

CITY OF EUREKA

Category: FINANCE

POLICIES & PROCEDURES

Subject: SALE OF CITY-OWNED REAL
PROPERTY

Date Adopted: January 1, 1976

File 2.01

Date Revised: August 20, 1985;
August 1, 2005
October 7, 2014

Number

POLICY OBJECTIVE

To establish procedures for the disposition of surplus real property or interests therein, owned by the City of Eureka.

ASSIGNED RESPONSIBILITY

City Manager and all Department Heads

APPLICABILITY

Applicable to a City-owned real property judged unnecessary for any present or prospective use by the City of Eureka.

PROCEDURES

1. Once a determination has been made by the City Manager that real property is a candidate for disposition as surplus, the sale of City-owned real property should be directed through the Community Development Department to the Planning Commission.
2. The sale of surplus public property is considered a project subject to the California Environmental Quality Act (CEQA). The sale may qualify for a Class 12 Categorical Exemption (Section 15312). Prior to submission to the Planning Commission, a CEQA determination shall be made and the project shall either be exempted under a Class 12 exemption, if applicable, or a CEQA document shall be prepared.
3. The Planning Commission shall evaluate the property requested for surplus at a public meeting.
 - a. In the instance where property requested for surplus has been used for a public, quasi-public, or neighborhood purpose, the Planning Commission shall conduct a properly noticed public hearing after notifying all property owners within 300 feet of said property of the intent to surplus. The

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Planning Commission shall then take such public comments into consideration in making the recommendation to the City Council.

- b. Regardless of the prior use of the property, the Planning Commission shall determine whether the property is required for public use, whether the parcel is of such size and shape that it can be developed for a land use permitted in the zone in which it is located, and whether the disposition of the property is in conformance with Government Code §65402.
4. After evaluating the property as required in Procedure 2, the Planning Commission shall prepare a report for review by the City Council which shall include a recommendation regarding disposition of the property. The report shall also contain, at minimum:
 - a. Whether the parcel is suitable for conforming development; if it is not, the property may be recommended to the City Council for disposal to an adjoining property owner by negotiated sale.
 - b. Whether the property is required for present or future public use.
 - c. Whether the sale of the surplus property is in conformance with the adopted General Plan.

Upon completion, the Planning Commission's report will be submitted to the City Council for review. If the Council finds that property is not required for present or future public use, it may declare the property surplus real property.

5. Subsequent to or concurrent with the evaluation of the property by the Planning Commission, the City shall distribute written offers to sell or lease the property to local entities as required by the Surplus Lands Act (Government Code § 54220 et seq.).
6. Upon declaration of surplus property, the City Manager shall obtain a fair market value appraisal of the property and upon direction by Council shall establish the minimum acceptable offer.
7. Upon receipt of a written offer for purchase of the property, accompanied by a ten percent (10%) deposit, the City Manager shall set a date for hearing before the City Council.
8. At the hearing on the sale, the City Council shall receive all oral bids. If an oral bid in an amount at least five percent (5%) more than the amount of the written

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- offer is made and is confirmed with a ten percent (10%) deposit, the Council may accept such higher offer.
9. At the close of the hearing, the Council may confirm the sale and direct conveyance be executed, but the Council reserves the right to reject any and all offers of bids for purchase of real property.
 10. If the property is determined by the City Council not to be suitable for development in conformance with planning, zoning, or other applicable regulations, and if after notice to all adjoining property owners, only one owner is interested in purchasing the property, then the City may dispose of the property by negotiated sale, without proceeding with Procedures 7 through 9.
 11. If the City Council deems it appropriate, it may authorize the City Manager to retain the services of a licensed real estate broker to sell the property on the open market without proceeding with Procedures 6 through 9.