

**CITY OF STOCKTON, CALIFORNIA
CITY MANAGER ADMINISTRATIVE DIRECTIVE**

Subject:	Directive No. HRD-02	Page No. 1 of 5
SALE OF REAL PROPERTY	Effective Date: 9/1/02	Revised: 1/1/95 Reviewed: 7/7/06

I. PURPOSE

To establish standard procedures for the sale of real property belonging to the City of Stockton in order to identify individual and departmental responsibilities.

II. POLICY

Real Property that is surplus to the City's present and anticipated future needs should be considered for sale in order that it may serve a useful purpose, be returned to the active tax rolls, and provide revenue to the City General Fund.

III. PROCEDURE

- A. Any department, upon becoming aware that a property is no longer necessary for use, shall notify the Housing and Redevelopment Department (HRD) which will investigate the possibility of a sale. HRD shall initiate the process by circulating a sketch of the property to all City Departments to determine if it is excess to City needs and if any easements must be reserved for existing City utilities or future use.
- B. Upon receipt of department responses and providing the property is not required for any City purpose, HRD shall submit a map of the property to the City Manager together with a recommendation that the property be declared excess and sold.
- C. The City Manager shall advise the City Council that the property is excess and a sale will be attempted.
- D. Upon declaration by the City Manager that the property is surplus, the Housing and Redevelopment Department, Real Property Section, shall:
 1. Request the Public Works Department to prepare a map and legal description of the parcel. The legal description should contain a reservation of mineral rights below a depth of 500 feet.

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2. Obtain and place a "For Sale" sign on the surplus property.
3. Negotiate appraisal fee and order appraisal from a qualified independent appraiser. A qualified member of the Real Property Section staff may perform a staff estimate in cases where value is nominal or if otherwise directed by the City Manager.
4. Coordinate with appraiser to develop appraisal assumptions and limiting or special conditions.
5. Upon receipt or completion of the appraisal, conduct a staff appraisal review and have the appraiser make modifications or corrections, if necessary.
6. Submit a written appraisal review to the City Manager with recommendations for establishing a minimum sales price and the method of sale. The City Manager's execution and return of the approved appraisal review shall constitute authorization to proceed with the sale of the subject property.
7. Determine if the property is capable of independent development based on parcel size, frontage and setback requirements and provisions of applicable planning and zoning ordinances.
 - a. If the property is not capable of independent development, it would first be offered to all adjoining property owners at the appraised value with the condition that any subsequent sale would require a lot merger of the subject parcel with the abutting owner's property. If more than one adjoining owner is interested in acquiring the subject property, the sale will be referred to the Finance Department, Purchasing Agent, to conduct a private bid sale between adjoining owners together with a recommendation for a minimum bid price (generally no less than 80% of appraised value). If no purchaser is identified by this process, the property would then be offered to the

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general public.

- b. If the property is capable of independent development, notices offering the property for sale at current market value shall be sent to various public agencies pursuant to Government Code Section 54220, et seq. and if no purchaser is identified by this process, the property shall be offered for sale to the general public.

8. Sale to General Public.

- a. When the subject property is capable of independent development but not purchased by a public agency, and in those cases where the abutting owner(s) of property incapable of independent development are not interested in purchasing, the property shall be referred to the Finance Department, Purchasing Agent for sale to the general public. Such referral shall include documentation for the sale as appropriate, and a recommendation for either sealed bid or auction, based on the relative value of the property, the number of prospective purchasers, etc.
- b. All written bids (including written bids submitted to qualify for oral bidding) shall be accompanied by a deposit of at least 10 percent of the amount of the bid in the form of a certified check, cashiers check or money order.
- c. Upon completion of the oral bidding, the Purchasing Agent shall coordinate with the Real Property Section for execution of an Acknowledgment of Receipt of Earnest Money and Offer of Purchase by the successful bidder and the City. All contracts are to be approved as to form by the City Attorney's Office.
- d. Unsuccessful bidder's deposits shall be returned at the conclusion of oral bidding.

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- e. If after reasonable market exposure no purchaser has been identified, HRD shall submit a memorandum to the City Manager containing a recommendation for continued sales efforts or retention of the property.
9. Request environmental clearance for the sale of the property from the Community Development Department, Planning Division, including a request for a determination as to conformity with the General Plan.
 10. Prepare a Council agenda report covering the proposed property sale and submit to the City Manager. The City Attorney shall prepare the required resolution.
 11. Upon approval of the City Manager, send "Notice of Intention to Sell Real Property Interest" to the City Clerk for publishing in the legal notice section of the Stockton Record.
 12. Process all documents required to close escrow or otherwise complete the sale. Deposit all proceeds of sale into General Fund Account No. 010-000-461.00.00. Notify the Purchasing Agent to transfer any deposits from the in-and-out trust account to the General Fund account and notify the Finance Department, Accounting Division of the sale.
 13. Update city property index and file to reflect the sale.
- E. For the sale of real property without bids:
1. The City Council may, by resolution, provide for the sale of real property without first calling for bids:
 - a. When the bid procedure as set forth in this directive has been used and no bids have been received; or
 - b. When it finds that such action will be in the best interest of the City.

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2. The resolution provided for in Section E(1) shall direct the City Manager to sell such property on the terms and conditions as may be specified by Council.
3. A deed, conveying the right, title and interest which the City may have in the property shall be given to the purchaser of any property sold pursuant to this Section, upon prior payment in cash, by certified check, by cashier's check, or by money order, of the full purchase price and any incidental expenses pertaining to the transaction.

APPROVED



 J. GORDON PALMER, JR.
 CITY MANAGER