



# CITY OF LODI

## COUNCIL COMMUNICATION

AGENDA TITLE: Purchase Agreements for 1301 Thurman Street and 1314 and 1340 East Lodi Avenue

MEETING DATE: August 5, 1998

PREPARED BY: Public Works Director

**RECOMMENDED ACTION:** That the City Council approve the agreements for the purchase of three parcels east of the Fred M. Reid substation on East Lodi Avenue, authorize the City Manager to sign these agreements on behalf of the City, and appropriate funds in accordance with the recommendation shown below.

**BACKGROUND INFORMATION:** After receiving the appraisals for the property west of the Woodbridge Irrigation District Canal needed for the expansion of the Municipal Service Center, other options to provide additional space for the City's field service operations were discussed with the Council. The option to purchase property on the east side of the electrical substation on East Lodi Avenue, for the expansion of the Electric Utility Department and possibly Transit, was selected and staff was directed to negotiate with the property owners. Staff has done so and is presenting two purchase agreements for three parcels (see attached map).

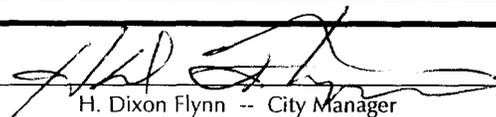
The first parcel, adjacent to the east side of the substation site (1301 Thurman Street), is a 3.8-acre site presently being improved by the owner, K. R. Hovatter, in conjunction with the development of 1310 Thurman Street for Scientific Specialties. The City will pay \$242,000 for this parcel and install the off-site improvements at 1330 Thurman Street, a parcel also owned by Mr. Hovatter but not required to have off-site improvements until it is developed. The estimated costs of the off-site improvements at 1330 Thurman Street are \$28,000 to \$30,000. As part of this agreement, the owner will also dedicate a corner cutoff at Thurman Street and proposed Guild Avenue per the new alignment of Guild Avenue. The deeds will be held in escrow until after January 1, 1999, at the request of Mr. Hovatter. At that time, payment will be made to Mr. Hovatter and the deeds will be recorded.

As part of the agreement, Mr. Hovatter provided the City a copy of the Phase I Environmental Report he had completed on the property at 1301 Thurman Street. Staff has reviewed the Report and found no statements that would preclude the City from taking title to this property.

Agreement has also been reached for the purchase of the two 2-acre parcels east of the Hovatter parcel. This property is owned by the John and Genevieve Stanley Family Trust. The City will pay the Stanleys \$292,000 plus relocation costs of approximately \$11,000 to the renters presently occupying the two residences on the property. A Phase I Environmental Report is being completed on these two parcels.

Final approval of the purchase of these two parcels is contingent upon the findings in the Phase I Environmental Report. The Report is expected to be submitted to the City during the last week of July; however, that is too late to include the findings in this Communication. The owner is aware that until that Report is reviewed, the purchase agreement will not be approved. We are asking that the City Manager be authorized to sign the agreement pending satisfactory review of the Phase I Environmental Report.

APPROVED: \_\_\_\_\_



H. Dixon Flynn -- City Manager

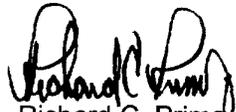
Purchase Agreements for 1301 Thurman Street and 1314 and 1340 East Lodi Avenue  
August 5, 1998  
Page 2

The Stanleys have located property which they want to purchase as part of a 1031 Tax Deferred Exchange. This exchange property has two residential units which they will rent to the parties occupying the houses on the East Lodi Avenue property. The City will not have to find replacement housing for the tenants; however, the tenants are still entitled to rental adjustments and moving costs, hence the relocation costs.

The City has indicated to the Stanleys that it would do everything in its power to close escrow on August 6, 1998, or as soon thereafter as possible in order to not jeopardize the tax deferral exchange. The tenants will rent the houses they are presently occupying from the City for no longer than four months. Mr. Stanley will be given no more than six months to remove the materials presently stored on the property.

FUNDING: Electric Utility Outlay Reserve - \$575,000. - E-42

Funding Available: Vicki M'Carthy  
Finance Director

  
Richard C. Prima, Jr.  
Public Works Director

Prepared by Sharon Blaufus, Administrative Assistant

RCP/SB/lm

Attachment

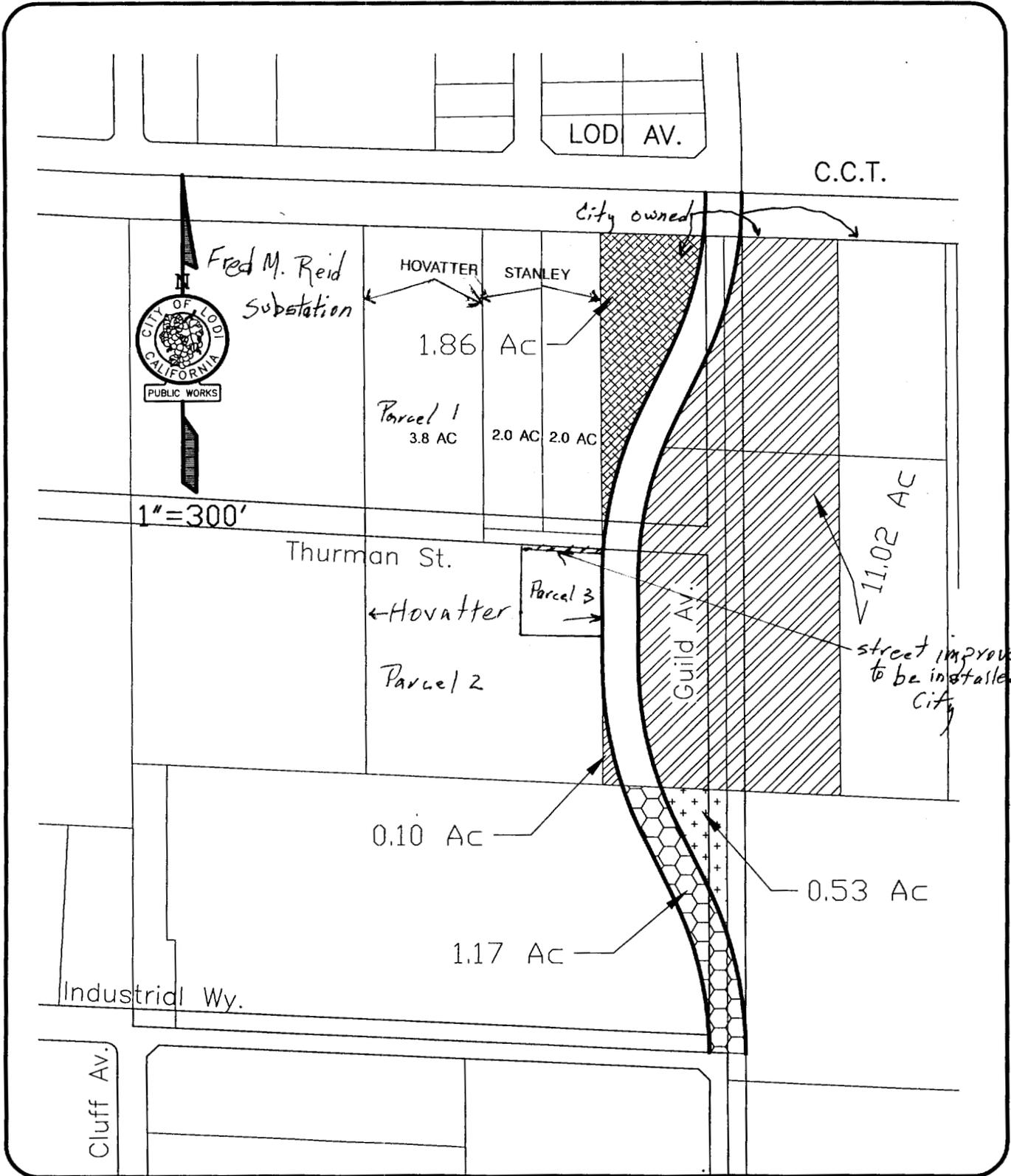
cc: Electric Utility Director  
Wes Ohlhauser, Katzakian Williams & Sherman



# CITY OF LODI

PUBLIC WORKS DEPARTMENT

# GUILD AV ALIGNMENT



CITY COUNCIL

JACK A. SIEGLOCK, Mayor  
KEITH LAND  
Mayor Pro Tempore  
ROBERT J. JOHNSON  
STEPHEN J. MANN  
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# CITY OF LODI

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June 29, 1998

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ALICE M. REIMCHE  
City Clerk  
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City Attorney

Mr. Wes Ohlhauser  
Katzakian Williams & Sherman  
777 South Ham Lane, Ste. A  
Lodi, CA 95242

SUBJECT: Purchase Agreements for 1301 Thurman Street and  
1314 and 1340 East Lodi Avenue

Enclosed is a copy of background information on the subject item which is on the City Council agenda of Wednesday, August 5, 1998. Please see that your clients receive this information. The meeting will be held at 7 p.m. in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the consent calendar and is usually not discussed unless a Council Member requests discussion. The public is given an opportunity to address items on the consent calendar at the appropriate time.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Alice Reimche, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call Sharon Blaufus at (209) 333-6800, ext. 658.



Richard C. Prima, Jr.  
Public Works Director

RCP/lm

Enclosure

cc: City Clerk