Eddow, Real Property Manager

  
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Teri Ferro, Financial Services Director

  
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Exhibit A  
Exhibit B



**CITY OF OCEANSIDE  
REQUEST FOR PROPOSALS  
FOR CITY – OWNED REAL ESTATE  
OCEANSIDE, CALIFORNIA**

The City of Oceanside (the “City”) is soliciting Requests for Proposals for the purchase or lease of a parcel of vacant real property in the City of Oceanside, County of San Diego, State of California (the “Subject Property”), more particularly described on attached Exhibit “A”, incorporated herein by this reference

This acquisition opportunity in Oceanside is unique and exciting for many reasons:

- 1) Located within easy access to Highway 76 and Highway 78, which in turn easily accesses Interstate 5 and Interstate 15;
- 2) Oceanside’s close proximity to the major markets of San Diego (35 miles south); Orange County (18 miles north) and Los Angeles (83 miles north);
- 3) Available and value priced real estate, a large, quality labor force, affordable housing and nearby universities and colleges; and,
- 4) Some of the finest weather and recreational amenities in the country, including miles of beautiful beaches, a historic harbor and marina, a variety of parks and golf courses and cultural and historical facilities.

**The Subject Property**

The Subject Property consists of one parcel of real property owned by the City. The Subject Property is currently in an unimproved condition and will be delivered to the prospective purchaser or tenant in an “as is” “where is” condition. The Subject Property is 4.86 gross acres.

The zoning of the Subject Property is PD-1 (Planned Development for the Rancho Del Oro Master Development Plan). Per the Rancho Del Oro Master Plan, the area is zoned M-1 for Light Industrial. Prospective purchasers or tenants will need to verify the specific zoning and related permitted uses. Access to the parcel is off of the public rights of way. The prospective purchaser or tenant will need to verify required improvements, if any, to the public rights of way with respect to the parcel.

**Selection Process**

Purchaser or tenant selection is anticipated to occur through the process outlined herein and based on the described selection criteria and submittal requirements. The City is seeking proposals from individuals and entities with the financial capacity to acquire or lease the Subject Property.

## **Procedures/Schedule**

The procedures for selection are as follows:

- 1) Proposals are requested to be submitted to the City within 45 days of the date of this Request for Proposals;
- 2) Following timely receipt, submissions will be reviewed by staff within 30 days;
- 3) The most desirable and qualified parties may be invited for an interview and presentation of their proposal; and
- 4) Following review and discussions with the interested parties and analysis of the proposal, staff will recommend selection of a party to negotiate a purchase and sale agreement or a ground lease agreement with the City and a \$10,000 non-refundable deposit will be required for the right to negotiate exclusively with the City.

## **Selection Criteria**

The focus of the selection process will be on the following issues:

- 1) The financial ability of the prospective purchaser or tenant to acquire or lease the Subject Property, either individually or collectively, as the case may be.
- 2) A description of the proposed use of the Subject Property by the prospective purchaser or tenant.
- 3) The financial benefit to the City of Oceanside by the proposed use of the Subject Property.
- 4) The proposed Terms (which may be subject to a MAI appraisal) for the Subject Property.

## **Submittal Requirements**

Please provide five (5) sets of the information requested below, of which one set shall be unbound, with the exception of the Financial Capacity materials, of which two (2) copies are to be submitted under separate cover on a confidential basis.

- 1) Prospective Purchaser or Tenant – Identify the entity that would contract with the City, including all joint venture/limited partners and their percentage interest.
- 2) Financial Capacity – *provided on a confidential basis*
- 5) Describe the development proposed for the Subject Property, including a concept plan describing the improvements proposed.

## **Offer to Exclusively Negotiate**

Upon selection of the prospective purchaser or tenant, the City will negotiate a purchase and sale agreement or lease agreement exclusively with the prospective purchaser or tenant. By submitting qualifications to the City, the prospective purchaser or tenant is also agreeing that the City retains the right to modify, suspend or terminate all aspects

of the selection and exclusive negotiating process and to waive any defects as to form or content of the offering or any responses that are received.

**Conclusion**

Submittal packages should be addressed to:

City of Oceanside  
Attention: Curtis M. Jackson, Property Agent  
300 North Coast Highway  
Oceanside, California 92054

**Please return your response no later than 4:00 p.m., \_\_\_\_\_, 2011**