



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Direct staff to seek real estate appraisals for certain parcels listed in *Project Opportunity*, A Review of City-Owned Property; and direct staff to secure bids for sale of 9.09 acres at 500 South Guild Avenue, and negotiate the sale of conservation easements for undetermined White Slough property

MEETING DATE: February 7, 2007

PREPARED BY: Michael E. Pretz, Fire Chief and Blair King, City Manager

RECOMMENDED ACTION: Direct staff to seek real estate appraisals for the purpose of disposing the properties listed below:

- 1119 -1120 Awani Drive 3.65 acres
 - 217 East Lockeford Street 1.36 acres
 - Century Blvd. Right-of-Way (west of Stockton Street) 3.06 acres;
- Market for sale - 500 South Guild Avenue 9.09 acres; and
- Negotiate the sale of conservation easements for undetermined White Slough Property
100 -150 acres.

BACKGROUND INFORMATION: During the April 11, 2006, Shirtsleeve Session, staff provided Council with a list of City owned property that could be considered underutilized. This real property represents a significant investment in public assets. The City Council and staff have a fiduciary responsibility to ensure that real property assets are serving the interest of the public. The City of Lodi is a large property owner with over 118 parcels ranging in size from .01 acres to over 1,000 acres. The total real estate portfolio for the City is 1,400 acres. Approximately 17.2 percent of the City's total land area.

While ownership of City property is an important aspect of providing City services, it must be noted that publicly owned property is not taxed and is not on the tax roles. Lodi owns property at several locations that is not productive nor anticipated to be productive within the next decade (10 years) or longer. In addition to property that is not productive in any way, (productive defined as producing revenue or providing a service), other property is marginally productive providing for some service but at an economic value below market rate. Most of the property in the above condition is being "banked" for future use. The long-term value to the City of Lodi of tying up portions of these parcels needs to be weighed. This is an "opportunity cost" issue; the value of the land today versus the value of the land some day in the future and the lost dollar value while waiting for a future decision.

APPROVED: Blair King
Blair King, City Manager

It is common for cities from time to time to review real estate assets to ensure maximum productivity. Recently, the California Association for Local Economic Development (CALED) sponsored a training program for member cities, (Lodi is a member) titled "Sitting on a Goldmine; Maximizing the Return on Investment from Publicly Owned Real Estate." Maximizing the value of municipal land is a common theme at training sponsored by the California League of Cities.

In August of 2005, City staff began a process to review the City's real estate assets to maximize productivity. This effort was referred to as Project Opportunity. Project Opportunity was closely linked to several other projects such as park development, downtown hotel development, and the rehabilitation of fire stations.

Project Opportunity first surfaced to the City Council at a Shirtsleeve Meeting on April 11, 2006. At that time Council indicated the desire to include additional properties plus the original 11 sites presented at the April, 2006 Shirtsleeve Session. These sites have been added and reviewed (see attachments). Staff has prioritized the list and is bringing forward those properties whose sale can be easily accomplished or do not appear to have a constituency. The remaining properties have a longer event horizon and will be brought forward at a later date.

Staff has received letters of interest for the Awani Drive property, the property adjacent to Roget Park, the EUD property, and the Century Boulevard right-of-way. In addition, staff has met with the San Joaquin COG Multi-Species Habitat Conservation and Open Space Technical Advisory Committee representatives. The SJCOGMSHC & OSTAC representatives have expressed an interest in obtaining conservation easements at White Slough.

The following is a brief description of the six parcels identified for Council action:

<u>Address</u>	<u>Parcel Size</u>	<u>Cost/Fund (if known)</u>
1119-1120 Awani Drive	3.65 acres	\$395,000/Capital Outlay Reserve

Note: This property is an old City landfill site. The site was sold (1982) and repurchased (1989) by the City. Staff has received three interest inquiries since April 2006.

Century Boulevard Right of Way (West of Stockton Street)	3.06 acres	Unknown
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Note: This site is adjacent to Salas Park and was acquired for a future street extension across the railroad tracks and is currently used to store asphalt grindings. Given long range priorities for limited transportation funds and the high cost of grade separations, staff believes it is very unlikely a crossing will ever be built. The possibility of a bicycle/pedestrian crossing has also been explored and Council may wish to consider reserving a small portion at the west end to accommodate this potential project. No funds or plans exist for a bicycle/pedestrian crossing at this time. In addition, Parks and Recreation have indicated a desire to use the parcel for future parking, maintenance shed, and dumpster location. Again, no funds or plans exist for this project.

217 East Lockeford Street	1.36 acres	Unknown
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Note: This site was added at Council's request during the April 2006 Shirtsleeve Session. It is vacant and adjacent to the armory. A portion of the property has been developed as a parking lot.

500 South Guild Avenue (1) 9.09 acres Electric Utility Property

Note: EUD staff is recommending sale of this parcel. Proceeds of the sale will be used towards the utility's reserve goal of \$12.9 million. There is an additional two (2) acre section located west and south of the primary site adjacent to the sub-station. EUD staff is recommending retention of this two (2) acre site for future development by City departments.

2245 Tienda Drive (2) 4.03 acres \$330,000 Parks and Recreation Impact Fees

Note: Parks and Recreation impact fees were used to purchase four (4) acres adjacent to the Roget property. Proceeds from any sale would be used to develop parks. This site is the subject of anticipated consideration by the City Council at a subsequent Council meeting.

White Slough Complex	303 acres	\$25,755.00 (1944)
	130 acres	unknown (1965)
	269 acres	\$1,132,000/CIP & Wastewater Capital Reserve
	220 acres	purchased (1990)

Note: Staff is recommending that 100-150 acres be considered for a conservation easement. The San Joaquin Council of Governments wishes to acquire the property for the Multi-Species Habitat Conservation and Open Space Program. If the Habitat Program fees should increase, the conservation easement may be sold for more money. Property along the western edge (Delta) and/or southern boundary would be set aside. A conservation easement would restrict the City to continued usage as row/field crops. Staff is requesting authorization to negotiate to sale of conservation easement.

FISCAL IMPACT: The potential fiscal impact of relinquishing control of City owned property is two-fold. The City will realize an immediate cash infusion and over time, depending upon usage, the City may realize a property and/or sales tax revenue stream. In either case the property becomes more productive. To that end, staff has researched the use of the White Slough property for future conservation easements and met with the San Joaquin COG Multi-Species Habitat Conservation and Open Space Technical Advisory Committee to discuss the City of Lodi's interest in selling development easements to the San Joaquin Council of Governments.

FUNDING AVAILABLE: None required


Blair King, City Manager


Michael E. Pretz, Fire Chief

Attachments: Additional properties under consideration
Under utilized City parcels
City-owned parcels

Additional properties under consideration:

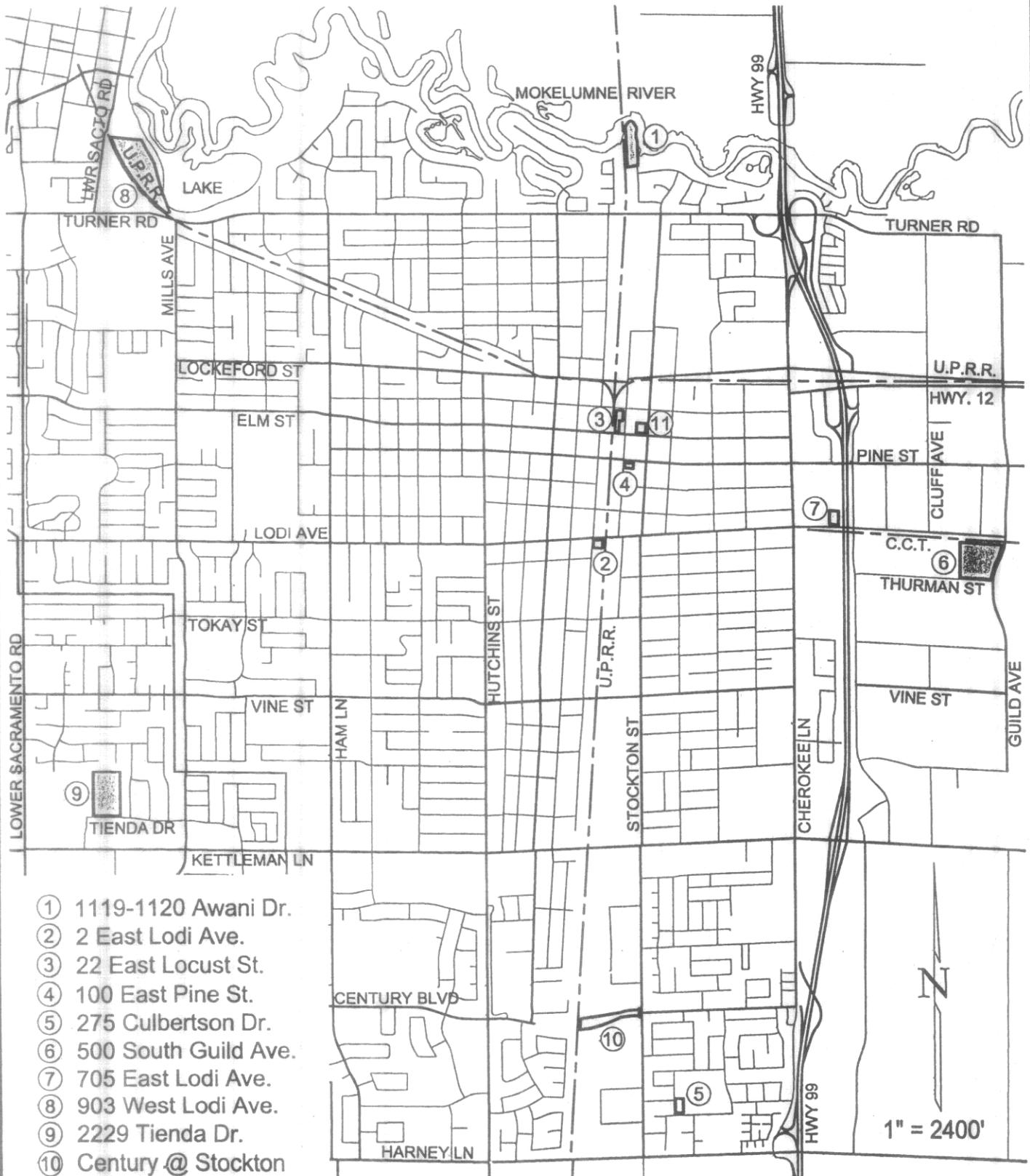
<u>Address</u>	<u>Parcel Size</u>	<u>Purchase Cost/Fund (if known)</u>
903 West Turner Road	12.75 acres	\$12,000 General Fund
221 East Lawrence Avenue	15.24 acres	Donation (1927)
350 North Washington Street	10.24 acres	Donation (1927)
401 North Stockton Street	7.53 acres	\$10,000/unknown account
275 Culbertson Drive	1.13 acres	\$186,016 Parks and Recreation Impact Fees
705 East Lodi Avenue	1.01 acres	Unknown
22 East Locust Street	0.79 acres	\$105,000 CDBG Fund
111 North Stockton Street	0.62 acres	\$572,000 P&R Operating/General Fund
100 East Pine Street.	0.31 acres	Donation (2002)



CITY OF LODI

PUBLIC WORKS DEPARTMENT

Under Utilized City Parcels



- ① 1119-1120 Awani Dr.
- ② 2 East Lodi Ave.
- ③ 22 East Locust St.
- ④ 100 East Pine St.
- ⑤ 275 Culbertson Dr.
- ⑥ 500 South Guild Ave.
- ⑦ 705 East Lodi Ave.
- ⑧ 903 West Lodi Ave.
- ⑨ 2229 Tienda Dr.
- ⑩ Century @ Stockton
- ⑪ 111 N Stockton St.



1" = 2400'

City Owned Parcels

APN	Num.	Dir	Street	Str.	Acres	Actual City Use
01523013	2101	W	TURNER	RD	1.81	McLane Substation, Well 7
01523015	903	W	TURNER	RD	12.75	Lodi Lake (westside)
01548013	1036		WOODHAVEN	LN	0.02	Sewer Lift Station
01553056	2735	W	TURNER	RD	4.66	Katzakian Park
02704036	619	S	LOWER SAC	RD	0.01	future Tokay St. R/W
02710101	520	S	LOWER SAC	RD	0.14	Well 13
02714030	356	S	SHADY ACRES	DR	0.13	Well 9, Shady Acres SD Pump Station
02726008	2204		GRENOBLE	DR	0.10	Pedestrian Walkway
02731010	2017	W	VINE	ST	0.14	Well 17
02741004	2229		TIENDA	DR	8.03	Roget Park
02908206	401	N	MILLS	AV	0.14	Well 5
02917010	831	N	LOWER SAC	RD	0.07	Well 15
02921052	180	N	LOWER SAC	RD	0.55	Fire Station 4
02938011	0				20.94	Petersen Park, E-Basin, Sewer Lift Sta.
02941002	2206	W	OXFORD	WY	13.15	Glaves Park, B-1 Basin, Well 14
02952043	144		BOXWOOD	CT	0.04	Pedestrian Walkway @ LSR/WID
03104004	1426	W	CARDINAL	ST	2.37	Kofu Park (Northwest por.)
03104021	1145	S	HAM	LN	21.49	Kofu Park, Municipal Service Center
03104024	2000		TIENDA	DR	0.05	Sewer Lift Station
03114035	503	W	VINE	ST	0.18	Legion Park (Southeast por.)
03304022	1824	W	TOKAY	ST	11.99	Vinewood Park, B-2 Basin
03308043	835	S	HUTCHINS	ST	5.52	Legion Park (North por.)
03517408	1324		HOLLY	DR	0.27	Candy Cane Park
03719025	125	S	HUTCHINS	ST	10.08	Hutchins Street Square, Well 3
03721014	11	N	HUTCHINS	ST	1.87	Emerson Park
03727016	303	W	ELM	ST	0.23	Police Bldg. (portion)
03727038	310	W	ELM	ST	0.97	Public Parking Lot, Court 1
03727046	215	W	ELM	ST	0.66	Police Bldg. (portion)
03728015	305	W	PINE	ST	0.39	Carnegie Forum
03902010	1101	W	TURNER	RD	0.71	Lodi Lake (along Laurel Ave.)
03910020	0				51.88	Lodi Lake
03938028	838	N	HAM	LN	0.10	Pedestrian Walkway
04111018	600	N	PLEASANT	AV	0.98	VanBuskirk Park
04116405	13	E	PEFORCE	AV	0.05	Alley
04122002	217	E	LOCKEFORD	ST	1.36	Parking Lot, Vacant (S/Armory)
04123039	333	N	WASHINGTON	ST	3.17	Armory Park, Armory
04124027	221	E	LAWRENCE	AV	15.24	Grape Bowl
04124028	350	N	WASHINGTON	ST	10.20	Lawrence Park, Zupo Field
04124041	401	N	STOCKTON	ST	7.53	Softball Complex
04125038	1119		AWANI	DR	3.00	Scenic Overlook (por.)
04131055	407	E	TURNER	RD	0.05	Sewer Lift Station
04141001	1120		AWANI	DR	0.65	Scenic Overlook (por.)
04146039	412		YOKUTS	DR	0.04	Sewer Lift Station Access
04302109	201	W	LOCUST	ST	1.25	Library
04302213	215	W	ELM	ST	1.01	Police Bldg. (portion)
04302302	114	W	LOCKEFORD	ST	0.01	Well 2
04302610	11	W	ELM	ST	0.20	Public Parking Lot (Portion)
04302612	17	W	ELM	ST	0.16	Public Parking Lot (Portion)
04303109	210	W	ELM	ST	1.50	Public Safety Bldg., Parking Lot
04303111	221	W	PINE	ST	1.50	City Hall, Parking Lot
04303401	10	S	CHURCH	ST	0.43	Downtown Parking Lot #1 (por.)
04303409	30	S	CHURCH	ST	0.31	Downtown Parking Lot #2
04303707	50	N	SACRAMENTO	ST	1.32	Lodi Station Parking Structure
04303708	1	S	SACRAMENTO	ST	1.00	Lodi Station (por.)

City Owned Parcels

APN	Num.	Dir	Street	Str.	Acres	Actual City Use
04303709	24	S	SACRAMENTO	ST	1.91	Lodi Station (por.)
04304304	114	W	OAK	ST	0.31	Downtown Parking Lot #3
04304313	117	W	WALNUT	ST	0.25	Downtown Parking Lot #4 (por.)
04304314	140	S	CHURCH	ST	0.13	Downtown Parking Lot #4 (por.)
04304315	120	S	CHURCH	ST	0.07	Downtown Parking Lot #4 (por.)
04304411	219	S	SCHOOL	ST	0.04	Abandoned Well #3 (fut. PCE cleanup site)
04304520	107	S	SACRAMENTO	ST	0.00	Electric Vault
04304703	112	S	SACRAMENTO	ST	0.01	Electric Vault ??
04304705	6	E	OAK	ST	0.18	Lodi Station (por.)
04304707	8	E	OAK	ST	0.21	Lodi Station (por.)
04307201	100	E	PINE	ST	0.31	Old Shanghai (Adopt-A-Child lease)
04308204	22	E	LOCUST	ST	0.79	Vacant (acquired for Indoor Sports Facility)
04308407	111	N	STOCKTON	ST	0.62	Park & Recreation Annex
04308408	122	N	MAIN	ST	0.02	Park & Recreation Corp Yard, Water Tank
04308410	122	N	MAIN	ST	0.00	Park & Recreation Corp Yard, Water Tank
04308411	125	N	STOCKTON	ST	1.22	Park & Recreation Office
04308601	208	E	LOCUST	ST	2.64	Hale Park
04320228	543	E	LOCUST	ST	0.39	Killelea Substation
04323006	705	E	LODI	AV	1.01	Fire Station 2, Well 1
04530033	1330	S	SACRAMENTO	ST	0.01	Industrial Wastewater Lift Station
04531001	2	E	LODI	AV	0.62	Maple Street Square (leased to AA group)
04710001	1050	S	STOCKTON	ST	8.96	Blakely Park, Well 6
04902014	824	E	TURNER	RD	0.35	Well 11
04904038	77	S	CLUFF	AV	0.14	Cluff SD Pump Station
04912031	6013	E	ST RT 12	HY	0.04	Abandoned Well #11
04913002	18021	N	KENNISON	LN	0.16	Abandoned Well #10
04913047	17700	N	GUILD	AV	0.08	Abandoned Well #10R
04918028	515	N	CLUFF	AV	0.05	Sewer Lift Station
04925013	1215	E	THURMAN	ST	8.10	Reid Industrial Substation
04925061	500	S	GUILD	AV	9.09	Future EUD/Animal Shelter Yard
04925083	930	S	BECKMAN	RD	28.33	Pixley Park, C-Basin
05512003	12001	N	THORNTON	RD	158.57	Wastewater Treatment Plant (por.)
05512008	11889	N	THORNTON	RD	12.64	Wastewater Treatment Plant (por.)
05512011	0	N	THORNTON	RD	235.73	Wastewater Treatment Plant (por.)
05513004	12299	N	THORNTON	RD	65.65	Wastewater Treatment Plant (por.)
05513013	12351	N	THORNTON	RD	58.88	Wastewater Treatment Plant (por.)
05513016	0				160.00	Wastewater Treatment Plant (por.)
05515014	12919	N	THORNTON	RD	2.00	Wastewater Treatment Plant (vacant por.)
05515015	12849	N	THORNTON	RD	10.30	Wastewater Treatment Plant (por.)
05515017	12905	N	THORNTON	RD	6.20	Wastewater Treatment Plant (vacant por.)
05515029	0				225.35	Wastewater Treatment Plant (por.)
05519001	11839	N	THORNTON	RD	99.15	Wastewater Treatment Plant (por.)
05803010	2800	W	KETTLEMAN	LN	4.10	Future Elec. Substation, Well
05810020	1520	E	HARNEY	LN	0.30	Sewer Lift Station
05816053	2126	W	KETTLEMAN	LN	0.07	Well 20 (por.)
05816088	2126	W	KETTLEMAN	LN	0.05	Well 20 (por.)
05823023	0				1.98	DeBenedetti Park, G-Basin, Fut. Well
05823024	2350	S	LOWER SAC	RD	45.96	DeBenedetti Park, G-Basin, Fut. Well
05851061	1811		LEXINGTON	DR	2.66	Neighborhood Park (Century Meadows)
06010006	1426	W	CENTURY	BL	16.63	Beckman Park, Fire Sta. 3, A-2 Basin, Well 16
06012307	2238	W	NEWBURY	CI	0.04	Pedestrian Walkway
06013049	2184		NEWBURY	CI	3.69	Century Park
06021011	1105	W	BRADFORD	CI	0.05	Pedestrian Walkway
06022025	1012	W	WIMBLEDON	DR	0.05	Pedestrian Walkway

City Owned Parcels

APN	Num.	Dir	Street	Str.	Acres	Actual City Use
06024002	601	E	HARNEY	LN	0.07	Well 19
06202041	1420	S	HUTCHINS	ST	0.01	Well 12
06206001	1408	S	STOCKTON	ST	0.09	Well 8
06215031	334	W	LAMBERT	CT	0.01	Landscape Strip
06215032	335	W	LAMBERT	CT	0.01	Landscape Strip
06222016	200	W	CENTURY	BL	0.11	Well 18
06228002	2101	S	STOCKTON	ST	21.00	Salas Park, D-Basin
06229019	2001	S	CHEROKEE	LN	0.29	Well 22
06229036	275		CULBERTSON	DR	1.13	Neighborhood Park
06241027	2459		MAGGIO	CI	0.09	Well 23
06264034	2449		SAN MARTINO	WY	0.76	Harney/99 widening R/W
119	Parcels				1,422	Acres