



CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE  
CITY MANAGER

CITY HALL  
915 I STREET - 95814  
(916) 449-5704

December 9, 1985

Budget & Finance Committee  
Sacramento, California

Honorable Members In Session:

Subject: Sale of the Oak Park Library/Clubhouse Property to McGeorge  
School of Law, University of the Pacific

SUMMARY

The attached report recommends that the City Council authorize the City Manager to enter into a contract sales agreement with the McGeorge School of Law, University of the Pacific for the purchase of the Oak Park Library/Clubhouse property for the fair market value of Three Hundred Forty Thousand Dollars (\$340,000.00).

RECOMMENDATION

It is recommended that the Budget and Finance Committee review and evaluate the report for final action by the City Council scheduled for December 23, 1985.

Respectfully submitted,

*Solon Wisham, Jr.*  
SOLON WISHAM, JR.  
Assistant City Manager

December 17, 1985  
District 5



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CALIFORNIA

OFFICE OF THE  
CITY MANAGER

December 9, 1985

CITY HALL  
915 I STREET - 95814  
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City Council  
Sacramento, California

Honorable Members In Session:

**SUBJECT:** Sale of the Oak Park Library/Clubhouse Property to McGeorge School  
of Law, University of the Pacific

SUMMARY

This report recommends that the City Council, by resolution, authorize the City Manager to enter into a contract with the McGeorge School of Law, University of the Pacific, to sell the Oak Park Library/Clubhouse property for the fair market value of Three Hundred Forty Thousand Dollars, (\$340,000.00).

BACKGROUND

In 1978, the City dedicated the new Oak Park Community Center located at Eighth Avenue and Sacramento Boulevard within the new Oak Park Community Complex. This action marked the formal removal of all recreation and community services scheduled in the Oak Park Library/Clubhouse property located on 5th Avenue between 33rd and 34th Streets. The City had previously used 9,107 square feet of the 11,612 square feet structure (78%) for community recreational purposes. The remaining 2,505 square feet (22%) continues to be used to house the Oak Park Library.

On March 27, 1984, the City Council approved a new master plan for the expansion of the City portion of the Sacramento Public Library System. That master plan places a high priority on the development of the new Oak Park/Fruitridge Community Library on the northeast corner of the Stockton Boulevard and 21st Avenue intersection. The community library is planned to serve both City and unincorporated area residents in the Oak Park, Fruitridge, and Colonial communities of the metropolitan area. Smaller libraries scheduled for closure upon the opening of the new community library include Oak Park, Fruitridge, and Gillis. The architectural selection process for the new Oak Park/Fruitridge Community Library is under way at this time.

Since early 1979, McGeorge School of Law, University of the Pacific, has leased 9,107 feet or 78% of the Oak Park Library Clubhouse. In the near future, the City of Sacramento will have no further official need to keep the subject

property in the City inventory. On the other hand, McGeorge School of Law, is continuing to expand their facilities in the Oak Park Campus. The Oak Park Library/Clubhouse structure has a unique architectural quality and is worth preserving as part of the Oak Park Community. This can best be accomplished by adding it to the expanding McGeorge School of Law campus. It is possible for the City to declare the subject property surplus and receive market value with assurances that the building will continue to be a part of the Oak Park scene and serve as a fine example of 1930's architecture as a part of the education complex.

A formal appraisal of the property was made by Mr. David E. Lane in August of 1984 and more recently updated in May, 1985. Values set by both of those appraisals are Three Hundred Forty Thousand Dollars (\$340,000.00). This appraisal was obtained when it was apparent that the City would have no long-term use of the building after the adoption of the new library master plan.

On an interim basis, the City will continue to need to utilize 2,505 square feet, or 22% of the structure for public library purposes. This interim use will continue until such time that the new Oak Park/Fruitridge Library is finished and ready for occupancy.

The attached contract provides for the following conditions.

1. The City agrees to sell the subject property to McGeorge School of Law, University of the Pacific for a fair market value price of Three Hundred Forty Thousand Dollars (\$340,000.00).
  - a. The City offers to sell to the University over a period of fourteen (14) years with a payment of seventy-five thousand dollars (\$75,000.00) down and thirty-five (\$35,000.00) per year in principal and interest on the unpaid balance equal to nine percent (9%) per year simple interest on unpaid balance.
  - b. McGeorge is allowed to prepay the full amount of principal of the loan at any time with no prepayment penalty.
2. The City will continue to occupy the 2,505 square feet space used for the Oak Park Library until such time in the near future that the new Oak Park/Fruitridge Community Library is constructed. The City's occupancy shall be based upon a rental fee of \$1.00 per month for the first twenty (20) months and twenty-eight cents (\$.28) per square foot per month thereafter with the assumption of full costs for all utilities and operations associated with the Library during that period of use.
3. All funds derived from the principal and interest earned on this transaction shall be deposited in the City's General Fund.
4. Deed to the subject property shall be provided to the buyer at such time as the entire purchase price has been paid.

#### FINANCIAL DATA

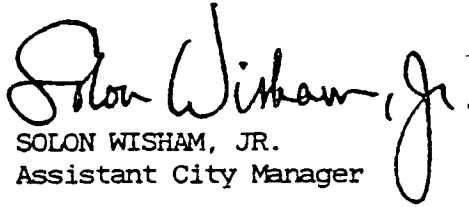
The fair market value for the subject property is set at Three Hundred Forty Thousand Dollars (\$340,000.00) by a qualified appraiser who is acceptable to the City and McGeorge School of Law, University of the Pacific. While the

actual cash sales price is \$340,000.00, the final yield from the sale is dependent upon the overall term of the contract and the interest rate yield of the City's Investment Pool A during that term.

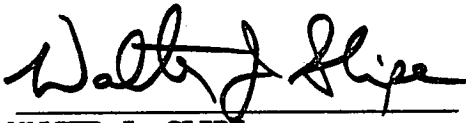
RECOMMENDATION

It is recommended that the City Council, by resolution, authorize the City Manager to enter into a contract with McGeorge School of Law, University of the Pacific to sell the Oak Park/Clubhouse property for the price of Three Hundred Forty Thousand Dollars (\$340,000.00).

Respectfully submitted,

  
SOLON WISHAM, JR.  
Assistant City Manager

RECOMMENDATION APPROVED:

  
WALTER J. SLIPE,  
City Manager

December 23, 1985  
District 5

Lots 14,15,16,17, and 18 in Block 53 of  
W.J. Landers Subdivision "B" of Oak Park  
recorded in the office of the Recorder of  
Sacramento County, California in Book 5  
of Maps, Page 15.

DAVID E. LANE, INC.  
Real Estate Appraisers & Counselors  
May 22, 1985

DOORIS MORAES

Mr. Irv Moraes  
Real Estate Supervisor  
City of Sacramento  
915 - I Street  
Sacramento, CA 95814

Dear Mr. Moraes:

At your request, and with the permission of Gordon D. Schaber, Dean of McGeorge School of Law, I have made an investigation to update the appraisal that I made as of August 1, 1984, on the Oak Park Library and Clubhouse property.

This is to advise you, based on my research, and assuming no physical changes in the building, that I have found no market information that indicates any change in value since last August.

It is therefore my opinion that the market value of that property remains the same as of May 15, 1985, or:

THREE HUNDRED FORTY THOUSAND DOLLARS (\$340,000)

This letter update incorporates by reference my report transmitted by letter dated September 4, 1984, containing 30 numbered pages and addenda.

The data used in the updating is available in my files, but is not set forth in detail due to there being no change in the conclusion of value.

Respectfully submitted,

DAVID E. LANE, INC.

*David E. Lane*  
DAVID E. LANE, President

## RESOLUTION NO.

Adopted by The Sacramento City Council on date of

### RESOLUTION AUTHORIZING THE SALE OF CITY REAL PROPERTY WITHOUT BIDS

WHEREAS, in accordance with Sacramento City Code Section 12.109(A)(2), the City Council hereby finds that it is in the best interest of the City of Sacramento to sell the real property commonly known as the Oak Park Library/Clubhouse property without formal bid procedures for the following reasons:

1. The Oak Park Clubhouse was replaced by the new Oak Park Community Center in December, 1978. The Oak Park Clubhouse was then leased to McGeorge School of Law for educational purposes;

2. The Oak Park Library is being replaced by the new Oak Park/Fruitridge community Library, which will ultimately serve the interests of the people currently served by the existing facility and those served by the Fruitridge and Gillis Libraries;

3. The existing architectural quality of the building is unique and worth preserving;

4. The structure and property is within the campus area of the McGeorge School of Law and would be a useful addition to the campus;

5. A formal City appraisal placed the market value of the building at Three Hundred Forty Thousand Dollars (\$340,000.00);

6. Only a purchase by the McGeorge School of Law will insure that the building is used and integrated into the McGeorge campus, thereby preserving a unique architectural building, as well as obtaining thereby the full market value of the building for the City.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sacramento hereby authorizes the City Manager to enter into a contract with the McGeorge School of Law, University of the Pacific, to sell the Oak Park Library/Clubhouse property to

said McGeorge School of Law, University of the Pacific, for the price of Three Hundred Forty Thousand Dollars (\$340,000.00).

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK



CONTRACT TO PURCHASE AND SELL REAL ESTATE

1. Parties: The parties to this agreement are the City of Sacramento, a municipal corporation (hereafter "Seller") and the McGeorge School of Law, the University of the Pacific, a California corporation (hereafter "Buyer").

2. Subject: The subject matter of this contract is the real property with buildings located thereon commonly known as the Oak Park Library/Clubhouse located on the north side of Fifth Avenue between 33rd and 34th Streets, Sacramento, California, more particularly described in Exhibit A, attached hereto and incorporated by reference.

3. Price: The Seller hereby agrees to sell, and the Buyer hereby agrees to purchase the real estate with buildings thereon commonly known as the Oak Park Library/Clubhouse, for a price of Three Hundred Forty Thousand Dollars (\$340,000.00), payable in accordance with Paragraph 4, below.

4. Terms: The Buyer shall pay Seventy-five Thousand Dollars (\$75,000.00) in cash upon the execution of this document. The remaining Two Hundred Sixty-five Thousand Dollars (\$265,000.00) due shall be payable as follows:

a. One year from the date of this document, and each year thereafter for a period of fourteen years, Buyer shall pay to Seller a payment of Thirty-five Thousand Dollars (\$35,000.00) including interest for Years 1 through 13 and Nine Thousand Eight Hundred Eighty-six Dollars and Four Cents (\$9,886.04) for Year 14 calculated in accordance with subparagraph (b), below.

(b) Interest shall accrue as simple interest on the unpaid balance at a rate of nine percent (9%) calculated on an annual basis for the calendar year completed prior to each anniversary date hereof. The following repayment schedule is as follows:

REPAYMENT SCHEDULE

	PAYMENT	PRINCIPAL	INTEREST	BALANCE DUE
YEAR 1	35,000.00	11,150.00	23,850.00	253,850.00
YEAR 2	35,000.00	12,153.50	22,846.50	241,696.50
YEAR 3	35,000.00	13,247.32	21,752.69	228,449.19
YEAR 4	35,000.00	14,439.57	20,560.43	214,009.61
YEAR 5	35,000.00	15,739.13	19,260.87	198,270.48
YEAR 6	35,000.00	17,155.66	17,844.34	181,114.82
YEAR 7	35,000.00	18,699.67	16,300.33	162,415.15
YEAR 8	35,000.00	20,382.64	14,617.36	142,032.52
YEAR 9	35,000.00	22,217.07	12,782.93	119,815.44
YEAR 10	35,000.00	24,216.61	10,783.39	95,598.83
YEAR 11	35,000.00	26,396.10	8,603.90	69,202.73
YEAR 12	35,000.00	28,771.75	6,228.25	40,430.97
YEAR 13	35,000.00	31,361.21	3,638.79	9,069.76
YEAR 14	9,886.04	9,069.76	816.28	.00
	<u>\$464,886.04</u>	<u>\$265,000.00</u>	<u>\$199,886.04</u>	

(c) The Buyer may prepay the full amount of principal and interest payments then due at any time with no prepayment penalty.

5. Interim Use: The building located on the real property contains approximately 11,612 square feet, of which 2,505 square feet is currently used for a library by the Seller. The remaining 9,107 square feet is currently leased by the Buyer. The Buyer agrees that the Seller may continue to occupy the 2,505 square feet for library purposes until such time as the Oak Park/Fruitridge Community Library is constructed.

Said occupancy shall be at a rental fee of One Dollar (\$1.00) per month for a maximum of twenty (20) months beginning December 1, 1985. If occupancy is required after July 31, 1987, then the Seller agrees to a rental fee of twenty-eight cents (\$.28) per square foot per month thereafter. The Seller shall be responsible for all utilities, maintenance and other operational expenses associated with the library operation during its use.

6. Status of Property: The City Council of the City of Sacramento has declared that this property is not required for municipal purposes and that the best interest of the public will be served by selling the property for its appraised price in accordance with this agreement. A formal appraisal of the property was made by Mr. David E. Lane in August of 1984, most recently updated in May of 1985, which update is attached hereto as Exhibit B and incorporated by reference, and is the basis for establishing both the full market value and the purchase price of this contract.

7. City Code: This sale is made in accordance with Sacramento City Code Section 12.109, and the parties specifically agree that in accordance with Sacramento City Code Section 12.109(c), no deed shall be given to Buyer until such time as the entire purchase price has been paid.

By: CITY OF SACRAMENTO,  
a municipal corporation

\_\_\_\_\_  
City Manager

By: McGEORGE SCHOOL OF LAW,  
UNIVERSITY OF THE PACIFIC

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ATTEST:

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CITY CLERK

APPROVED AS TO FORM

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Deputy City Attorney      Date