



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

TOPIC: Approve Appropriation Adjustment and Sale of Land

AGENDA TITLE

Approve an Appropriation Adjustment and Agreement for the Sale of Land from the City, Generating \$250,000 in Revenue for Bristol Street Corridor Improvement Project (Non-General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing revenue in the amount of \$250,000 in the Select Street Construction Fund, Sale of Land revenue account for Fiscal Year 2022-23 and appropriating the same to the OCTA Bristol Street Corridor Improvements, Improvements Other Than Building expenditure account. *(Requires five affirmative votes)*
2. Authorize the City Manager to execute a purchase and sale agreement with Charles H. Mahn Family Trust for the sale of City-owned property located at 515 and 517 N Bristol Street (APNs 008-081-26 and 008-081-28) in the amount of \$250,000, subject to non-substantive changes approved by the City Manager and the City Attorney.

DISCUSSION

The City is the owner of surplus real property assets and interests that were specifically acquired for various street widening projects. Approval of recommended actions will allow the City to sell such City-owned vacant property acquired with Orange County Transportation Authority (OCTA) Right-of-Way restricted grant funds, and return proceeds of sale to Bristol Street Improvement Project, and funding agency, proportionally based on match requirements, consistent with Comprehensive Transportation Funding Program (CTFP) Cooperative Agreement C-6-0069 between respective agencies.

On March 5, 2019, the City Council authorized disposition of various city-owned properties via the Request for Proposal (RFP) process and direct negotiations for sites with substandard lot conformity. On April 2, 2019, the City issued Request for Proposals (RFP) 19-026 that solicited the sale and development of various combined properties: with existing residential, commercial, and professional office zoning designations. On November 18, 2019, the City Council approved Purchase and Sale Agreements to activate various City-owned vacant properties, and generate over \$2 million in revenue-

generating developments and new sales tax revenues with increased property tax rolls and additional utility user taxes collected on an annual basis in perpetuity.

On April 21, 2020, the Santa Ana City Council adopted Resolution No. 2020-032 declaring the Property as surplus land and directing the City Manager to comply with the requirements of California Government Code Section 54220 et seq. ("Surplus Land Act") for the disposition of the Property. On April 27, 2020, the City released a Notice of Availability ("NOA") of surplus property for a period of 60 days. This NOA was sent to all "local public entities" as defined in the Health and Safety Code section 50079, within whose jurisdiction the surplus land is located, and to "Housing Sponsors" that have notified the California Department of Housing and Community Development ("HCD") of their interest in surplus land. The NOA was also sent to local parks agencies and school districts.

The properties were among those for which either no responses were received by entities receiving the notices of availability or for which responses were received and good faith negotiations ended after a period of not less than 90 days without agreement to price and terms.

Due to the minimum square footage required for development under current zoning, the remnant parcels located at 515 and 517 N Bristol Street (Exhibit 1) are deemed substandard, and were thus previously authorized for direct negotiations accordingly. The total combined area is approximately 8,965 square feet, is currently zoned for commercial use, and with no independent utility, presents a challenge to market and sell. For these reasons, staff proceeded with direct negotiations with Charles Mahn to facilitate a sale of these properties that will be mutually beneficial to all parties (Exhibit 2).

Under the Santa Ana Municipal Code (SAMC) Section 2-706, surplus real property may be sold (after authorization by the City Council) only to the highest bidder, subject to final confirmation by the City Council and with notice of the sale given by newspaper publication. However, SAMC Section 2-709, provides an exemption to this procedure and permits a sale on direct negotiations without the need for public auction or competitive bidding, when the authority to so negotiate has been granted by the City Council.

ENVIRONMENTAL IMPACT

There are no environmental impacts associated with this action.

FISCAL IMPACT

Approval of the Appropriation Adjustment will recognize the receipt of \$250,000 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.

Agreement – Sale of City-owned Real Property at 515 and 517 N. Bristol Street
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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-10	\$250,000	\$250,000

EXHIBIT(S)

1. Location Map
2. Purchase and Sale Agreement

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

Approved By: Kristine Ridge, City Manager