



DATE: December 13, 2016
TO: Mayor and City Council
FROM: Director of Public Works

SUBJECT

Amendment to the Professional Services Agreement with Valbridge Property Advisors and with the Schmidt-Prescott Group, Inc. for the Appraisal of Excess Property in the Route 238 Bypass Corridor

RECOMMENDATION

That Council adopts the attached resolutions authorizing the City Manager to execute an amendment to the professional services agreements with Valbridge Property Advisors and with The Schmidt-Prescott Group, Inc. for the appraisal of excess property in the Route 238 Bypass Corridor.

BACKGROUND

In the mid-1960s, the California Department of Transportation (Caltrans) purchased over 400 parcels of property for the construction of the then-planned 238 Bypass Freeway project. In 1971, local interest groups filed a lawsuit to stop the project. Caltrans subsequently declared the project dead and abandoned.

DISCUSSION

On January 12, 2016, Council authorized the City Manager to complete negotiations with Caltrans for the purchase of specific parcels of land along the 238 Bypass Corridor that they had declared to be excess.

In order to determine the fair market value of each group of excess Caltrans properties, the City and Caltrans agreed to utilize the valuations from two independent appraisal firms, Valbridge Property Advisors (Valbridge) and The Schmidt-Prescott Group, Inc. (SPG). Accordingly, the City entered into an agreement for basic and additional appraisal services with each firm in an amount not-to-exceed \$74,000.

After developing their preliminary appraisals and providing the City and Caltrans with their initial valuations, it became apparent that additional work would be necessary to obtain valuations for each property group from the two appraisal firms that reflect a more accurate value for the properties. The City and Caltrans staff has provided Valbridge and SPG with

additional instructions for the appraisal and with additional environmental and geotechnical reports to help refine their appraisals.

The additional appraisal work required from Valbridge and from SPG will require an increase to each of their agreements in an amount not-to-exceed \$40,000 for each agreement.

FISCAL IMPACT

An additional \$80,000 is required for these appraisals. There is sufficient funding in the 238 Bypass Property Disposition Project in the Capital Improvement Program to support the contract increase. One-half of appraisal expenses for the Route 238 Bypass properties will be reimbursed by Caltrans.

SUSTAINABILITY FEATURES

The action taken for this report will not result in physical development, purchase or service, or a new policy of legislation. Any physical work will depend upon future Council action.

PUBLIC CONTACT

No public contact has occurred associated with this action.

NEXT STEPS

The appraisals are to be completed during January 2017.

Prepared by: Yaw Owusu, Assistant City Engineer

Recommended by: Morad Fakhrai, Director of Public Works

Approved by:



Kelly McAdoo, City Manager