



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
June 21, 2022

TOPIC: Exchange of Real Property and Purchase of Land

AGENDA TITLE

Approve an Agreement for the Exchange of Real Property and Purchase of Land from the City in the amount of \$5,900,000, for the Development of a New Park (Non-General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing revenue in the amount of \$4,127,878.80 in the Select Street Construction Fund, Sale of Land revenue account for Fiscal Year 2021-22 and appropriating the same to the OCTA Bristol Street Corridor Improvements, Improvements Other Than Building expenditure account. Receipt of Measure M Street Construction proceeds in the amount of \$1,772,121.20 will be disbursed to the Orange County Transportation Authority (OCTA). *(Requires five affirmative votes)*
2. Authorize the City Manager to execute an Agreement for the Exchange and Purchase of Real Property between the City and Charles H. Manh Family Trust (APNs 004-123-56, 004-123-57, 005-142-34, 005-142-48, 005-142-49, 008-091-01, 008-091-02, 008-091-13, 008-091-14, 405-272-21, 405-272-24, and 405-074-38), in the sum of \$5,900,000, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

On July 6, 2021, City Council approved American Rescue Plan Act (ARPA) funding for addition of park/open space. The spending plan included monies allocated for additional green/open space under the Public Health and Safety Spending Plan. As such, City Council allocated \$7.8 million dollars to the Parks, Recreation and Community Services department for the development of additional parks and open space enhancements.

Staff was recently directed to pursue the purchase of 848 N. Garnsey St. (APN 005-142-48), 852 N. Garnsey St. (APN 005-142-49), and 925 N. Flower St. (APN 005-142-34) (10th/Flower Properties) for the development of a park, in alignment with the ARPA Spending Plan goals.

Agreement for the Purchase and Exchange of Real Property

June 21, 2022

Page 2

The owner of the 10th/Flower Properties, Charles Manh, planned to develop these properties and expressed an interest in maintaining land in Central Santa Ana. As part of the negotiations, several of the surplus properties (Bristol Properties) on Bristol Street between 7th and 17th Street were offered for exchange, including APNs 405-272-21 & 24 (Parcel C2), 004-123-56 & 57 (Parcel C3), 008-091-01, 02, 13, & 14 (Parcel C8), and 405-074-38 (Parcel P1) (Exhibit 1).

The Bristol Properties are among those the City declared surplus and either received no responses by entities receiving the notices of availability, or negotiations ended with no approved offer, concluding the Surplus Land Act requirements for disposition. The proceeds from the sale of these properties are considered restricted funds and will be used to reimburse the granting agencies, and/or to fund further transportation improvements within the Bristol Corridor.

A California state licensed appraiser appraised the 10th/Flower Properties owned by the Charles H. Manh Family Trust (Exhibit 2), and a purchase offer of \$1,100,000 was determined based on the value assessed by the appraiser. The Charles H. Manh Family Trust accepted the appraisal and purchase offer. The City will utilize \$1,100,000 of the ARPA monies allocated for the development of new open space as a credit to escrow for the land exchange, to be used for the land swap needed for the new park (AU No. 18113013-66100, Project No. 22-1342). The Agreement for Exchange of Real Property (Exhibit 3) reflects the purchase price of the Bristol Properties, with the credit of the 10th/Flower Properties applied.

The proposed property exchange and purchase of land includes the following:

City Parcel ID	Buying Entity	Proposed Development	Purchase Price
C2	Charles H. Manh Family Trust	Drive-thru Restaurants	\$2,549,800
C3	Charles H. Manh Family Trust	Multi-Tenant Restaurant	\$1,268,300
C8	Charles H. Manh Family Trust	Restaurant & Retail	\$1,211,500
P1	Charles H. Manh Family Trust	Multi-Family Residential	\$870,400
Gross Proceeds of Bristol Properties For Bristol Corridor Improvements			\$5,900,000
Estimated Proceeds to be used for Bristol Improvements			\$4,127,878.80
Estimated Proceeds to be Returned to Funding Agency (OCTA)			\$1,772,121.20

10 th /Flower Parcels	Buying Entity	Proposed Development	Purchase Price
848 N. Garnsey St.	City of Santa Ana	New Park	\$1,100,000
852 N. Garnsey St.	City of Santa Ana	New Park	
925 N. Flower St.	City of Santa Ana	New Park	
City to pay this amount for the property exchange (ARPA funding)			\$1,100,000

Approval of the Recommended Actions will advance the City's ARPA Spending Plan by allowing the Parks, Recreation and Community Services department to develop a new park at Flower and 10th Street and will additionally activate remnant land on Bristol corridor to generate funds for completion of the project.

ENVIRONMENTAL IMPACT

There are no environmental impacts associated with this action.

FISCAL IMPACT

Approval of the Appropriation Adjustment will recognize the receipt of \$ 4,127,878.80 into the Select Street Construction Fund, Sale of Land revenue account (No. 05917002-57071) and appropriate the same into the OCTA Bristol Street Corridor Improvements Fund, Improvements Other Than Building expenditure account (No. 05917661-66220). These funds will be available for expenditure on the Bristol Street Corridor Improvement Projects. Receipt of Measure M Street Construction proceeds in the amount of \$1,772,121.20 will be disbursed to the Orange County Transportation Authority (OCTA).

The table below summarizes the sales price per each of the surplus Bristol Properties, with distribution of the estimated Bristol Improvement Project revenue:

Parcel ID	Sale Price	Bristol Improvement Fund
C-2	\$2,549,800	\$2,549,800
C-3	\$1,268,300	\$1,268,300
C-8	\$1,211,500	\$1,211,500
P-1	\$870,400	\$870,400
Total land proceeds revenue	<i>City Property Total</i>	<i>\$5,900,000</i>
Bristol Improvement	05917661-66220	4,127,878.80
OCTA Refund	03201001-20215	1,772,121.20

The ARPA fund budget, 181, already includes the appropriation for the \$1.1 million expenditure to purchase the 3 parcels.

EXHIBIT(S)

1. Location Maps – APNs 405-272-21 & 24; 004-123-56 & 57; 008-091-01, 02, 13, 14; & 405-074-38 (City of Santa Ana Bristol Properties)
2. Location Maps – APNs 005-142-34, 48, 49 (Manh 10th/Flower Properties)
3. Property Exchange Agreement

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Kristine Ridge, City Manager