



Memorandum

TO: HONORABLE MAYOR,
CITY COUNCIL AND
SUCCESSOR AGENCY BOARD

FROM: Richard A. Keit
Managing Director

SUBJECT: SEE BELOW

DATE: April 7, 2015

Approved

/s/ David Sykes

Date

4/7/15

SUBJECT: OVERSIGHT BOARD ACTION RELATED TO CITY ACQUISITION OF THE 88 GARAGE

INFORMATION

On February 26, 2015, the Oversight Board disapproved the sale of the 330 space underground parking garage (“Garage”) located at 88 East San Fernando Street (underneath the Safeway and The 88 residential condominium project) to the City for the appraised value of \$850,000. The appraised value was determined in an appraisal dated January 20, 2015, performed by Carneghi and Partners, Inc. Carneghi was one of eight (8) appraisers previously approved by the Oversight Board as part of the process to sell properties for the appraised value directly to Public Entities or Non-Profits. Some members of the Oversight Board expressed concern about some of the assumptions and methodologies used in the appraisal to determine the appraised value of the Garage. The Oversight Board directed Successor Agency staff to either obtain another appraisal or commence an open solicitation process for the sale of the Garage.

City staff remains interested in acquiring the Garage for public use and requested that the Successor Agency reappraise the Garage. At the March 26, 2015, Oversight Board meeting, Successor Agency staff recommended that the Oversight Board approve the process to obtain another appraisal and to establish a two-member Oversight Board sub-committee to oversee the re-appraisal process. The Memorandum to the Oversight Board dated March 19, 2015 can be viewed [here](#). The recommended action was unanimously approved by the Oversight Board and Oversight Board members John Guthrie and Maribel Medina were appointed to the sub-committee.

Successor Agency and City staff are currently working with the sub-committee to initiate the re-appraisal process for the Garage. Staff is hopeful that a new appraisal can be completed by April 30, 2015. Upon determination of the market value for the Garage through the new appraisal, City staff will re-evaluate the City’s prior decision to acquire the Garage and may return to the

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City Council for additional direction. The City Council/Successor Agency Board will be informed of the results of the new appraisal and actions taken by the Oversight Board in regard to the reappraisal.

/s/

RICHARD A. KEIT

Managing Director

For questions, please contact Richard Keit, Managing Director, Successor Agency to the Redevelopment Agency at (408) 795-1849.