Meeting Date: 11/28/06

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	■ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Alan Holmberg, Assistant City Attorney Agenda Item No. O-1

Reviewed By: City Manager Holmberg City Attorney Finance Other *(Specify)*

DATE: November 20, 2006

TO: City Council

FROM: Michael More, Financial Services Manager
Finance Department

SUBJECT: **Sale of Fourteen Acres of City Property**

RECOMMENDATION

That City Council approve and authorize the Mayor to execute a Purchase and Sale Agreement (Agreement No. A-6802) (the "Agreement") for the sale to Casden Oxnard, LLC ("Casden") of approximately four acres of real property (River Ridge Fields) and ten acres of real property formerly used as a dump site, both properties located east of the River Ridge Golf Club, south of the Santa Clara River, west of Ventura Road and north of Vineyard Avenue (the "Property").

DISCUSSION

Approximately eight months ago, City staff solicited proposals from developers for the sale of four acres of real property formerly used as a Cowboys practice field (River Ridge Fields) and ten acres of real property to the north and east of that practice field formerly used as a dump site. Staff received ten proposals. Staff evaluated all the proposals and reviewed the results with City Council in closed session.

Based on City Council direction, staff negotiated an agreement with Casden Properties, LLC. Casden also owns approximately twenty acres of property adjacent to the Property.

After several months of negotiations, staff has completed a proposed agreement of purchase and sale with Casden. The Agreement provides for a base purchase price of $23,898,000. This purchase price will be paid, at Casden's option, either on or prior to January 10, 2007, or upon Casden obtaining entitlements for the Property, but not later than March 14, 2008.

The Agreement does not bind the City Council to approve any particular kind or amount of development on the Property. City Council will exercise its judgment as a legislative body to

determine what type of development will be approved. If, however, certain entitlements are not obtained as set forth below, Casden is not required to purchase the Property.

If Casden obtains entitlements to build 40 residential units on the four acre parcel and 143 units on the ten acre parcel, together with 161 units on Casden's twenty acre parcel, the purchase price will be $23,898,000. If Casden obtains more units than set forth above on the property which the City is selling, the base purchase price will be increased by $143,000 for each unit on the ten acre parcel and $200,000 for each unit on the four acre parcel. If Casden obtains fewer units, the purchase price will be reduced on the same price-per-unit basis. The maximum price reduction is 10%.

If Casden pays the full purchase price on or before January 10, 2007, and Casden cannot obtain entitlements for at least 129 units on the ten acre property, 36 units on the four acre property and 161 units on Casden's twenty acre property before March 14, 2008, the City will reacquire the property for $23,648,000 (the base purchase price minus $250,000).

The sale of the Property will be on an "as-is" basis. Casden will be responsible for cleaning up the entire Property including the former dump site. A consultant has estimated that this clean-up may cost $6 million. The clean-up will bring the Property to a condition suitable for residential development.

FINANCIAL IMPACT

There is no immediate financial impact associated with the approval of the Agreement. On closing, staff will return to the City Council for direction on the appropriation of funds.

Attachment #1: Purchase and Sale Agreement

Note: Attachment #1 has been provided to City Council under separate cover. Copies for review are available at the Circulation Desk in the Library after 9:00 a.m. on Saturday prior to the Council meeting and in the City Clerk's Office after 8:00 a.m. on Monday prior to the Council meeting.