

STAFF REPORT

Lancaster Redevelopment Agency

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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 southwest corner of Avenue L and Sierra Highway Loop; And approve to quit claim the City of Lancaster's interest in the property to the Lancaster Redevelopment Agency**

Redevelopment Agency Recommendation:

Adopt Resolution No. 02-07, 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 southwest corner of Avenue L and Sierra Highway Loop.

City Council Recommendation:

Adopt Resolution No. 07-21, 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 the southwest corner of Avenue L and Sierra Highway Loop.

Fiscal Impact:

The Agency will receive \$142,770 less closing fees.

Background:

As part of the Avenue L Overpass Project, the City acquired many parcels of land along Avenue L for right-of-way purposes. After the Overpass was constructed, the City retained ownership of several remnant parcels. The subject of this report is the disposition of one of these remnants, a 2.3 acre parcel located at the southwest corner of Avenue L and the southerly service road to the Overpass (see attached map)..

In mid 1991, the City was involved in an acquisition program of properties for the Avenue L Overpass project at Sierra Highway (the "Overpass"). A total of seventeen (17) parcels were identified for acquisition. The Overpass design required a rather unique alignment of the road right-of-way 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.

Sale Agreement – Frank A Visco and Sharon S. Visco

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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 irregular shape of the lot and limited vehicle access from the frontage road. 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 proposed reuse 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.

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 the Developers 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.

The property is currently owned by the City of Lancaster and will require the City to quit claim its interest to the Lancaster Redevelopment Agency in order to effectuate the sale to the Developer. Therefore, staff recommends the City Council authorize the City Manager, or his designee, to execute a quitclaim deed transferring ownership of the site from the City to the Agency.