

## REPORT TO THE CITY COUNCIL

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**DATE:** July 5, 2017

**TITLE:** City Acquisitions of Two Parcels on 1st Street for Future City Hall

**Prepared by:** Robert J. Lee, Deputy City Attorney

**Reviewed by:** Joseph M. Tanner, Administrative Services Director

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### **RECOMMENDATION**

**Approve the acquisition of real property from William Schultz and Felix Ocampo Vences located at 66455 and 66445 1st Street, City of Desert Hot Springs; the related Purchase and Sale Agreement for each and any amendments thereto, as finalized by the City Attorney; and authorize the City Manager to execute the same.**

### **BACKGROUND**

The City of Desert Hot Springs plans to construct a new City Hall at the southwest corner of Palm Drive and 1st Street. In connection therewith, the City is in need of additional land located to the West of the future site for use as a parking lot.

Through the City's real estate brokers, NAI Capital, the City contacted William Schultz ("Schultz") and Felix Ocampo Vences ("Vences"), the owners of the parcels of real property located immediately to the west of the future City Hall site, having addresses of 66455 1st Street and 66445 1st Street, respectively (sometimes collectively referred to as the "Subject Properties"). Schultz and Vences have agreed to sell their respective parcels to the City upon the terms and conditions set forth in the proposed purchase and sale agreements (see attached).

The proposed purchase price for the property owned by Schultz, 66455 1st Street, is \$140,000, and the proposed purchase price for the property owned by Vences, 66445 1st Street, is \$220,000. The City would make a cash deposit of \$10,000 upon the opening of escrow for each acquisition, and would purchase both of the Subject Properties entirely in cash or cash equivalent. Accordingly, no financing would be required for either acquisition.

As additional background, Vences is a Spanish speaker who does not speak English. Therefore, the City has engaged a translation consultant to provide the English to Spanish translation to Vences of the Vences purchase and sale agreement.

Schultz' father is a former Mayor of Desert Hot Springs. In connection with the acquisition of his property, Schultz has requested the City to prepare a plaque commemorating his father for his services to the City as Mayor, and to display the plaque at the new City Hall when it is completed.

### **CEQA ANALYSIS**

The proposed acquisitions are exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines (14 CCR §15061(b)(3)) because it can be seen with certainty that there is no possibility that the acquisitions may have a significant effect on the environment. The present analysis is limited to the City's act of acquiring title to the Subject Properties. Further CEQA analysis relating to the Subject Properties may be addressed at a later date, if and when the City initiates construction of the new City Hall and the Subject Properties are encompassed within the scope of the environmental effects and/or impact(s) of said project.

**FISCAL IMPACT**

\$140,000 to acquire 66455 1st Street and \$220,000 to acquire 66445 1st Street. Currently there is no budget for property acquisition in the 2017/2018 budget. Staff will amend the budget accordingly upon approval of this item.

**EXHIBIT(S)**

- 1) Purchase and Sale Agreement and Joint Escrow Instructions by and between City of Desert Hot Springs and William F. Schultz
- 2) Purchase and Sale Agreement and Joint Escrow Instructions by and between City of Desert Hot Springs and Felix Ocampo Vences