

As an additional measure to reduce parking congestion and aid pedestrian safety during sporting events, Council may wish to consider expanding the small paved area at the north end of the park to provide an on-site parking lot. A parking lot can be accommodated within the area between the fence and Evergreen Drive. The example shown, utilizing the existing driveway for the pump station, provides twenty-five parking stalls. The lot will require the relocation of some picnic tables and immature trees. If the addition of a parking lot is going to be considered, it should either be constructed while the immature trees can still be moved or the trees should be moved now to accommodate the future lot. A more detailed layout and cost estimate can be prepared for presentation at a future meeting at Council's request.

This matter was for information only, and there was no Council action required.

15. ORDINANCES

- a) None.

16. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- a) Frank Hall, 1419 Lake Street, Lodi, addressed the City Council regarding property that he owns at 15 West Elm Street in which the City of Lodi has indicated an interest in purchasing. Mr. Hall gave background information regarding his negotiations for this property with the City and stated that he felt the fair market value of his property is \$53,500, which he would find acceptable at this time.



Several members of the City Council posed questions to Mr. Hall regarding the subject.

- b) Philip D. White, 411 Evergreen Drive, Lodi, and owner of property located at 232 South Hutchins Street, Lodi, presented the City Council with a petition signed by approximately 33 residents living in the area of the Jack-In-The-Box Restaurant located on the northeast corner of the intersection of Lodi Avenue and Hutchins Street which reads as follows:

"We, the undersigned residents and property owners of the neighborhood adjacent to the Jack-In-The-Box Restaurant located on the northeast corner of the intersection of Lodi Avenue and Hutchins Street, do hereby inform and petition the City of Lodi as follows:

Since Jack-In-The Box Restaurant changed its hours to include all-night window service on weekends, the neighborhood has suffered from excessive noise, dangerous conditions, property destruction, and great personal distress and inconvenience to local residents. This has resulted from an undesirable element being drawn into the area with a total lack of supervision or controls to maintain proper and legal peace, order and quiet. Crowds of juveniles drinking alcoholic beverages, yelling obscenities, fighting, honking car horns, playing loud music and 'boom boxes' and otherwise disturbing the peace have become commonplace on weekend nights. This situation must be corrected!

The City of Lodi is hereby petitioned to restrict the hours of legal operation of said Jack-In-The-Box restaurant to no later than 11 p.m. on Sunday through Thursday nights and no later than 12 midnight on Friday through Saturday nights."

- c) Hal Jones, 235 South Hutchins Street, Lodi, also spoke about the Jack-In-The Box Restaurant located on the northeast corner of the intersection of Lodi Avenue and Hutchins Street.
- d) Larry Nathan, 247 ½ Lee Avenue, Lodi, also expressed opposition to the business hours of Jack-In-The Box.

August 3, 1998

Mr. Konradt Bartlam
Community Development Department
City of Lodi
221 West Pine Street
PO Box 3006
Lodi, CA 95421

Re: 15 Elm Street

Dear Mr. Bartlam,

Around February or March of 1998 you contacted me concerning the City of Lodi's interest in purchasing the property that I own at 15 West Elm Street. I expressed to you that a licensed contractor named Greg Strasser was negotiating with me to rent this property. Mr Strasser thoroughly examined the building and concluded that it would take approximately \$15,000.00 of improvements to bring the building up to excellent rental shape.

Since the City of Lodi expressed such an interest in buying the property, I decided to stop my negotiations with Mr. Strasser.

I was approached by Mr. Kroll in April of this year about his purchasing of this property. I disclosed to you that he offered me \$45,000.00. Mr. Kroll said he would negotiate from this price because I felt it was worth more. You are very much aware of what has taken place and what is going to occur in the near future in the downtown area.

Through further conversations that we had, I did let you know that I had this offer. You again mentioned to me that the City was still very much interested in acquiring my property. I concluded that the City of Lodi was interested enough and would follow through with an acceptable purchase price.

I have attached a very current and thorough analysis of my property. I believe that the downtown area has improved and will continue to improve. The revitalization plan is doing what we hoped it would.

I definitely believe that the fair market value of my property is \$53,500.00. This is what I consider to be acceptable at this time. I hope to hear from you as soon as possible so that I know whether I should pursue my other options.

Sincerely,

Frank C. Hall
1419 Lake Street
Lodi, CA 95242
(209) 727-0555

encl.

August 3, 1998

Mr. Konradt Bartlam
Community Development Director
City of Lodi
221 W. Pine Street
PO Box 3006
Lodi, CA 95241

Re: Analysis of 15 Elm Street

Dear Mr. Bartlam,

I have prepared an income approach analysis and a more current market approach analysis for my property. I believe that the following is a true representation of the value of my property.

Through past experience of owning many income properties and other discussions I have had, I believe the fair market rents would bring in \$900/month. I have discovered that there is a strong demand for this size of office/retail space and would be easily rented for \$450 to \$500 per month. The apartment would also rent for a minimum of \$450 per month.

I believe that the vacancy and loss collection, insurance and exterior maintenance is inflated. I believe that this total would actually run \$175 per month. This would make my projected operating income at \$725 per month or $\$725 \times 12 \text{ months} = \$8,700$ net operating income.

I do know that the range for the CAP rate is within the range of .09 to .15 for commercial property. The adding of the tax rate of .11 is also common practice. Thus the income approach value should be as follows:

$$\$8700 \div .136 = \$63,970$$

I do believe this would be an accurate income approach analysis of my property. Improvement made to this property would substantially decrease the CAP rate. This would only increase the property value.

The market approach can be used to support the value of my property. The properties listed are much more current and I have outlined them below.

#1 - It is located at 14 W. Elm Street. This property is located across the street from the subject property. The site contains 3,385 sq. ft. of commercial space with 3 store fronts, plus two 3 bed apartments upstairs. This structure does need a fair amount of work. This property sold in April of 1997 and the sales price was \$100,000. This would put the acquisition at \$29.54 per square foot. Therefore:

$\$29.54/\text{sq. ft.} \times 1,700 \text{ sq. ft.}$	$=$	\$50,218
$\$5/\text{sq. ft. parking} \times 3,800 \text{ sq. ft.}$	$=$	\$19,000
Market Value		\$69,218

This property has much larger square footage than mine and the cost per square foot should actually be higher for my property.

#2 - This property is located at 529 N. Hutchins Street. This site contains 2 separate 1200 sq. ft. retail/office locations. It recently sold on July 15th, 1998 and the sales price was \$86,500. The cost per square foot would be \$36.04. It has approximately 1250 sq. ft. of off street parking. Therefore:

$$\begin{array}{r} \$36.04/\text{sq. ft.} \times 1700\text{sq. ft.} = \$61,268 \\ \$5/\text{sq. ft. parking} \times 2550 \text{ sq. ft.} = \underline{\$12,750} \\ \text{Market Value} \qquad \qquad \qquad \mathbf{\$74,018} \end{array}$$

The other thing that we discussed was my concern of being able to replace the property with like property. The only two properties I have found are: 436 E. Lodi Ave. and 328 E. Lodi Ave..

#1 - 436 E. Lodi Ave. - This property is an older home of 950 square feet. The list price is \$129,500, this works out to \$136.32 per sq. ft.

#2 - 328 E. Lodi Ave. - This is also an older home of 1177 sq. ft.. The list price is \$82,500, this works out to \$70.09 per sq. ft.

I believe that the location of these replacement properties doesn't even come close to what I already own. I never intended to sell this property. I believe this property has excellent upside potential. The revitalization of the downtown will cause rents and property values to go up substantially.

I believe that the sales price of \$53,500 is more than fair at this time.

Sincerely,

Frank C. Hall
1419 Lake Street
Lodi, CA 95242
(209)727-0555