TO:  HONORABLE CITY COUNCIL

FROM:  CITY MANAGER

DEPARTMENT:  PUBLIC WORKS

DATE:  JULY 14, 2008

SUBJECT:  APPROVAL OF A PURCHASE OPTION AGREEMENT WITH BROWN FAIRCHILD-PARK INVESTMENT COMPANY, L.P. TO ACQUIRE REAL PROPERTY LOCATED AT 2747 PARK BOULEVARD IN THE AMOUNT OF $2,732,000

RECOMMENDATION
Staff recommends that Council authorize the City Manager or his designee to negotiate and execute a Purchase Option Agreement with Brown Fairchild-Park Investment Company, L.P., to purchase the property located at 2747 Park Boulevard in the amount of $2,732,000 in substantially the same form as Attachment C to CMR:290:08.

BACKGROUND
This item is related to Item No. 13 on the agenda and a full discussion and analysis of the terms of the purchase option agreement are contained in the City Manager’s Report (CMR:290:08) for that item. A copy of the purchase option agreement is included as Attachment C to CMR:290:08.

RESOURCE IMPACT
The purchase option agreement contains a purchase price of $2,732,000; an initial payment of $109,280 upon execution of the Option to Purchase; and a monthly payment of $9,106 to commence on July 1, 2009 until the option is exercised. The option term expires on May 29, 2010 which matches the purchase option with Essex properties. If the option to purchase is exercised, all payments made will be credited towards the purchase price.

An appropriation is needed to cover the initial option payment of $109,280. This amount is included in the proposed budget amendment ordinance (Attachment A to CMR:290:08). The Budget Stabilization Reserve will provide the funding for this appropriation.

POLICY IMPLICATIONS
This recommendation is consistent with Council’s direction to the Blue Ribbon Task Force and consistent with the establishment of the Public Safety Building as a Top Priority for 2006 and 2007-08.

ENVIRONMENTAL REVIEW
A Draft Environmental Impact Report (EIR) for the PSB project was circulated on July 13, 2007. The Council certified the Final EIR on November 19, 2007. The Final EIR analyzed both the one site and two site development options. The proposed change in the layout of the parking
garage and public safety building (Attachment E to CMR:290:08) will be appended to the Final EIR.

**ATTACHMENTS**
None.

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