



**CITY COUNCIL/SUCCESSOR AGENCY AGENDA ITEM NO. G.2**  
**08/27/2024**

---

**SUBJECT:** Sale of Successor Agency-Owned Property Located on the Southeast Corner of Oak St. and Walnut Blvd.

**DEPARTMENT:** City Manager's Office

**STAFF:** Darin Gale, Assistant City Manager  
Abraham Salinas, Senior Analyst

---

### **TITLE/RECOMMENDATION**

Adopt a resolution approving and authorizing the Executive Director, or designee, in coordination with the General Counsel, to execute an Agreement for Purchase and Sale of real property with Hagar Realty, or related entity in substantial conformance with the attached agreement, for Successor Agency-owned property located on the southeast corner of Oak Street and Walnut Boulevard (APN 013-232-006), and authorizing execution of other documents as necessary to complete the transaction.

### **FISCAL IMPACT**

Due to the dissolution of redevelopment agencies and the subsequent creation of successor agencies tasked with managing the winding down of their affairs, the City, in its role as Successor Agency, was directed to dispose of all former Redevelopment Agency parcels. This process is governed by the County oversight board, and funds are distributed as property tax revenues according to [California Health and Safety Code Section 34177](#). The county auditor-controller is responsible for allocating these funds to the relevant taxing entities, including the state and county, as part of the property tax allocation process.

The agreed sale price for the property is \$390,000 in "as-is" condition. Upon Successor Agency Board approval of the Purchase and Sales Agreement with Hagar Realty, the sale is expected to generate approximately \$60,000 in one-time General Fund revenue for the City of Brentwood, as most of the revenue from the sale of successor agency-owned property is allocated to the state and county.

### **BACKGROUND**

The Brentwood Successor Agency owns a 1.796-acre (78,234 square foot) commercial tract of land situated at the southeast corner of Oak Street and Walnut Boulevard (the Property). The Property, which has a level topography but an irregular



**CITY COUNCIL/SUCCESSOR AGENCY AGENDA ITEM NO. G.2**  
**08/27/2024**

and narrow shape, is located near downtown Brentwood. These physical characteristics limit its potential uses.

The Property lies within the Brentwood Downtown Zoning District and is specifically zoned as C-4, which is designated for commercial use. Permitted uses for this Property include recreational sales and services, commercial sales and services, restaurants, parking lots and garages, office spaces, civic and cultural facilities, lodging, various forms of residential development, and other similar uses as determined by the Community Development Director.

Conditionally Permitted Uses that may apply, with the granting of a use permit, include uses featuring outdoor sales and outdoor storage not clearly ancillary to the use, and auto or other vehicle repair service uses with outdoor storage. Other conditional uses include those that the zoning administrator determines, because of type of operation, include material stored or sold, or other special circumstances require special consideration and regulations through the conditional use permit procedure.

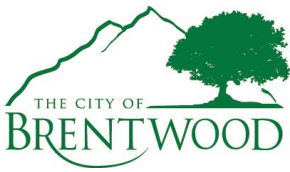
### **SURPLUS LAND ACT PROCESS**

In 2020, the Property, along with 13 others, was declared surplus. The disposition or sale of surplus real property by the City is governed by the California Surplus Lands Act (SLA) ([Government Code 54220 et seq.](#)), while the disposition of Successor Agency-owned properties must also follow the California Redevelopment Dissolution Law ([California Health & Safety Code section 34170 et seq.](#)). Final decisions regarding the disposition of City-owned real estate rest with the City Council, whereas for Successor Agency-owned parcels, the State of California's Department of Finance has the final authority. Additionally, with Successor Agency parcels, the Successor Agency is prohibited from restricting or conditioning the sale of the property for a specific type of use.

In May 2023, the City Council updated the City Council/Administrative Policy No. 10-20 (Attachment 4), which provides detailed guidelines for the sale of City and Successor Agency-owned property. Staff has adhered to the SLA process and is now moving forward with the disposition of the Property in accordance with City Council/Administrative Policy 10-20.

### **HAGAR REALTY**

A recently completed Broker's Price Opinion for the property determined the current fair market value of the Property to be \$390,000. Hagar Realty (the Buyer), and commercial real estate broker, has expressed interest in purchasing the Property and



has made an all-cash offer at the full market value. Additionally, the Buyer has site control of the adjacent parcel and hopes to close on that property in the coming months. The combination of these parcels would allow for more suitable development, as the Property alone is not ideal for development due to its narrow and irregular shape.

If the City Council acting as the Successor Agency Board approves this agreement, staff will forward the agreement to the County Oversight Board for consideration and then the agreement would be reviewed and finalized by California's Department of Finance. Given the limited availability of commercial land in the downtown area and where the property is located, staff believes this development opportunity could lead to the addition of new businesses, job creation, and increased tax revenue for the City. The Buyer will close on this property with 120 days of final approval of agreement from the State.

### **CITY COUNCIL STRATEGIC INITIATIVE**

Focus Area 3: Economic Development:

- 1.a. Encourage private re-investment through the sale of Successor Agency and City owned real Properties.
- 1.b. Incentivize higher tier, unique business and development to the Brentwood Boulevard and Downtown areas.
- 2.a. Enhance retail recruitment awareness and prioritize activities that display the City's efforts inducing new retail-commercial development.

### **PREVIOUS ACTION**

Previous Action by the City Council is included on Attachment 1.

### **DATE OF NOTICE**

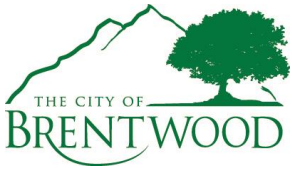
Not Applicable.

### **ENVIRONMENTAL DETERMINATION**

Not Applicable.

### **ALTERNATIVE OPTION(S)**

Alternative Options to the Staff Recommendation:



**CITY COUNCIL/SUCCESSOR AGENCY AGENDA ITEM NO. G.2**  
**08/27/2024**

1. Do not approve staff's recommendation.
2. Modify staff's recommendation.
3. Continue item with direction for staff to return with additional information.

**ATTACHMENT(S)**

1. Previous Action
2. Resolution
3. Draft Purchase & Sale Agreement (PSA) with Hagar Realty
4. City Council/Administrative Policy No. 10-20
5. Draft SLA Affordable Housing Covenant