



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: The City Council will consider for adoption the proposed Resolution Declaring Property located at 5440 Telegraph Road known as APN: 6336-23-910, 911, 912, 913, 914, 915, 916, & 920 as Surplus Land, in accordance with the Surplus Lands Act, and authorizing staff to proceed with disposition of the Land in the City of Commerce, California.

MEETING DATE: July 9, 2024

RECOMMENDATION:

The City Council will consider for adoption the proposed Resolution Declaring a vacant residential parcel located at 5440 Telegraph Road known as APN: 6336-23-910, 911, 912, 913, 914, 915, 916, & 920 as Surplus Land, in accordance with the Surplus Lands Act, and authorizing staff to proceed with disposition of the Land in the City of Commerce, California.

BACKGROUND:

The Surplus Lands Act (“SLA”) (codified under Government Code section 54221) requires that before a local agency such as the City takes any action to dispose of (sell or lease) property, it must declare the property to be either “surplus land” or “exempt surplus land”. Unless the surplus land is exempt, the agency must give written notice of its availability to any local public entity, including schools and park districts, within whose jurisdiction the property is located, as well as to housing sponsors that have notified the State Department of Housing and Community Development (HCD) of their interest in surplus property.

The notice of availability must be given prior to the agency “participating in negotiations to dispose of the property.” An entity receiving notice from the agency has 60 days to notify the agency of its interest in purchasing the property, and the agency is required to negotiate in good faith for not less than 90 days with any entity that has responded. Notwithstanding the obligation to negotiate in good faith, the local agency is not required to sell or lease the property to the agency, or to do so for less than fair market value.

The SLA’s definition of “exempt surplus property” includes: property that is less than 5000 square feet; property that is transferred to another local, state or federal agency for that agency’s use; property exchanged for another property for that agency’s use; property put out to competitive bid for 100% affordable housing units or for 300 (or more) housing units, at least 25% of which must be affordable to lower income households; property that is

subject to a valid legal restriction not imposed by the local agency that would prohibit housing (non-residential zoning is not a valid legal restriction); property that is too small for residential use; or is a former street or easement that is conveyed to an adjacent property owner; and property that is licensed or leased for one year or less.

ANALYSIS:

The property at issue is an improved commercial parcel located at 5440 Telegraph Road known as APN: 6336-23-910, 911, 912, 913, 914, 915, 916, & 920. The property consists of a generally irregular-shaped site measuring approximately 54,060 square feet. The Land is currently improved with two commercial buildings and is operating as an auto dealership (Commerce Mitsubishi) and zoned C2 (Unlimited Commercial). The dealership has approximately 2.5 years remaining on a lease with the City of Commerce.

This property meets the definition of “surplus” property because it is not necessary for the City’s use as defined pursuant to the amended SLA. As the property is not “exempt” surplus land per the SLA, the City must first declare them surplus and provide the notices described above before disposing of the property.

Environmental Analysis

The adoption of the Resolution is exempt from the California Environmental Quality Act (“CEQA”) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) of the CEQA Guidelines, California Code of Regulations, Title 14, chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

An appropriate environmental review and analysis will be required pursuant to the requirements of CEQA to analyze the potential environmental impacts of a proposed project before it is considered by the City’s Planning Commission and City Council.

At this time, the future development of the proposed site is unknown. Therefore, a meaningful environmental review will take place once a development begins the entitlement process. Selection of the final development plan will be subject to future discretionary action of the City Council; approval of development plans, or through a DDA / processing of entitlements if it sells it to another private or public entity.

ALTERNATIVES:

1. Approve staff recommendation
2. Decline staff recommendation and provide further direction

FISCAL IMPACT:

None by adopting the attached resolution.

RELATIONSHIP TO STRATEGIC GOALS:

This report before the Council is not applicable to any specific 2016 Strategic Plan Guiding Principle; however, it is related to the following Strategic Focus Area: Create and pursue

opportunities for collaboration and regional partnerships to maximize resources and address regional issues.

Recommended by: Louis Morales, Director Economic Development and Planning
Reviewed by: Vilko Domic, Assistant City Manager
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted: Ernie Hernandez, City Manager

ATTACHMENTS:

1. Exhibit A - APN: 6336-23-910, 911, 912, 913, 914, 915, 916, & 920
2. Resolution

EXHIBIT A

APN: 6336-23-910, 911, 912, 913, 914, 915, 916, & 920
Existing Auto Dealership (Commerce Mitsubishi) at 5440 Telegraph Road

