



Meeting Date: 01/09/07

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input checked="" type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Michael J. More *MSM* Agenda Item No. 0-2
 Reviewed By: City Manager *[Signature]* City Attorney *Holmberg* Finance *SW* Other (Specify) _____

DATE: December 27, 2006

TO: City Council

FROM: Michael More, Financial Services Manager *Michael MS*
Finance Department

SUBJECT: Sale of 25 Single-Family Lots located on Reef Way and Whitecap Street in the Oxnard Shores Area

RECOMMENDATION

That City Council:

1. Approve and authorize the Mayor to execute an agreement for the purchase and sale of thirteen (13) single-family lots located on Whitecap Street in the Oxnard Shores area (Agreement No. A-6823), subject to the City obtaining approval of a Local Coastal Program Amendment permitting development thereof.
2. Approve and authorize the Mayor to execute an agreement for the purchase and sale of twelve (12) single-family lots located on Reef Way in the Oxnard Shores area (Agreement No. A-6823), subject to the City obtaining approval of a Local Coastal Program Amendment permitting development thereof.

DISCUSSION

In July, 2005, City staff solicited proposals from developers for the purchase of twenty-five (25) single-family lots owned by the City located at Reef Way and Whitecap Street. City staff received five proposals. Elevar Seven, LLC ("Elevar") was selected. Elevar had presented the proposal containing the highest price for the properties (the "Properties").

In March, City staff applied to the California Coastal Commission for a Local Coastal Program Amendment which would permit residential development. On August 3, 2006, City staff withdrew its application because the California Coastal Commission staff report indicated that the Whitecap property might be an environmentally sensitive habitat area. On December 12, 2006, City staff received City Council authorization to forward to the Coastal Commission a Local Coastal Program Amendment for the Reef Way property. City staff will return to the City Council with an update on the Whitecap

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property after further determinations as to whether the property is an environmentally sensitive habitat area.

City staff has completed negotiations with Elevar, taking into account the proceedings before the Coastal Commission. The proposed agreements attached hereto reflect the result of those negotiations. The major provisions of the agreements are as follows:

1. The total purchase price is \$13,000,000.00, based on a total of twenty-five (25) lots. The price for each of the thirteen (13) Whitecap lots will be \$556,923.08 per lot. The price for each of the twelve (12) the Reef Way lots will be \$480,000 per lot.
2. An escrow will be open upon execution of the agreements. Escrow for each group of lots will close when the City is in the position to convey to Elevar entitled lots, such that Elevar will have vested rights to construct single-family residences.
3. The City, as seller, must exercise commercially reasonable efforts to obtain the entitlements. This includes proceedings before the California Coastal Commission, and other actions, including Tentative Map Approval. If the Coastal Commission denies the City's application, the City need not contest the decision, however, Elevar may do so, at its own expense. The cost of such action will be deducted from the purchase price.
4. The City, as a legislative body, retains its discretionary authority over the entitlement process.
5. The parties will execute a development agreement specifying Elevar's and the City's obligations with respect to the development of the properties.
6. The escrow will close thirty (30) days after all entitlements have been obtained.
7. If entitlements have not been obtained after five (5) years, either party may terminate the escrow.

The present hurdle in the entitlement process is proceedings before the California Coastal Commission. The City will pursue applications for approval of a Local Coastal Program Amendment for both properties. The City, however, is not obligated to appeal any negative determination. Elevar may do so, at its own expense.

FINANCIAL IMPACT

The sale of these lots will result in the recognition of approximately \$13,000,000.00 by the City's General Fund. These funds will be appropriated upon close of escrow.

Attachment #1 – Oxnard Shores, Oxnard, California Agreement of Purchase and Sale (Whitecap)
#2 – Oxnard Shores, Oxnard, California Agreement of Purchase and Sale (Reef Way)

Sale of 25 Single-Family Lots located on Reef Way and Whitecap Street in the Oxnard Shores Area
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Note: Attachment Nos. 1 and 2 have been provided to the City Council. Copies are available for review at the Circulation Desk in the Library after 6:00 p.m. on the Thursday prior to the Council meeting and at the City Clerk's Office after 8:00 a.m. on Monday.

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