

STAFF REPORT

Lancaster Redevelopment Agency

JPH 2
02/13/07
RSL

Date: February 13, 2007

To: Chairman Hearn and Agency Board Directors
Mayor Hearn and City Council Members

From: Vern Lawson, Lancaster Economic Development/Redevelopment Director

Subject: **Approve Agreement for Sale of Real Property by and between the Lancaster Redevelopment Agency and Frank A. Visco and Sharon S. Visco for property located on the northwest corner of Avenue L and Sierra Highway Loop**

Redevelopment Agency Recommendation:

Adopt Resolution No. 03-07, approving an "Agreement for the Sale of Real Property" by and between the Lancaster Redevelopment Agency and Frank A. Visco and Sharon S. Visco for property located at the northwest corner of Avenue L and Sierra Highway Loop.

City Council Recommendation:

Adopt Resolution No. 07-22, approving an "Agreement for the Sale of Real Property" by and between the Lancaster Redevelopment Agency and Frank A. Visco and Sharon S. Visco for property located at the northwest corner of Avenue L and Sierra Highway Loop.

Fiscal Impact:

The Agency will receive \$285,000 less closing fees.

Background:

When the City decided to construct the Avenue L Overpass, it embarked on a parcel acquisition campaign to provide the necessary right-of-way for the project. After completion of the Overpass, the City was left owning several remnant parcels along Avenue L. The subject of this report is the disposition of one of these remnants.

In late 1990 and early 1991, the City proceeded to construct an Overpass at Sierra Highway and Avenue L (the "Overpass"). Seventeen (17) parcels were identified as necessary to acquire for the ultimate right-of-way for the Overpass. The Overpass design required an unusual right-of-way alignment that in some cases required "full-takings" of property for construction of the improvements across the entire parcel, while other properties required only "partial takings" in an attempt to preserve as much usable property as possible.

In 1992, the Agency initiated acquisition of the subject parcel APN 3128-006-909 and 907, which included a mobile home park. Subsequently the Agency relocated everyone in the park to build the Overpass and returned the remaining property to raw acreage. Additionally, the City recorded a road deed over the entire southerly frontage of APN 3128-006-909 ranging from ten (10') feet to forty-eight (48') feet and relinquishing all access to Avenue L due to safety concerns since the frontage of the property is at the intersection of the Overpass and the northerly access road from Sierra Highway.

While several entities have shown interest in the past to develop the site, the restrictions on access have become an obstacle since the cost to gain alternative access to the site makes any development infeasible.

In 2005, Mr. Frank Visco (“Developer”) approached the Agency to purchase the Site for development purposes. Staff has reviewed the Developer’s offer after securing an appraisal to determine its fair reuse value and has concluded the offer to be reasonable given the following property restrictions:

- a) no access (and will never have direct access) to Avenue L;
- b) only access through adjoining properties;
- c) approximately one-half mile from existing public sewer utilities; and
- d) does not have public water utilities readily available.

It is Staff’s opinion that the properties will be very difficult to develop and this difficulty is reflected in the sales price.

Staff has since completed negotiations of an Agreement for the Sale of Real Property that is now executed by the Developer. The Developer will use its best efforts to build a commercial or industrial facility in conformance with the City’s development standards. His expertise in locally developing numerous successful industrial and commercial projects assures that the development of the Site will be well planned and an asset to the surrounding area. This experience gives him the capability to successfully develop an irregular shaped parcel that would normally be difficult to build out.

The Developer’s use of the property will be in full compliance with the development and land use requirements of the Amargosa Redevelopment Plan and Lancaster’s General Plan along with their respective Environmental Impact reports (the “EIRs”) for industrial and/or commercial use. There is no substantial new information showing that additional environmental impacts will either be created or be more significant than that which has already been described and mitigated through the identified EIRs. A copy of the informational Summary Report required by Section 33433 of the California Community Redevelopment Law is attached.

Sale Agreement – Frank A. Visco and Sharon S. Visco

February 13, 2007

Page 3

It is therefore recommended that the Agreement for the Sale of Real Property between the Lancaster Redevelopment Agency and Frank A. Visco and Sharon S. Visco, as well as all related resolutions transferring Agency property to same, be approved. It is further recommended that authorization be granted to the Executive Director, or his designee, to execute the Agreement and all attendant documents.