



Agenda Item

City Council

Item #: 3.32.

9/14/2021

File #: 21-0424

TO: Honorable Mayor and Members of the City Council

FROM: Rick Otto, City Manager

1. SUBJECT

Declaring the property located at 171 North Cypress Street as surplus to the City's needs and finding that the property located at 177 N. Cypress is exempt surplus to the City's needs, and authorizing the disposal of both properties. Resolution No. 11352.

2. SUMMARY

Resolution No. 11352 will declare the property located at 171 North Cypress Street as surplus to the City's needs and will also find that the property located at 177 N. Cypress Street is exempt surplus to the City's needs. The resolution also authorizes the disposal of both properties.

3. RECOMMENDED ACTION

Adopt Resolution No. 11352. A Resolution of the City Council of the City of Orange finding that certain City-owned real property known as 171 N. Cypress Street is surplus to the City's needs and finding that certain City-owned real property known as 177 N. Cypress Street is exempt surplus to the City's needs and authorizing the disposal of said properties.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 2: Be a fiscally healthy community

d: Effectively manage and develop City assets.

6. DISCUSSION AND BACKGROUND

The properties located at 171 and 177 North Cypress Street were purchased by the City in 2017 in preparation for the construction of the Old Towne West Metrolink Parking Structure. Both properties have small single-family homes that the City has rented on a month-to-month basis since their purchase. With the completion of the parking structure, the properties are no longer needed for any anticipated future use by the City. It is important to note that the properties are contributing structures to the Old Towne Historic District.

In March 2019, the City entered into an Exclusive Negotiating Agreement (ENA) with Break of Dawn, LLC for the properties. Chef and restaurateur Dee Nguyen is the principal of Break of Dawn and he is proposing to rehabilitate the two properties and maintain one house as a residence while converting the other house into a restaurant. The ENA allowed the City to negotiate with Mr. Nguyen

for the possible lease or sale of the properties while processing entitlements to convert 171 N. Cypress Street into a restaurant. Mr. Nguyen has indicated that he would like to purchase the properties from the City however, before the City can negotiate the sale of the two properties it must first declare the properties surplus to City needs.

By declaring these properties surplus to City needs, the City's real property agent can begin the surplus property process. For 171 N. Cypress Street, the process includes the notification to all City departments, various government entities, and affordable housing developers, as required by Government Code Section 54220. If no economically feasible responses are received from these entities, the property will become available for sale to the general public after the expiration of the 60-day notification period. As the property at 177 N. Cypress Street is smaller than 5,000 square feet, it is exempt surplus land meaning that it is not subject to the notification and sale provisions of the Government Code. Any sale and transfer of the property will require approval by the City Council.

Staff recommends approving Resolution 11352 to declare 171 North Cypress Street surplus to City needs and 177 N. Cypress Street exempt surplus to City needs.

7. ATTACHMENT

- Resolution No. 11352