

OB Report

Meeting Date: September 26, 2022

Subject/Title: ADOPT Resolution 2022/38 Approving and Directing the sale of property located at 7030 Brentwood Blvd., owned by the Brentwood Successor Agency, to the City of Brentwood for right-of-way purposes

Prepared by: Joshua Ewen, Senior Analyst, City of Brentwood

PURPOSE AND RECOMMENDATION

The Successor Agency is the owner of the vacant former Los Mexicanos Market located at 7030 Brentwood Boulevard. The roadway right of acquisition is required for a future project to widen Brentwood Boulevard from Marsh Creek to approximately Sunset Road. The .49 acre dedication will be acquired by the City for a fair market value of \$1,000 to be used as future roadway.

If approved by the City Council/Successor Agency Board, staff will present the agreement to the Countywide Oversight Board and State Department of Finance for final approval. Denial of this action will delay the planned widening of Brentwood Boulevard at this location and require future action to acquire the necessary right of way.

CITY COUNCIL STRATEGIC INITIATIVE

Focus Area 1: Public Works Goal 1. Transportation: Proactively engage and collaborate with regional transportation agencies and stakeholders to facilitate the safe and efficient movement of people and goods, Action C: Pursue grant funding to improve the Brentwood Blvd. corridor (e.g. underground existing utility lines, widen portion of Brentwood Blvd., etc.).

Focus Area 3: Economic Development, Goal 1. Implement strategic actions identified in the Downtown and Brentwood Blvd. Specific Plan Updates Action A: Encourage private re-investment through the sale of Successor Agency and City owned real properties.

PREVIOUS ACTION

On December 14, 2010, City Council, by way of Resolution No. 2010-176, adopted Council/Administrative Policy No. 10-20, Disposition of City/Agency Real Estate to provide guidance for the disposition of excess or surplus real estate owned in fee title by the City of Brentwood ("City") or the former City of Brentwood Redevelopment Agency ("Agency").

On February 13, 2018, the City Council adopted Resolution No. 2018-13, and the governing Board of the Successor Agency adopted Resolution No. 2018-04-SA, accepting the grant of nine parcels of real property, including 7030 Brentwood Boulevard, APN 016-010-016.

On October 13, 2020, by way of City Council Resolution No. 2020-132, the Council declared certain real property as surplus, authorized the City Manager or his designee to provide notification to required parties under State law and authorized the City Manager or designee to offer the properties for sale.

On June 28, 2022, City Council, by way of City Council Resolution No.2022-85, adopted the 2022/23 – 2026/27 Capital Improvement Program (CIP) including roadway, parks and trails, water, wastewater and community facilities improvements to be constructed during the next five

years.

BACKGROUND

Capital Improvement Program

Brentwood Boulevard Widening North - Phase I is included in the City's Strategic Plan for FY 2022/23 - FY 2023/24 and approved 2022/23 – 2026/27 Capital Improvement Program (CIP). This project is planned to continue the widening of Brentwood Boulevard (120' right-of-way) with two lanes in each direction (approximately 500') and will include two bike lanes, curb and gutter, medians, sidewalk on the east side, streetlights and landscaping on each side of the roadway. This project will also include a new parallel bridge over Marsh Creek, upgrading existing utilities, and moving the overhead power lines, telephone lines and cable lines underground. This project will improve safety and traffic flow, and facilitate adjacent development. The remaining work on this project consists of additional widening of Brentwood Boulevard (including demolition of the vacant structure at 7030 Brentwood Blvd.), undergrounding existing overhead utilities, and a new bridge over Marsh Creek. As part of this project, the City needs to acquire a portion of the frontage of the Successor Agency property located at 7030 Brentwood Boulevard.

Successor Agency Property Disposition Process

The former Los Mexicanos property located at 7030 Brentwood Boulevard is owned by the Brentwood Successor Agency. The Successor Agency is required pursuant to the State Dissolution Law to dispose of all real property that was owned by the former Redevelopment Agency (RDA), with a goal of maximizing the value that can be obtained from that property. City staff is in the process of moving forward with the disposition of the remaining Successor Agency properties based on City Council direction and the requirements of the Dissolution Law.

The 2.1 acre property fronts Brentwood Boulevard south of the intersection of Sunset Road. The right of way for the Brentwood Boulevard Widening North project is required in the amount of .49 acres. Any future commercial development on the remnant parcel site would be required by condition of approval through the City's entitlement process to provide an offer of dedication to the City for roadway purposes. The fair market, dedication value for roadway purposes for the .49 acres is \$1,000. The .49 acres has no commercial value as it is required for roadway purposes as contained in the City's Brentwood Boulevard Specific Plan, Development Impact Fee Program and Capital Improvement Program.

Following the dedication of land for roadway purposes to the City, the Successor Agency property will retain a 1.6 acre remainder property for future sale and development for economic development related purposes. The appraised value of the remainder parcel is \$562,608. With City Council/Successor Agency Board approval, staff would issue a Request for Proposals (RFP) to find a buyer to redevelop the site consistent with allowed commercial uses contained in the Brentwood Boulevard Specific Plan.

Following approval of the Purchase and Sale Agreement by the City Council/Successor Agency Board, the Agreement will go to the Countywide Oversight Board for its consideration at the next available meeting anticipated in late September 2022. Any proceeds from the property sale are distributed among the taxing entities represented by the Countywide Oversight Board. Following Countywide Oversight Board approval, the Agreement is required to be sent to the State Department of Finance for its review, which may take up to 100 additional days.

The existing dilapidated structure will be demolished by the City following closing of the property into City ownership.

FISCAL IMPACT

The City will acquire the right of way for \$1,000 plus property transaction costs including title, title insurance, escrow and related fees, estimated at approximately \$10,000. The cost of this transaction is included in the approved 2022/23 – 2026/27 CIP, Brentwood Boulevard Widening North - Phase I, CIP Project No. 336-31620.

The Successor Agency, as owner of the current property, would be required to offer a dedication for roadway purposes with future development of the larger remainder parcel. The Successor Agency anticipated revenue of \$1,000 to be disbursed among the taxing entities of the Countywide Oversight Board. The remainder parcel, valued at \$562,608, will be sold at the direction of the City Council/Successor Agency Board with proceeds again being disbursed among the taxing entities of the Countywide Oversight Board.

Further actions related to the Brentwood Boulevard Widening North - Phase I CIP project and demolition of the existing vacant structure will be considered by the City Council at a later time.