



**CITY COUNCIL/SUCCESSOR AGENCY AGENDA ITEM NO. I.2**  
**09/24/2024**

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**SUBJECT:** Request for Proposals for Purchase of the Former CD Manufacturing Building (400 Guthrie Lane)

**DEPARTMENT:** City Manager's Office

**STAFF:** Darin Gale, Assistant City Manager  
Ricardo Noguera, Economic Development Manager  
Abraham Salinas, Senior Analyst

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### **TITLE/RECOMMENDATION**

Adopt a Resolution approving and authorizing the Executive Director, or designee to issue a request for proposals for the sale of Successor Agency-Owned Property located at 400 Guthrie Lane.

City staff is responding to the City Council's direction to solicit proposals from qualified developers and businesses to sell the property as required by state law. The goal is to find a suitable party to acquire and renovate the building for industrial and/or office uses generating employment.

### **FISCAL IMPACT**

There is no fiscal impact associated with soliciting the Request for Proposals (RFP) and offering the property for sale at this time, and the fiscal impact at the time of the sale is unknown at this time. Prior to presenting a sale price to the full City Council for consideration, the City will obtain a Broker's Price Opinion (BPO) to determine the property's fair market value. As this is a Successor Agency-owned property, most of the revenue from the sale will be allocated to the appropriate taxing entities, with the City's General Fund expected to receive only approximately 16% of the total sale revenue.

### **BACKGROUND**

The CD Building is located at 400 Guthrie Lane, and consists of 20,278 square feet of office and industrial space. The property originally served as a Compact Disc (CD) manufacturing facility until operations ceased shortly after the year 2000. In September 2003, the City Council authorized the purchase of the former CD building as part of an overall transaction to acquire 9100 Brentwood Boulevard for use as the City's Police Facility.



The former CD Building was then transferred to the Brentwood Redevelopment Agency for future development potential. With the dissolution of Redevelopment Agencies in California, the property is now owned by the Brentwood Successor Agency, and is obligated to sell the property for the benefit of the taxing entities in the City.

Currently, the building offers limited parking with 16 stalls and has other issues that might restrict its potential uses. However, the building and space that was not occupied by the Police Department has been utilized for various purposes, including month-to-month use agreements with community groups and businesses, and temporary storage of City property.

### **PRIME LOCATION AND POTENTIAL USES**

The property is located across from the Harvest Commerce Center, near Brentwood Boulevard—a major north-south arterial on the eastern end of the city. This prime location offers a future owner the potential to renovate the building for a variety of uses. The building, equipped with a 2,200 amp electrical service, 20-foot ceilings, and a 12,000 sq. ft. clear-span area (i.e., open, with no columns) can be converted for single-purpose or multi-use light industrial, manufacturing, or office purposes. The intended and preferred future owner and/or occupant of this property is a privately owned and operated business that will contribute to employment opportunities and generate tax revenue for the city.

Potential uses for the property to maximize property tax valuation and higher wage job generation include:

1. **Light Industrial and Manufacturing:** The building's robust electrical capacity makes it ideal for light industrial activities, such as electronics assembly, advanced manufacturing, contractor-related operations, small-scale fabrication, or other manufacturing operations.
2. **Office Space:** Given the high demand for office space in the city, the building can be transformed into modern office suites suitable for tech companies, professional or medical services, or creative industries.
3. **Mixed-Use Development:** The property can be developed into a mixed-use facility combining office and light industrial spaces, providing flexibility for businesses requiring both administrative and operational areas.
4. **Research and Development:** The electrical capacity and location make it a good candidate for R&D facilities, particularly for companies in the technology or life sciences sectors.



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Given the strong demand for light industrial and office spaces citywide, coupled with consistently low vacancy rates, the City is seeking an experienced owner/business to acquire and transform the property into a site that will deliver significant economic benefits to Brentwood.

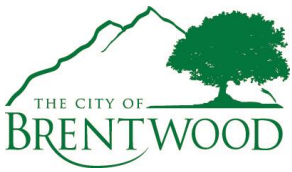
### **SURPLUS LAND ACT PROCESS**

In 2020, the former CD manufacturing building, along with 13 other properties, was declared as surplus. The City disposition or sale of surplus real property procedures are governed by the California Surplus Lands Act (SLA) ([Government Code 54220 et seq.](#)) and the Agency disposition procedures are governed by 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 Council/Administrative Policy No. 10-20 (Attachment 3), 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.

The Request for Proposals (RFP) included as Attachment 4, provides further details regarding the building, scoring criteria, and selection process. If approved by the City Council, the following process will be followed to facilitate the sale of the property:

1. Staff will publish and advertise the RFP to interested parties, including listing on the multiple listing service (MLS) and through the city's economic development contacts.
2. Proposals will be due within sixty (60) days of release.
3. A City staff selection committee will review received submittals and finalists will be interviewed.
4. Staff will present the selected proposal and present a Purchase and Sale Agreement (PSA) to the full City Council for consideration.
5. If approved, staff will forward the PSA to the County Oversight Board for consideration. Subsequently, the agreement would be reviewed and finalized by California's Department of Finance.



### **CITY COUNCIL STRATEGIC INITIATIVE**

This action supports the FY 2022/23 – 2023/24 Strategic Plan Initiatives, Focus Area 3 - Economic Development:

- 1.a. Encourage private – reinvestment through the sale of Successor Agency and City owned real properties.
- 1.b. Incentivize higher tier, unique business and development to the Brentwood Blvd. and Downtown areas.

### **PREVIOUS ACTION**

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

### **DATE OF NOTICE**

Not Applicable.

### **ENVIRONMENTAL DETERMINATION**

Not Applicable.

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

Alternative Options to the Staff Recommendation:

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. Council/Administrative Policy No. 10-20
4. Request for Proposals (RFP)