



Meeting Date: 07/08/08

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: Suzanne Quitariano *SQ* Agenda Item No. 0-2
 Reviewed By: City Manager *[Signature]* Holmberg *HT* City Attorney *[Signature]* Finance *[Signature]* Other N/A

DATE: June 16, 2008

TO: Community Development Commission

FROM: Curtis P. Cannon, Community Development Director
Community Development Department

[Signature] (for)

SUBJECT: Purchase and Sale Agreement and Joint Escrow Instructions for an Approximate Fourteen Thousand Seven Hundred and Ninety (14,790) Square Foot Single Story, Multi-Tenant Office and Retail Building Located at 425 South B Street (aka the "Social Security Building")

RECOMMENDATION

That the Community Development Commission ("CDC"):

1. Approve a special budget appropriation in the amount of \$2,050,000.
2. Approve and authorize the Chairman to execute a Purchase and Sale Agreement and Joint Escrow Instructions between the CDC and Oxnard Plaza Associates, LLC ("OPA") for an approximately 14,790 square foot single story, multi-tenant office and retail building.
3. Authorize the Chairman, Executive Director, and Community Development Director, on behalf of the CDC, to each sign all documents necessary and appropriate to carry out and implement the Purchase and Sale Agreement and Joint Escrow Instructions, to administer the CDC's obligations, responsibilities, and duties to be performed thereunder and to make all non-substantive changes related to the Purchase and Sale Agreement and Joint Escrow Instructions

DISCUSSION

As part of the on-going efforts to revitalize downtown Oxnard, CDC staff has negotiated an agreement with OPA for the acquisition of real property located at 425 South B Street (the "Property"), commonly known as the Social Security Building. OPA purchased the Property in 2003. CDC staff obtained an appraisal report for the Property dated January 21, 2008. The appraisal report indicates that the market value of the Property is \$2,100,000. The purchase price of the Property is \$2,040,000 and title and escrow fees are estimated to be \$10,000. The transaction will take place under threat of eminent domain.

The Property consists of an approximate 14,790 square foot site and an approximate 13,646 square foot single story office/retail building that is located at the northwest corner of North Fifth and B Streets, adjacent to Plaza Park. The building was constructed in 1973 and is currently 86% occupied and used for professional office purposes. The site is zoned CBD.

Pursuant to Section 33391(a) of Community Redevelopment Law which grants CDC the authority to purchase real property, CDC desires to purchase the Property. The Property is currently occupied by two tenants, the United States Government (Social Security Administration) ("Social Security"), and Southern California Gas Company (the "Gas Company"). The existing lease with Social Security is set to terminate on October 31, 2008. The existing lease with the Gas Company is set to terminate on October 31, 2011. The CDC plans to continue the Property's existing use as a multi-tenant office and retail building for the next several years. After such period, CDC may elect to either:

- (1. Demolish interior tenant improvements to create new retail space for restaurant use, or;
- (2. Engage in subsequent development for reuse of the site to be decided upon in the near future, possibly through a Request for Proposal (RFP).

ENVIRONMENTAL APPROVALS

CEQA Guidelines section 15061, subd. (b)(3), provides that an agency may dispense with CEQA review if, "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." Here, the CDC is purchasing the Property for continued use as a single story multi-tenant office and retail building. Under the proposed Purchase and Sale Agreement and Joint Escrow Instructions, the existing uses will be continued, there will be no development or change in the land use and there will be no change in the intensity of the land use. Based on the aforementioned, we believe that the purchase of the Property is exempt from CEQA review.

FINANCIAL IMPACT

The total acquisition costs are \$2,050,000. \$1.3 million will be funded from the Downtown Renewal Fund 402, and \$750,000 will be funded from the Housing Set-Aside Fund. Funds in the amount of \$750,000 will be transferred from the Housing Set-Aside Fund into the Downtown Renewal Fund 402 for disbursement. There will be limitations with the Set-Aside Funds being utilized for "affordable housing" purposes.

SQ:pa

Attachment #1 - Purchase and Sale Agreement and Joint Escrow Instructions
#2 - Special Budget Appropriation Form

Note: Attachment No. 1 has 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.

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

June 28, 2008

Request is hereby made for an appropriation of total

\$ 2,050,000

Reason for appropriation: To purchase building located at 425 South B Street

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
CDC Downtown Renewal (402)	402-8301-	
	711-7917 - Transfer from Other Funds	(750,000)
	891-8602 - Capital Outlay - Building New	2,050,000
	Net Estimated Change to CDC Downtown Renewal Fund Balance	<u>(1,300,000)</u>
CDC Housing Set-Aside (441)	441-8601-	
	869-8735 - Transfer to Other Funds	750,000
	Net Estimated Change to CDC Housing Set-Aside Fund Balance	<u>(750,000)</u>



Manager

REQUIRES CITY COUNCIL APPROVAL

CHIEF FINANCIAL OFFICER



Disposition	Approved _____
	Rejected _____
Transfer by Journal Voucher _____	_____
	City Manager