



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution to Accept Estimates of Value and Authorize the Sale of City-Owned Property (FD)

MEETING DATE: August 15, 2007

PREPARED BY: Michael E. Pretz, Fire Chief

RECOMMENDED ACTION: Adopt a resolution to accept estimates of value and authorize the sale of City-owned property.

BACKGROUND INFORMATION: As Council may recall, Project Opportunity; A Review of City-Owned Property, was brought to Council for direction in February 2007. After discussion concerning the sale of City-owned property, Council directed staff to seek appraisals for the following properties:

- 1119 -1120 Awani Drive (APN 04125038 & 04141001) 3.65 acres
- 217 East Lockeford Street (APN 04122002), 1.36 acres
- Century Boulevard Right-Of-Way (West of Stockton Street) 3.06 acres

In order to determine that the sale of City property does not constitute a gift of public funds and to ensure appropriate pricing, the properties were appraised. In addition, staff has taken the listed properties to the Planning Commission for General Plan conformity. Sale of the Century Boulevard Right-of-Way did not conform to the current General Plan and will be offered for lease.

The parcels were appraised by Garry Duncan, of Duncan, Duncan and Associates, who determined the values based upon his expertise in real estate pricing in the Lodi area.

- | | |
|---|-------------|
| • 1119 -1120 Awani Drive (APN 04125038 & 04141001) 3.65 acres | \$1,200,000 |
| • 217 East Lockeford Street (APN 04122002) 1.36 acres | \$ 340,000 |
| • Century Boulevard Right-of-Way (West of Stockton Street) 3.06 acres | \$ 40,000* |

* Annual lease payment for this property based on \$400,000 appraised value.

The pertinent sections of the appraisal are attached. A copy of the full appraisal is available for review in the City Clerk's office.

Staff is now seeking direction to offer for the sale of the above listed properties. Staff will return to Council for final authorization for any particular sale.

APPROVED: _____
Blair King, City Manager

Adopt Resolution to Accept
Estimates of Value and
Authorize the Sale of
City-Owned Property (FD)
August 15, 2007
Page 2

FISCAL IMPACT: The inflow of revenue from the proceeds of the sale of the above listed properties could be used to fund one-time expenditures.

FUNDING AVAILABLE: Proceeds would be placed in the Capital Projects Fund to be used for possible one-time expenditures.

Kirk Evans, Budget Manager

Michael E. Pretz, Fire Chief

MEP/lh

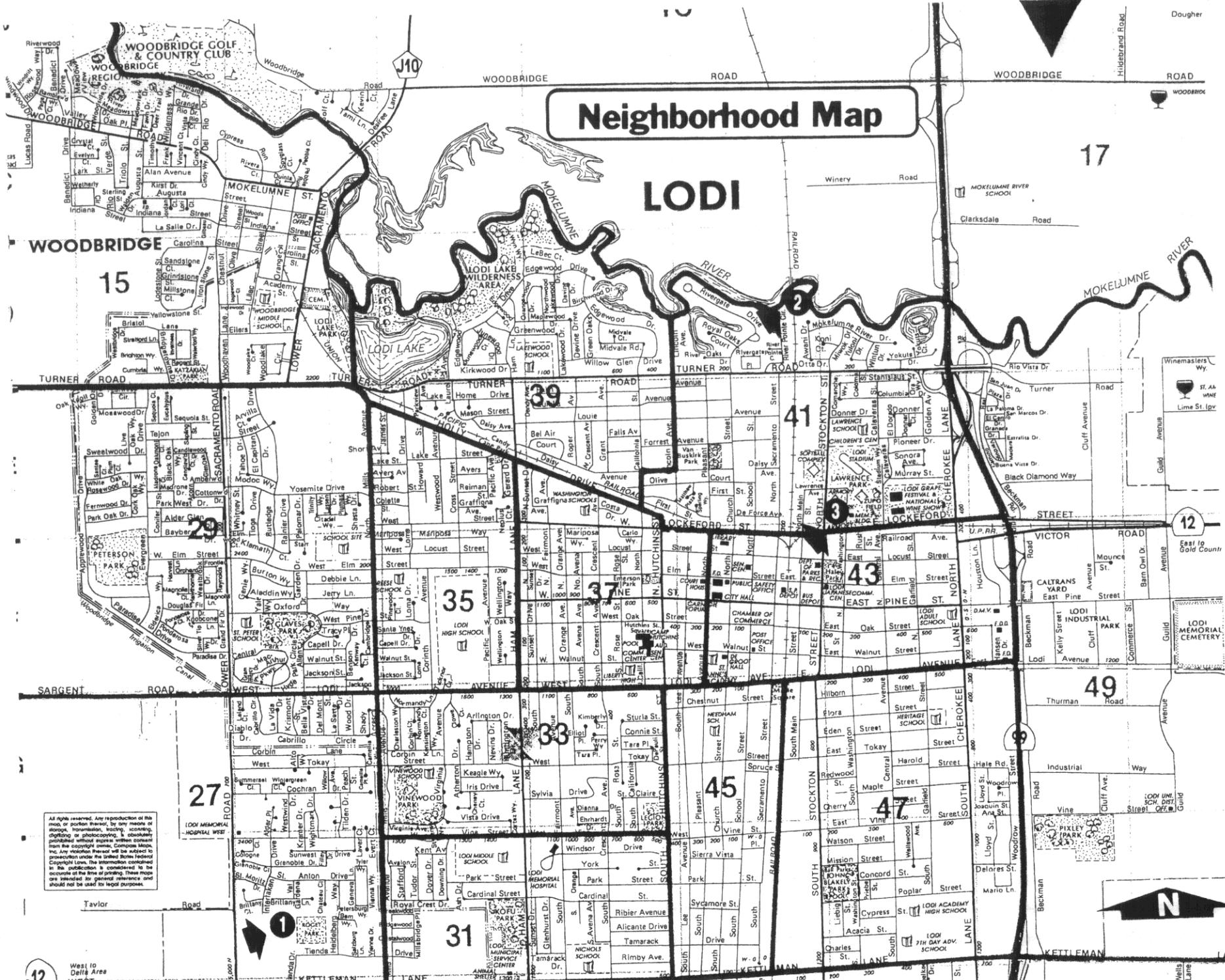
Attachments

cc: City Attorney

AWANI PROPERTY

Neighborhood Map

LODI



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LEGEND

Freeways

12 West to Delta Area WEST

12 East to Gold Country

12 West to Delta Area WEST

NEIGHBORHOOD DESCRIPTION

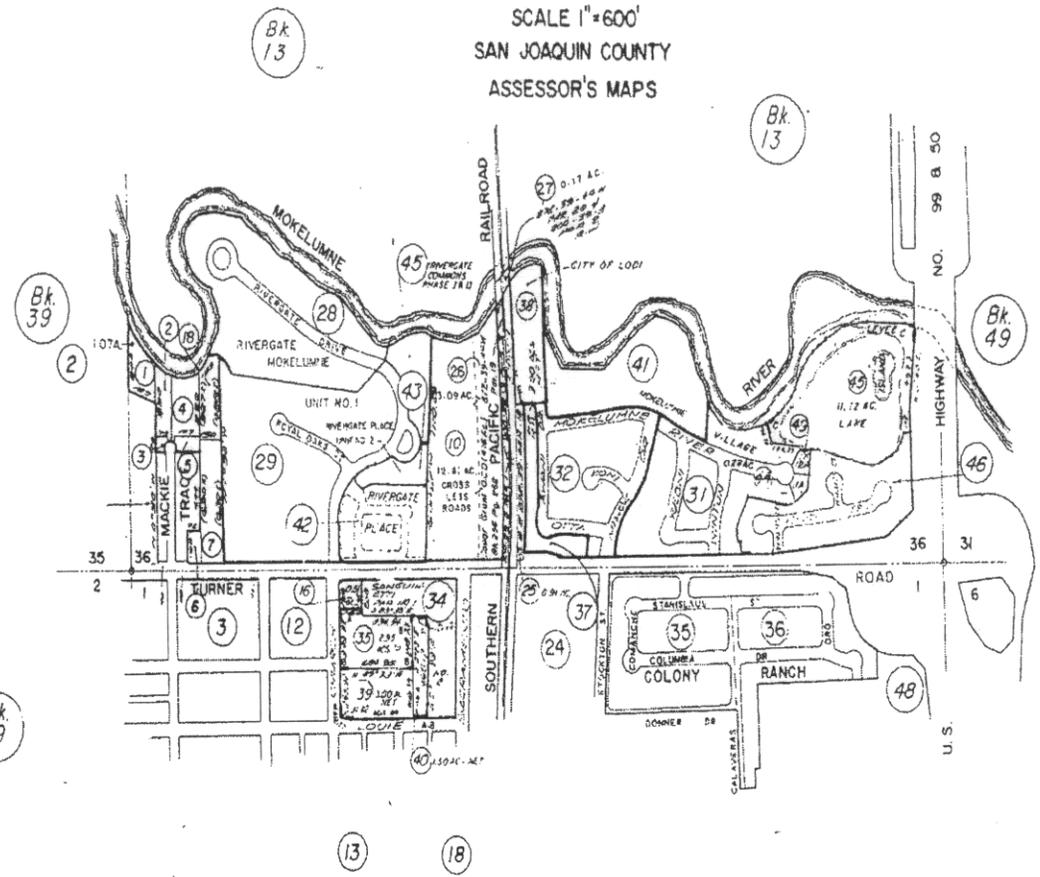
The subject property is located at the northerly dead end of Awani Drive east of the Southern Pacific Railroad Mainline and south of the Mokelumne River. Mokelumne Village subdivision, developed in the 1980's, lies south and east of the subject.

They are mostly detached single family though the units on the west side of Awani Drive are attached townhouses. River Pointe and Rivergate subdivisions lie westerly of the subject and west of the rail line. This site was formerly utilized for waste disposal and there have been dated studies as to the condition of the subject property. I am assuming that the condition can be remediated with a moderate expenditure to allow future development of the site.

Plat Map

POR. MOKELUMNE VILLAGE
POR. OF SEC. 36 T.4N. R.6E.

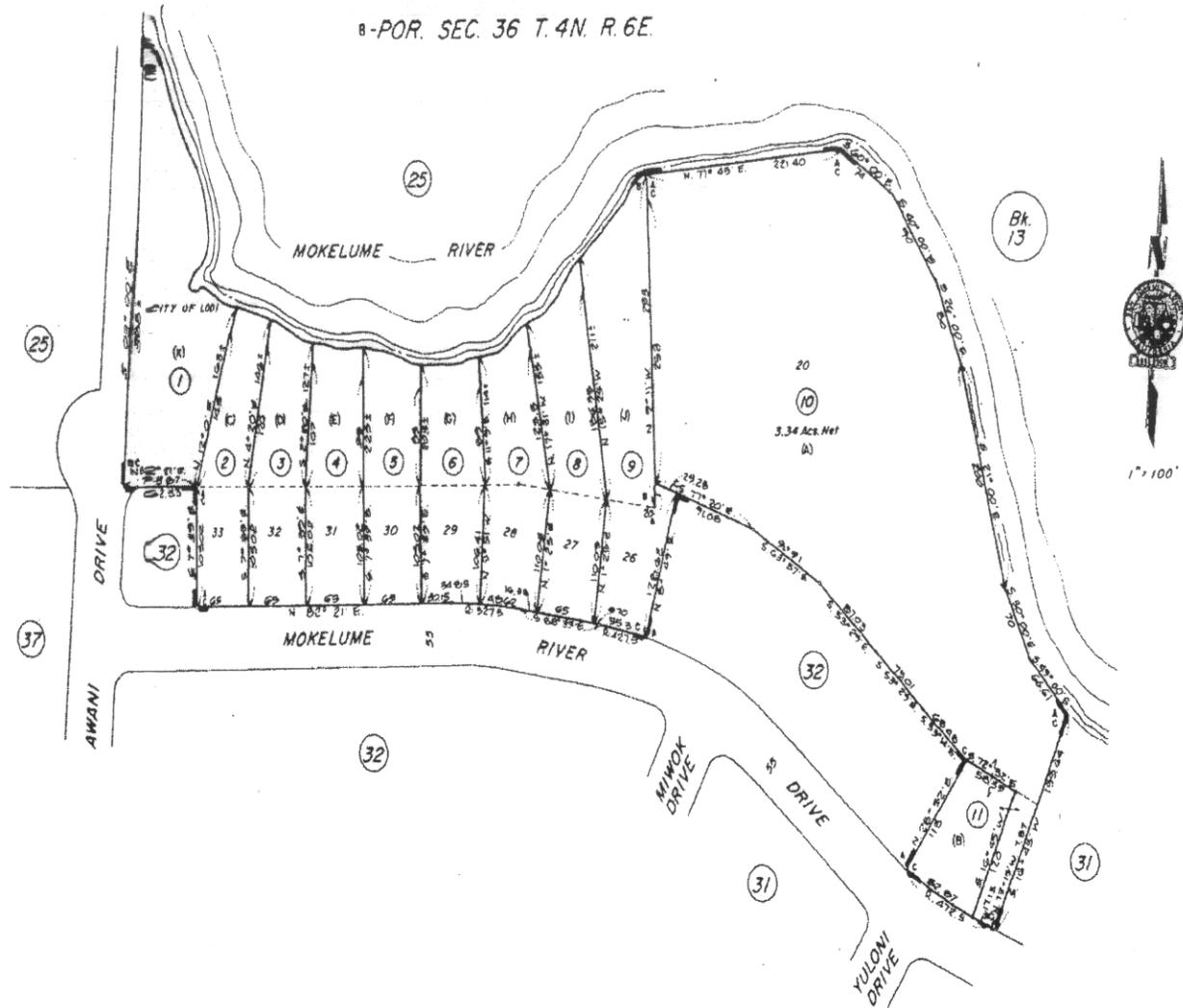
SCALE 1"=600'
SAN JOAQUIN COUNTY
ASSESSOR'S MAPS



Plat Map

A - POR. MOKELUMNE VILLAGE

B - POR. SEC. 36 T. 4N. R. 6E.



PROPERTY DESCRIPTION

OWNER OF RECORD

City of Lodi

ASSESSOR PARCEL NUMBERS

041-250-38 and 041-410-01

LOCATION

Northerly dead end of Awani Drive, west and south of the Mokelumne River and east of the Southern Pacific Railroad right-of-way.

LEGAL DESCRIPTION

Portion of Section 36, T. 4 N., R. 6 E. and Parcel K, Parcel Map Book 12, Page 179, in the City of Lodi.

Parcel 2

LAND DESCRIPTION

Size and Shape: The subject is irregular in shape. It has 200±' along Awani Drive with a maximum depth of 800±' for a total land area of 158,558± sq. ft. or 3.64± acres.

Zoning: The subject is not presently zoned but is in the city limits and jurisdiction. The parcel has a general plan designation for Low Density Residential.

Topography: The site is generally level and at street grade. The Mokelumne River forms the property's northerly and easterly boundary.

Streets and Access: The site is directly accessed from the dead end of Awani Drive, which is 55' wide public right-of-way, two lane, asphalt paved with concrete curbs, curb cuts, lighting, and sidewalks. There are no internal streets on the property.

Utilities: Electricity is provided by the city of Lodi, as are water and sewer to the subject property. Gas is provided by P.G.& E.

Flood Zone: According to map number 060229 0170B dated July 4, 1988, the subject property is located within Zone C, areas of minimal flooding.

Earthquake Zone: According to the Fault Rupture hazard Zoned in California, special

Earthquake Zone: According to the Fault Rupture hazard Zoned in California, special publications 42, prepared by the State Division of Mines and Geology and dated November 1, 1991, the subject is not within an Alquist-Priolo Special Studies Zone.

The Uniform Building Code adopted by the state of California has designated the subject vicinity as being within Earthquake Zone 3, identified as an area of moderate earthquake damage.

History of the property: The subject property has been under the same ownership for a number of years.

IMPROVEMENT DESCRIPTION

The subject property is unimproved. The site was used for public dumping many years ago and has been surveyed for environmental issues.

ASSESSED VALUES AND TAXES

Real estate taxes in the county of San Joaquin are calculated using a rate per \$100 of assessed value. The assessed value is set at 100% market value, as established by the San Joaquin County Assessor.

Since 1978, when proposition 13 was passed, real estate taxes in California have been limited to 1% of market value plus bonded indebtedness. The basis is 1975 assessed value, except when there is a change in title or the physical character of the property.

The current tax information for the subject parcel is summarized below.

Assessor's Parcel No.:	041-250-38	041-410-01
Tax Area Code:	001-001	001-001
Tax Rate:	1.331 per \$100 AV	1.331 per \$100 AV
Assessed Values:	The property is not presently assessed.	

Land

Improvements

Total

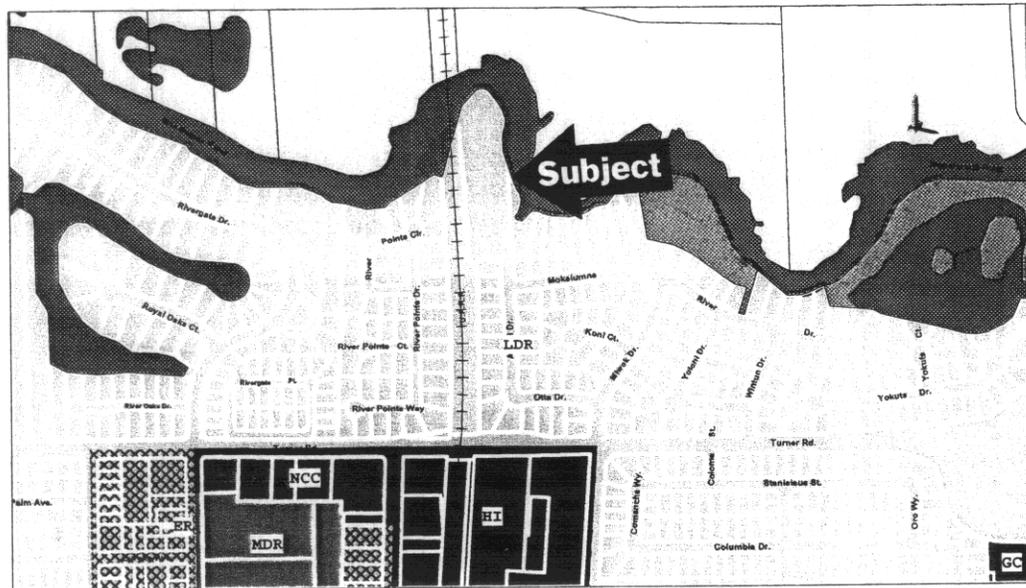
2006-2007 Taxes:

City of Lodi

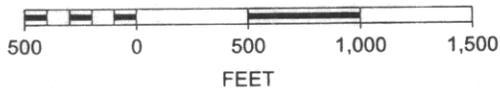
Base Map

Community Development

- General Plan Land Use**
- Office
 - Neighborhood Com...
 - General Commerical
 - Downtown Commer...
 - Heavy Industrial
 - Light Industrial
 - Low Density Reside...
 - Eastside Residential
 - Medium Density Res...
 - High Density Reside...
 - Planned Residential
 - Planned Residential ...
 - Public Quasi Public
 - Drainage Basin Park

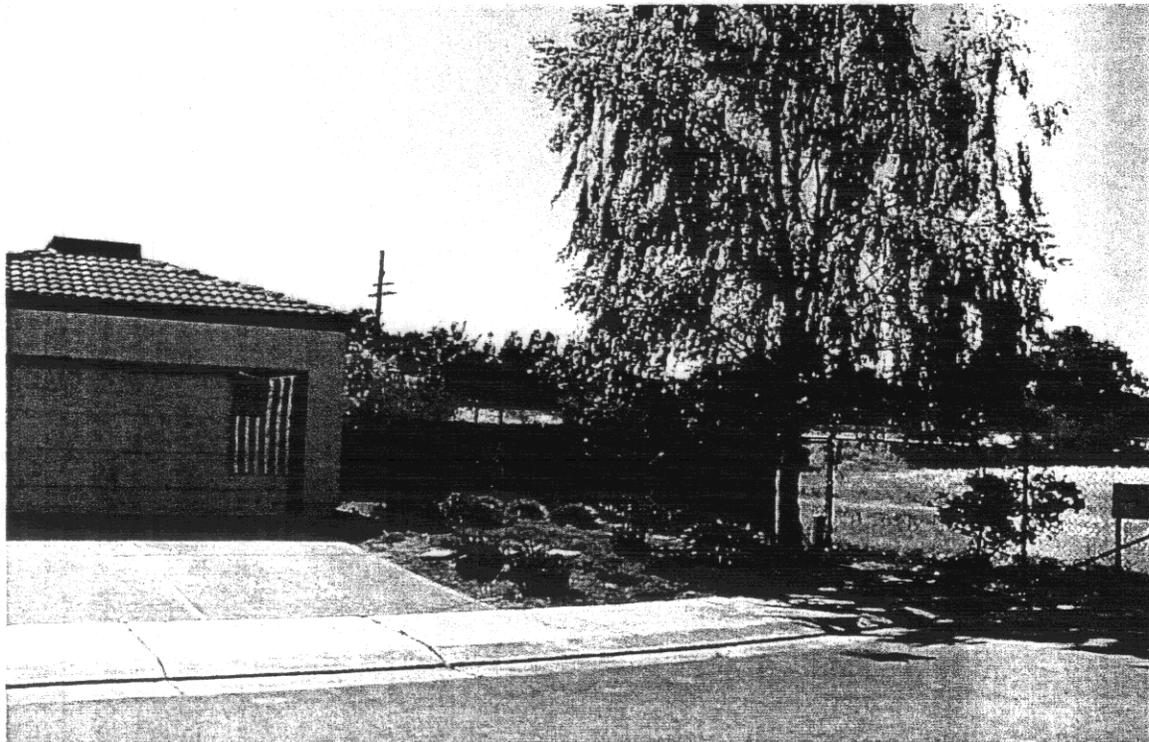


SCALE 1 : 10,220

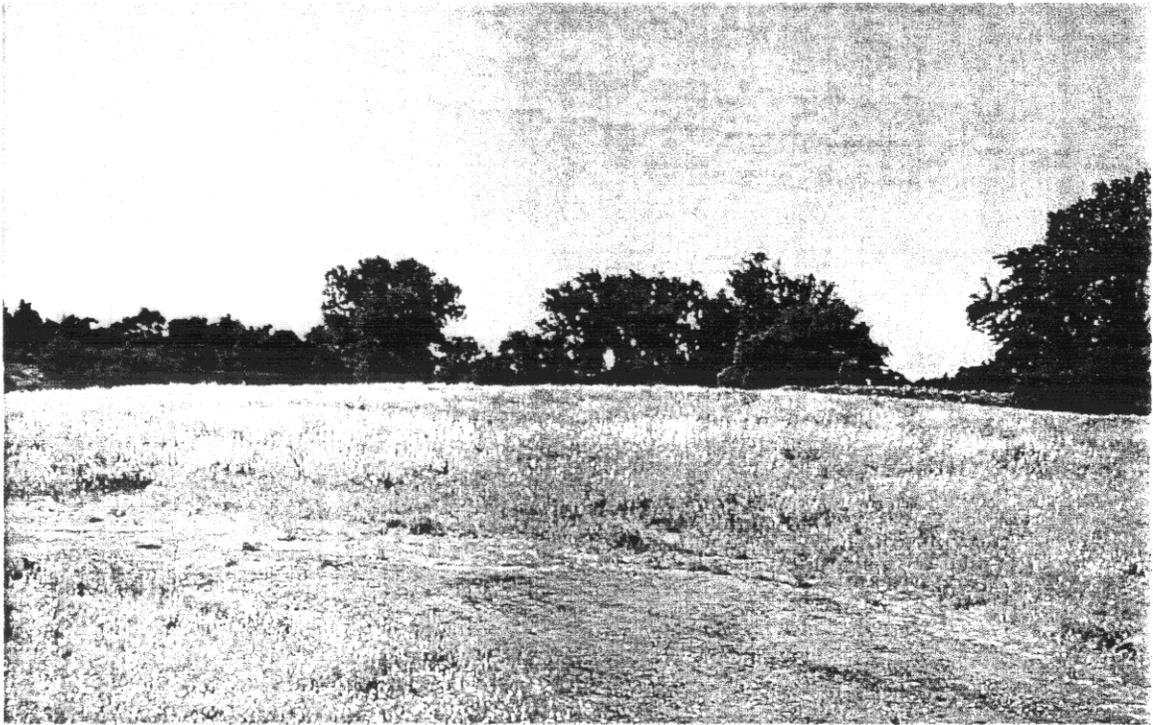




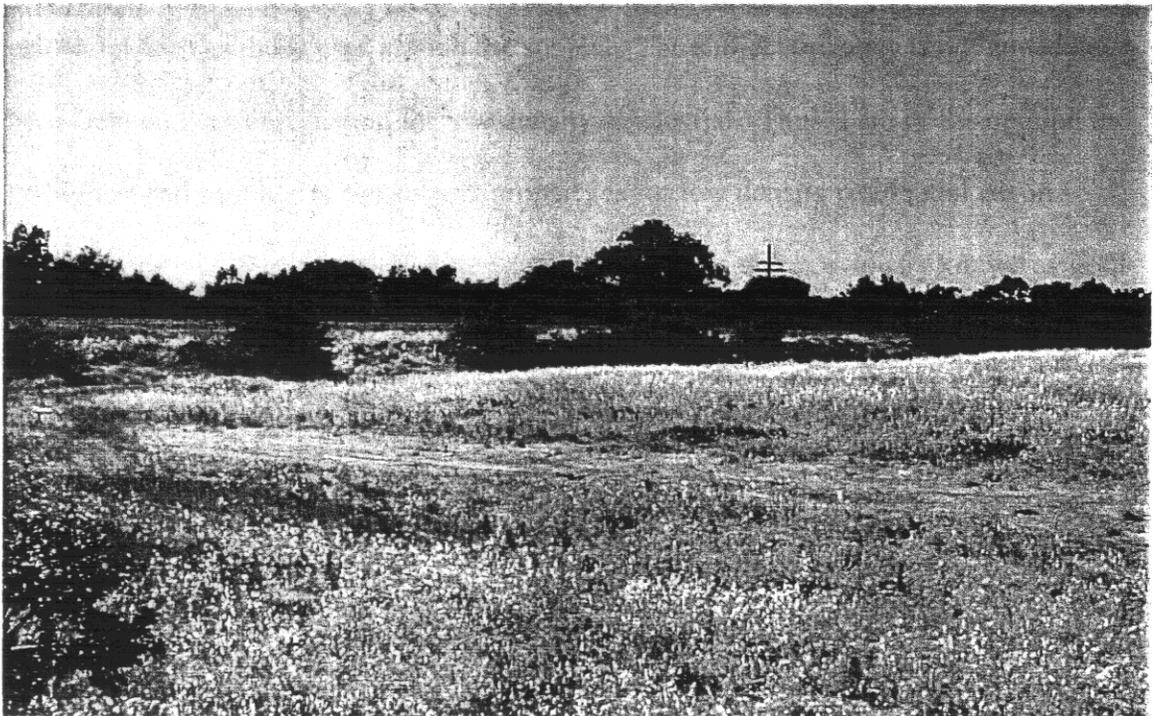
Awani Drive looking south away from subject property.



Subject Awani Drive property looking westerly toward Southern Pacific Railroad mainline.



Subject property looking north from dead end of Awani Drive.



Subject property looking northwesterly.

HIGHEST AND BEST USE

Highest and best use is that reasonable and probable use that will support the highest and best present value, as defined, as of the effective date of the appraisal.

Alternatively, that use from among reasonably probable and legal alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.

The highest and best use of the subject site, as though vacant, is for low density residential such as those uses around the subject. The subject property is not zoned but has a General Plan designation for low density residential. Thus, I am of the opinion that the highest and best use of the subject property is for low density residential use in conformance with the general plan designation. This site was previously known as Lodi Scenic Overlook and was utilized as a dry garbage dump for many years prior to 1980. There is numerous correspondence and studies during the past 25± years. Though dated, it does not appear that there are major toxic issues with the property.

Exposure Time

I have discussed exposure time with sellers of similar property. Based on the subject's location, physical characteristics, and current market conditions, an exposure time of six to twelve months is considered reasonable. This exposure period assumes a reasonable listing price and aggressive marketing methods.

VALUATION DISCUSSION

Traditionally, there are three approaches to value. The cost approach involves the estimation of the reproduction cost new of all improvements and deducting from this cost new depreciation from all causes to arrive at a depreciated reproduction cost. To this, the estimated market value of the land is added to arrive at a reliable indication of value. This approach is particularly valid when buildings are new or proposed and are proper improvements for the site.

The income approach considers the present worth of future benefits derived from ownership and is measured through the capitalization of the property's projected income. The appraisal investigation develops a reliable estimate of the net operating income for the property and capitalizes this to an indication of value.

The market data approach is contingent upon the availability of comparable properties which have recently sold on the open market. Each sale is analyzed and its attributes compared with the subject property. Differences between each comparable and the subject are then adjusted to arrive at an indicated value from each transaction. For the purposes of this appraisal, the market data approach is the only method utilized for these vacant land parcels.

PARCEL 2 VALUATION

The subject property consists of two parcels of land surrounded by the Mokelumne River on the east and north sides, the Union Pacific Railroad mainline on the west and the Mokelumne Village Subdivision to the south. Due to these geographic limitations, the subject property cannot not be assembled with other property to maximize profitability. Thus, it must be developed independently to obtain the highest value.

Given the surrounding residential uses and the general plan designation of low density residential, the highest and best use is to develop to low density residential. The site is irregular in shape and thus requires more imagination to create a land plan. The site lends itself to river frontage lots. A road must be completed to create buildable lots. Utilities must be extended from Awani Drive. The site which was once a dry land fill, must be graded, certified clean, and will require some compaction to obtain usable pads. These are the physical constraints.

Due to the size of the site, it will not yield a large number of lots. It is my opinion that a developer would not create more than four lots, both due to the configuration but also so that one does not have to go through the State of California Subdivision Map Act. Thus the highest and best use of this site is to develop the parcel to four residential lots.

These lots upon completion, would command a significant premium compared to most residential lots in Lodi due to the river frontage. There are no other sites in the city limits which has this potential. Development will probably require two years, which is a positive due to the current soft market. These lots will have a conservative value of \$500,000 each on average. However the developer will have to spend significant sums to extend the road, utilities, clean and grade the site. I am of the opinion that a developer would pay \$300,000 per lot for this site due to the unique river frontage. Thus, I have concluded that the subject has a current market value of:

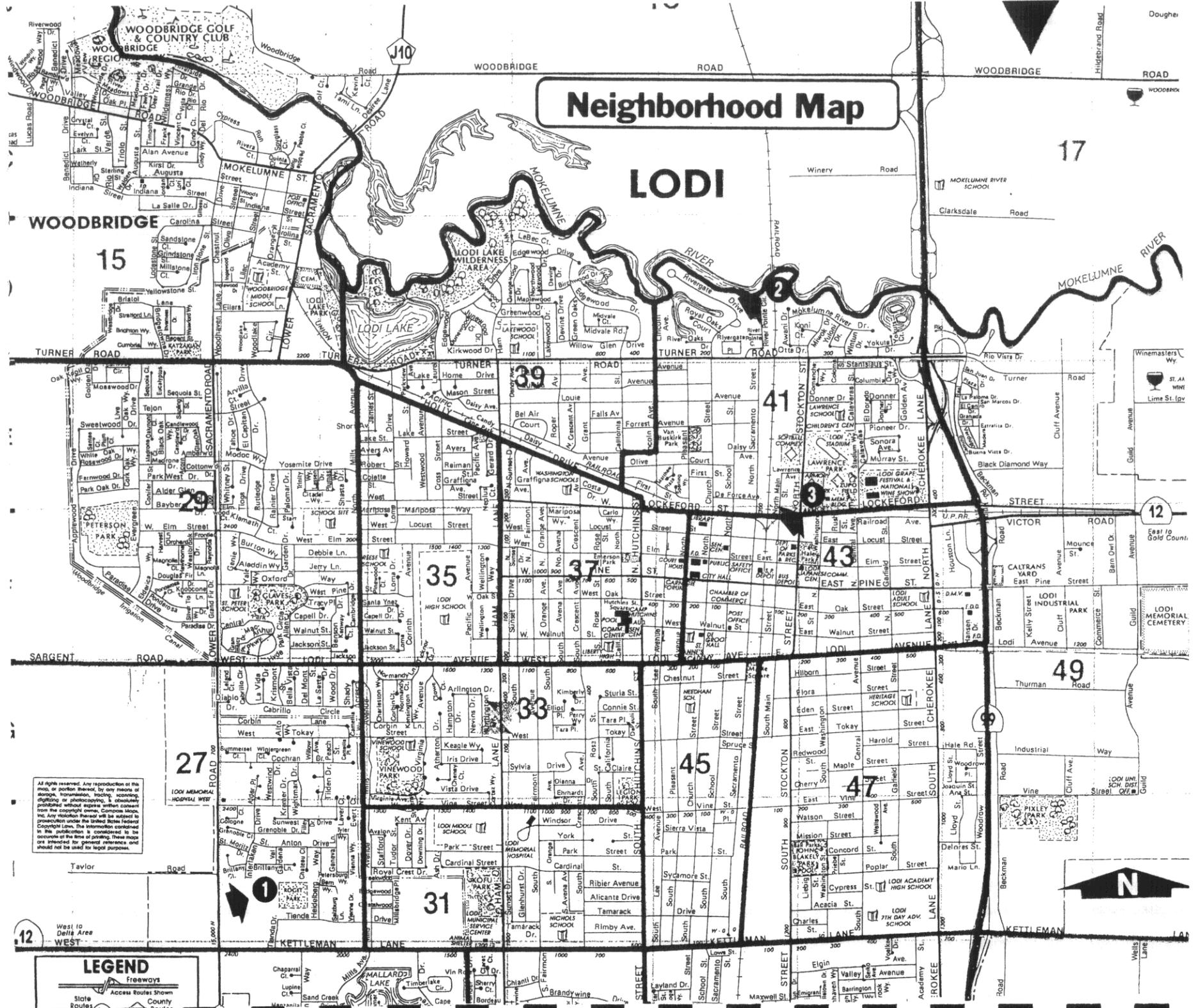
\$300,000 per lot @ 4 lots = \$1,200,000

This value assumes site clean up can be obtained at a reasonable cost.

LOCKEFORD PROPERTY

Neighborhood Map

LODI



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LEGEND

- Freeways
- Access Routes Show
- County
- State
- Route

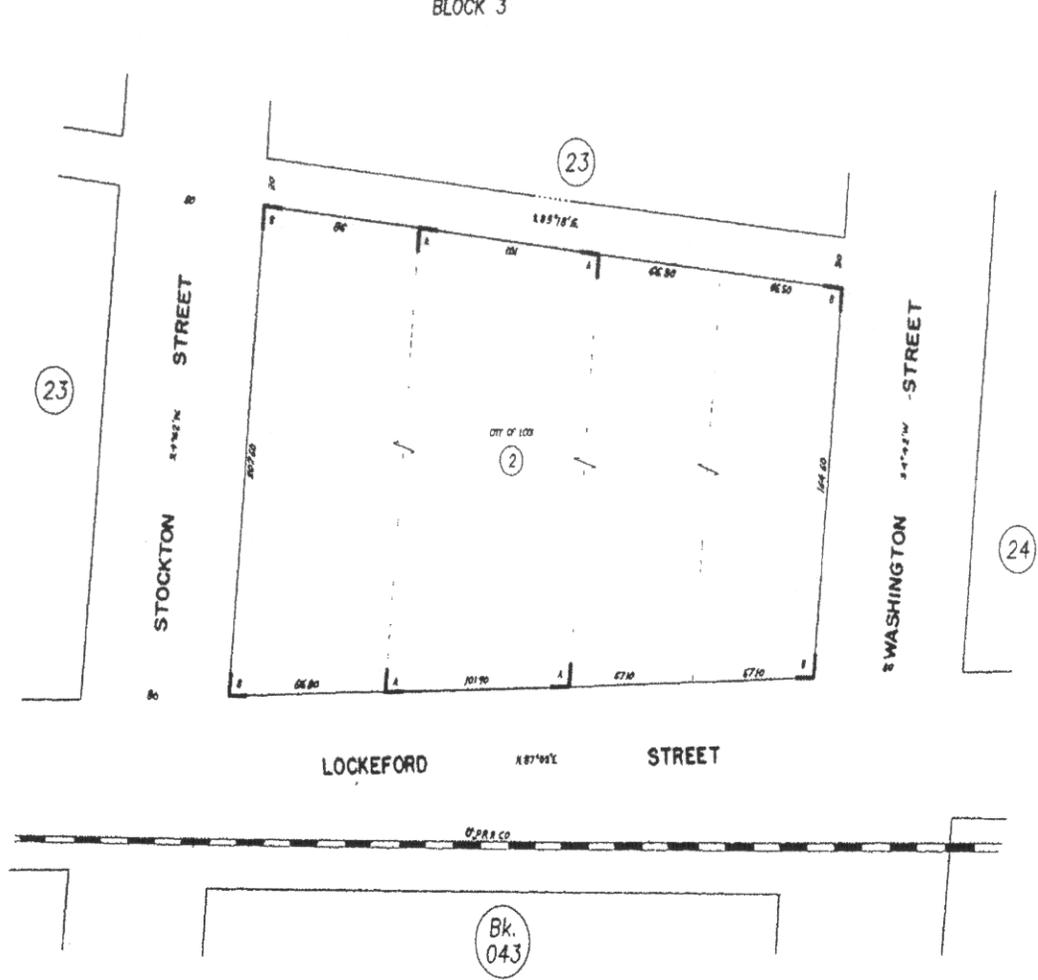


NEIGHBORHOOD DESCRIPTION

The subject property is one block bounded by Lockeford Street on the south, Stockton Street on the west, a dedicated 20' alley to the north, and Washington Street to the east. This is just east of downtown Lodi in a mix of older residential, industrial and public uses. The armory, two softball complexes and the Lodi Grape Bowl lie north of the subject, while the Lodi Grape Festival grounds are to the east. There are older residential and industrial uses to the west and south. Cherokee Lane and Highway 99 are three blocks east of the subject.

Plat Map

- LAWRENCE HOMESTEAD ADDITION
BLOCK 38
- LAWRENCE HOMESTEAD MAP NO. 2
BLOCK 3



HIGHEST A.P.N. USED			
YEAR	PAR #	PAR #	PAR #
04-05	2		

CITY OF LODI

PROPERTY DESCRIPTION

OWNER OF RECORD

City of Lodi

ASSESSOR PARCEL NUMBERS

041-220-02

LOCATION

One block bounded by Lockeford Street on the south, Stockton Street on the west, a 20' wide public alley on the north and Washington Street on the east.

LEGAL DESCRIPTION

Portions of Block 38 Homestead Addition, and Block 3 Homestead Map No. 2, City of Lodi.

Parcel 3

LAND DESCRIPTION

Size and Shape: The subject is basically rectangular in shape. It has 322.9±' of frontage on Lockeford Street, 164.60±' of frontage on Washington Street, 207.60±' of frontage on Stockton Street, for a total land area of 59,510± sq. ft. or 1.36± acres.

Zoning: The property is not presently zoned but is in the City of Lodi. The general plan designation is for Light Industrial in the center of the block and Public/ Quasi Public on the west and east ends.

Topography: The site is level and at street grade.

Streets and Access: The site is directly accessed from curb cuts in Stockton Street and Washington Street from the alley along the northerly boundary. Lockeford, Stockton, and Washington are two lane, asphalt paved public rights-of-way with concrete curbs, curb cuts, lighting, and sidewalks. All are 80' wide.

Utilities: Electricity is provided by the city of Lodi, as are water and sewer to the subject property. Gas is provided by P.G.& E.

Flood Zone: According to map number 060229 0170B dated July 4, 1988, the subject property is located within Zone C, areas of minimal flooding.

Earthquake Zone: According to the Fault Rupture hazard Zoned in California, special publications 42, prepared by the State Division of Mines and Geology and dated November 1, 1991, the subject is not within an Alquist-Priolo Special Studies Zone.

The Uniform Building Code adopted by the state of California has designated the subject vicinity as being within Earthquake Zone 3, identified as an area of moderate earthquake damage.

History of the property: The subject property has been under the same ownership for a number of years.

IMPROVEMENT DESCRIPTION

The subject property has some landscaping and some curbing and asphalt paving as a portion of the property has been used for public parking. There was an old structure on the property but has not been standing for many years.

ASSESSED VALUES AND TAXES

Real estate taxes in the county of San Joaquin are calculated using a rate per \$100 of assessed value. The assessed value is set at 100% market value, as established by the San Joaquin County Assessor.

Since 1978, when proposition 13 was passed, real estate taxes in California have been limited to 1% of market value plus bonded indebtedness. The basis is 1975 assessed value, except when there is a change in title or the physical character of the property.

The current tax information for the subject parcel is summarized below.

Assessor's Parcel No.:	041-220-02
Tax Area Code:	001-001
Tax Rate:	1.331 per \$100 AV
Assessed Values:	The subject is not presently assessed.

Land

Improvements

Total

2006-2007 Taxes:

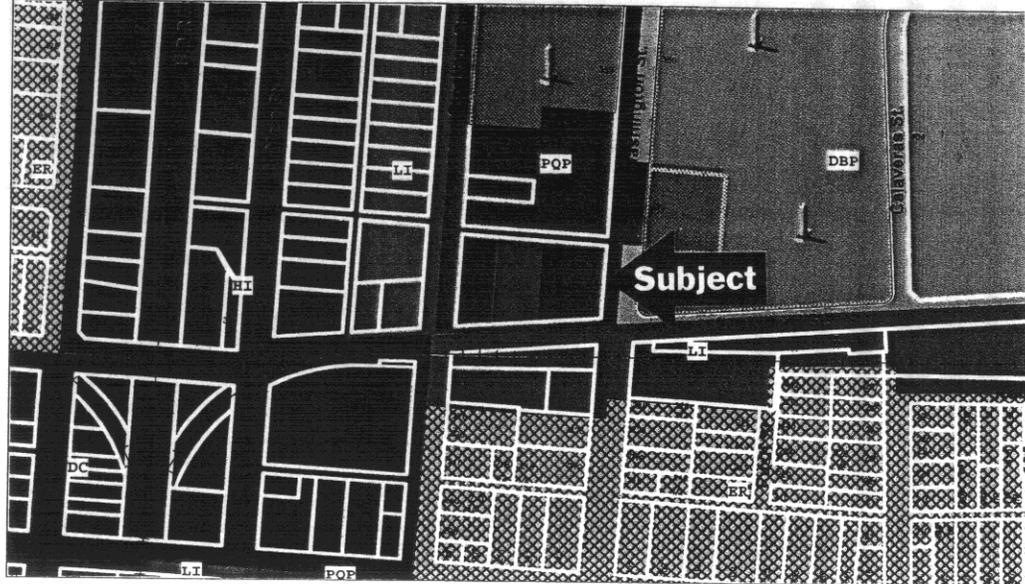
City of Lodi

Base Map

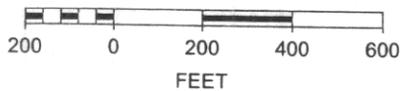
Community Development

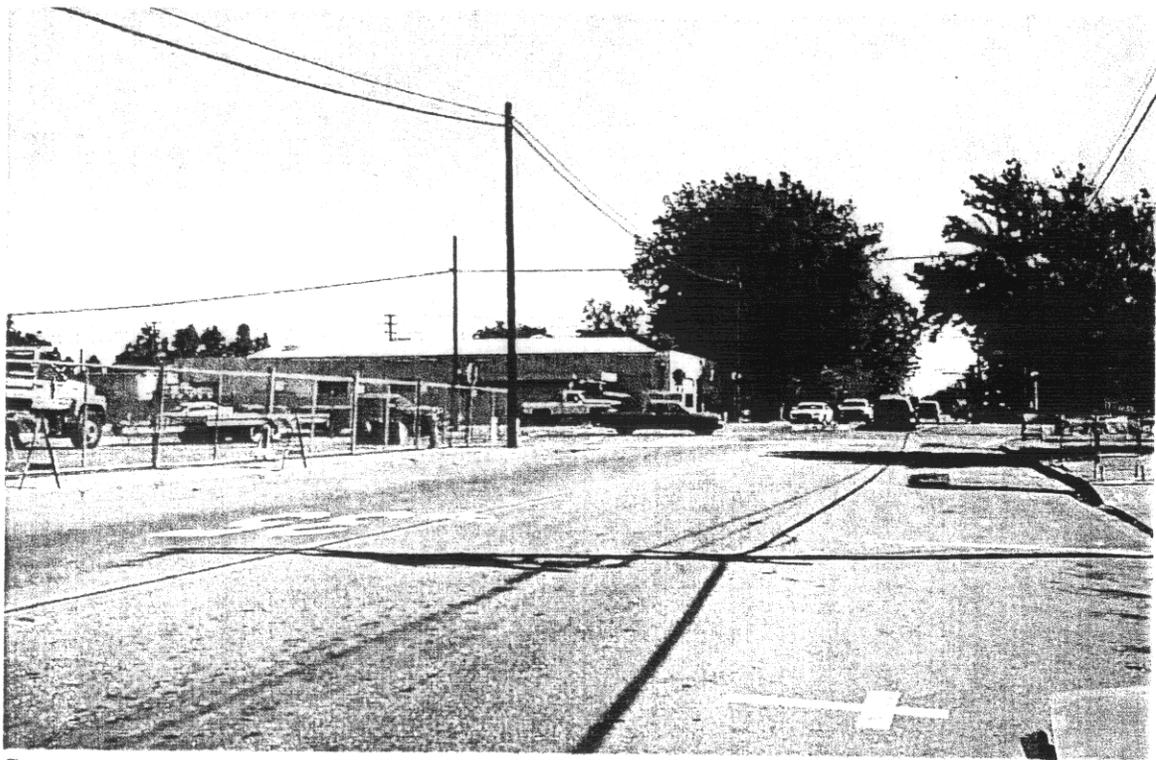
General Plan Land Use

- Office
- Neighborhood Com...
- General Commerical
- Downtown Commer...
- Heavy Industrial
- Light Industrial
- Low Density Reside...
- Eastside Residential
- Medium Density Res...
- High Density Reside...
- Planned Residential
- Planned Residential ...
- Public Quasi Public
- Drainage Basin Park

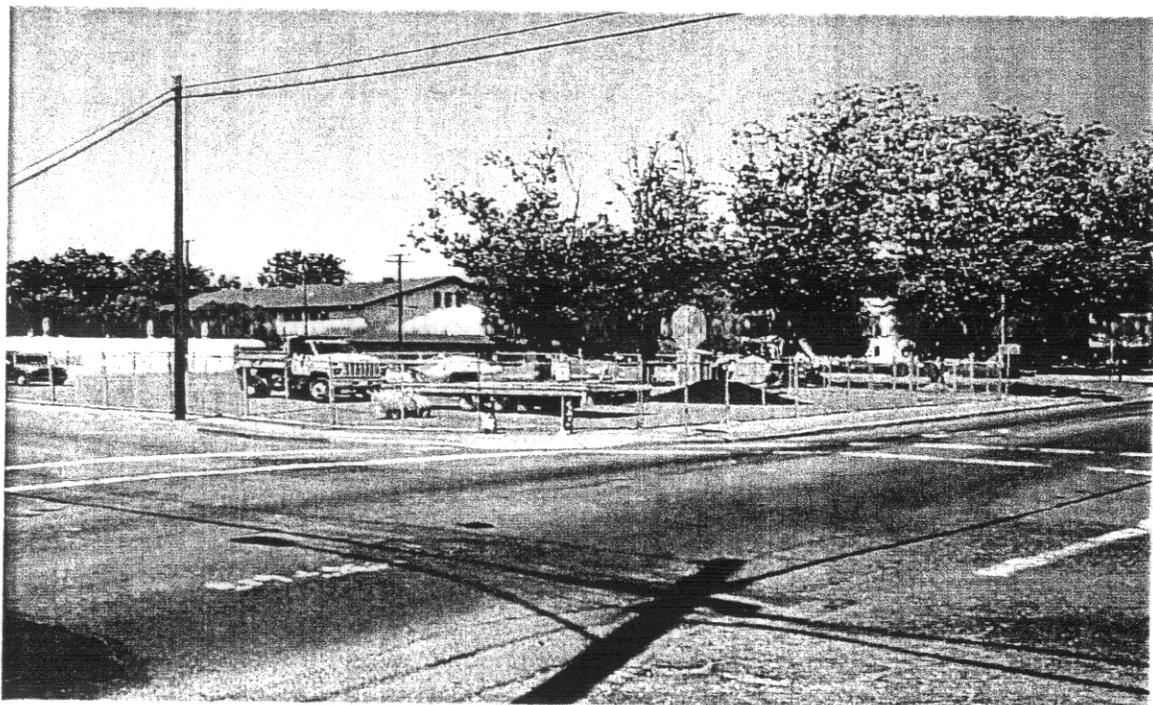


SCALE 1 : 5,110

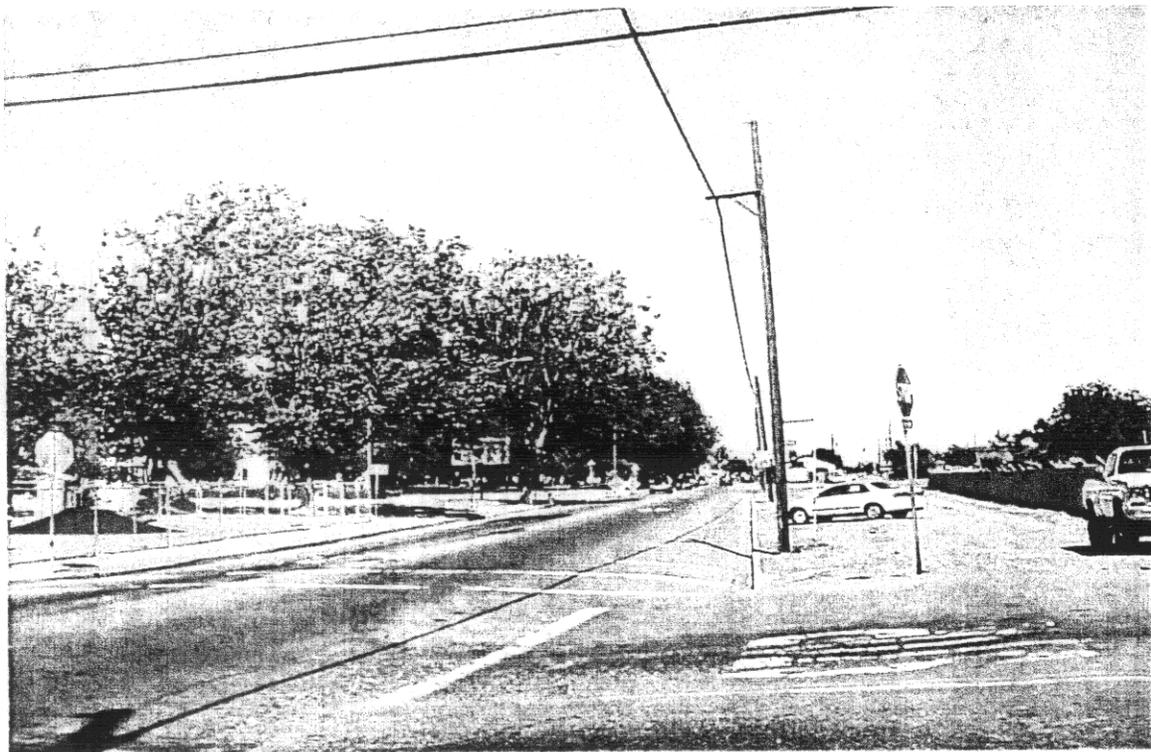




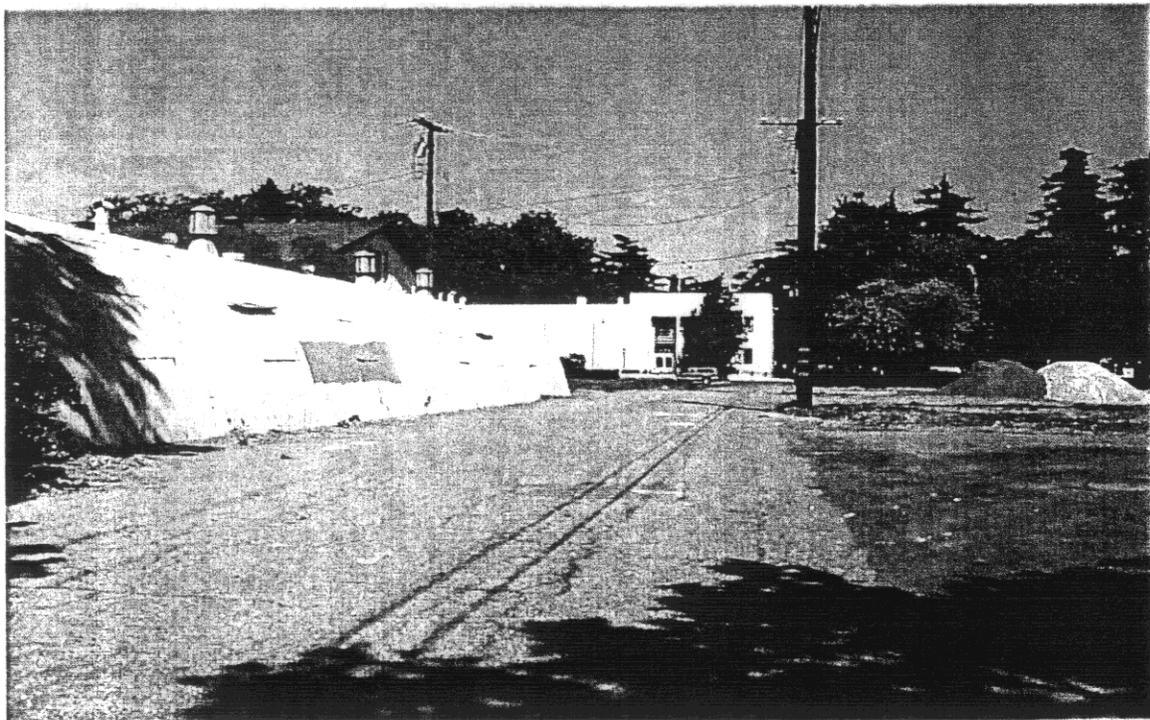
Street scene looking southerly along Stockton Street towards Lockeford Street with subject at left.



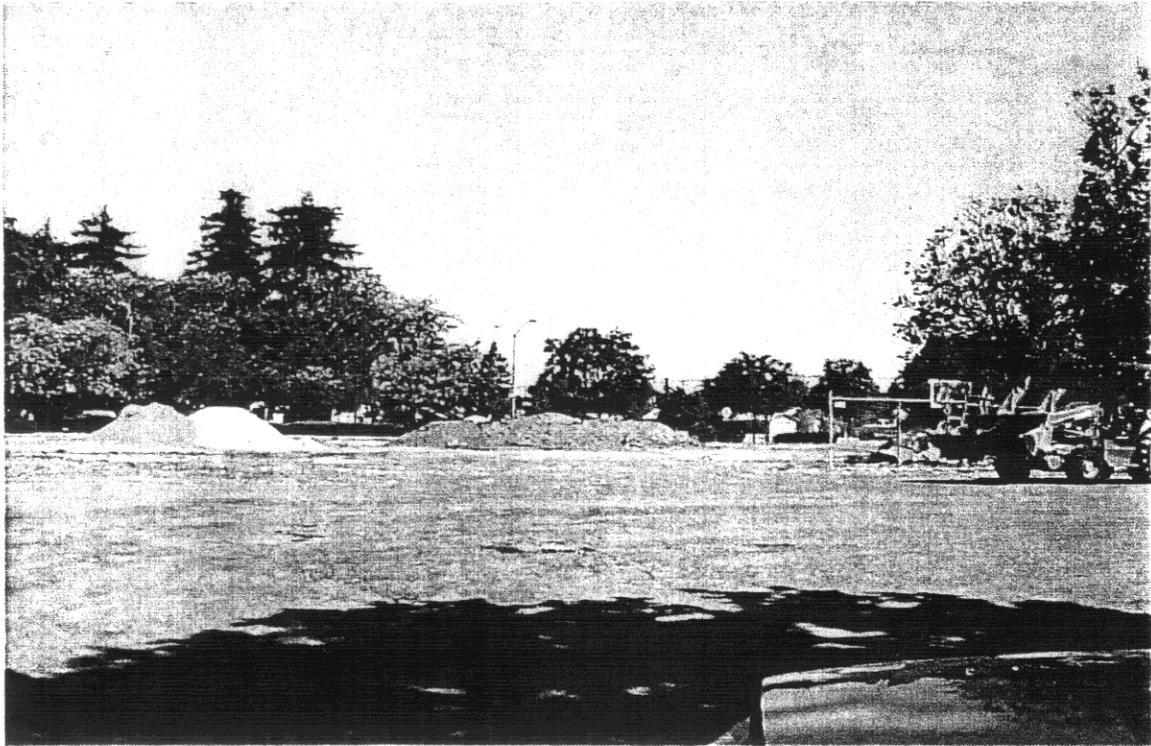
Subject property looking northeasterly from Lockeford street with subject at left.



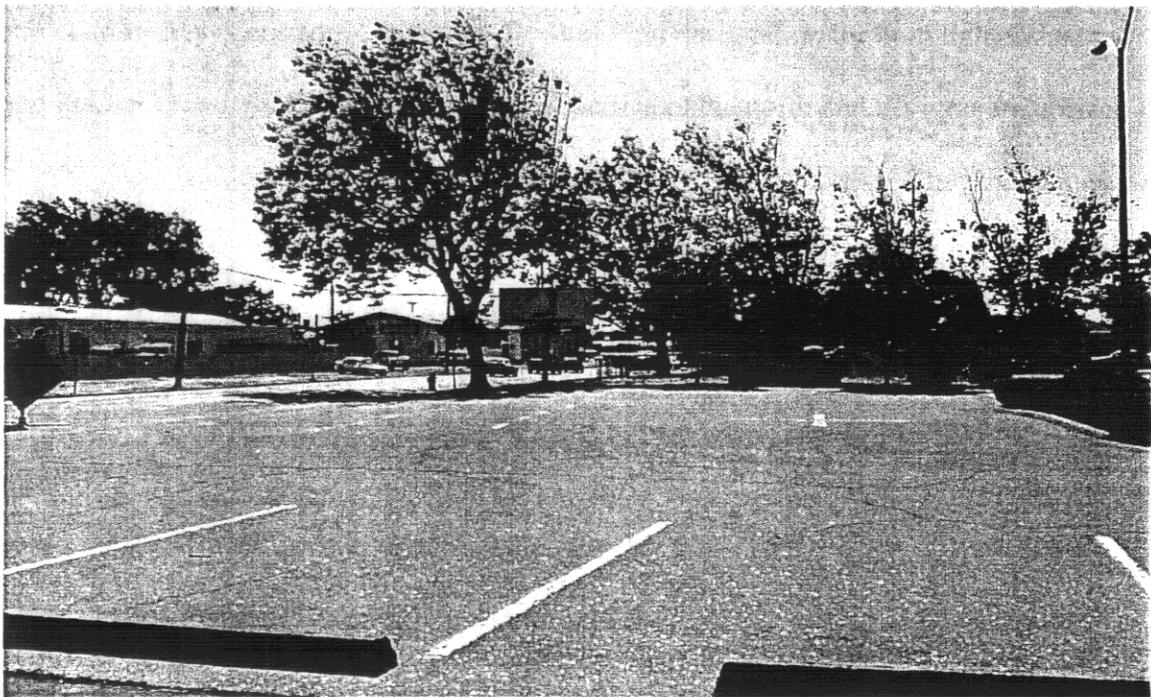
Street scene looking easterly along Lockeford Street with subject at left.



View easterly along alley at north boundary of subject which is at right.



View of subject looking southeasterly.



View of subject looking westerly towards Lockeford Street.

HIGHEST AND BEST USE

Highest and best use is that reasonable and probable use that will support the highest and best present value, as defined, as of the effective date of the appraisal.

Alternatively, that use from among reasonably probable and legal alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.

The highest and best use of the subject site, as though vacant, is for either medium density residential or light industrial use such as those uses around the subject. The subject property is not zoned but has a General Plan designation for both light industrial and Public/ Quasi Public. The adjoining properties to the north and the west are utilized to public and residential, and to the south and east are light industrial. The land values for both are very similar. Thus, I am of the opinion that the highest and best use of the subject property is for either medium density residential or light industrial use.

Exposure Time

I have discussed exposure time with sellers of similar property. Based on the subject's location, physical characteristics, and current market conditions, an exposure time of six to twelve months is considered reasonable. This exposure period assumes a reasonable listing price and aggressive marketing methods.

VALUATION DISCUSSION

Traditionally, there are three approaches to value. The cost approach involves the estimation of the reproduction cost new of all improvements and deducting from this cost new depreciation from all causes to arrive at a depreciated reproduction cost. To this, the estimated market value of the land is added to arrive at a reliable indication of value. This approach is particularly valid when buildings are new or proposed and are proper improvements for the site.

The income approach considers the present worth of future benefits derived from ownership and is measured through the capitalization of the property's projected income. The appraisal investigation develops a reliable estimate of the net operating income for the property and capitalizes this to an indication of value.

The market data approach is contingent upon the availability of comparable properties which have recently sold on the open market. Each sale is analyzed and its attributes compared with the subject property. Differences between each comparable and the subject are then adjusted to arrive at an indicated value from each transaction. For the purposes of this appraisal, the market data approach is the only method utilized for these vacant land parcels.

PARCEL 3 VALUATION

The subject property consists of a nearly rectangular parcel surrounded on three sides by public rights-of-way and on one side by a publicly maintained 20' alley way. Thus it is not likely that an adjoining owner would be a prospective buyer. It is possible that the Armory or the American Legion would be interested in utilizing the property for overflow parking. However, it is unlikely that they would pay a market price based upon highest and best use.

The property is not presently zoned while the general plan designation yields conflicting information. The current designations are for Public/ Quasi Public uses on the westerly and easterly one thirds of the site. The middle third is designated for light industrial.

Uses surrounding are residential, light industrial and public, like Legion Park, the Grape Festival grounds and the Grape Bowl. Most likely uses include either medium density residential or light industrial. There are plans for senior residential housing two blocks east of the subject on Lockeford Street. Senior housing and market rate rental units have low vacancy levels and there have been very few market rate rental residential units constructed in Lodi in the past 20± years. Thus there have been a dearth of sales of medium density sites in Lodi. However residual cash flow analyses based upon current rents of \$850 to \$1,000 per month per unit yield residual land values of \$15,000 per unit.

Medium density residential can accommodate 16± units per acre in a two story design or 22± units for the subjects 1.36± acre site. This yields a value for the site as a market rate residential unit as follows:

$$22 \text{ units @ } \$15,000 \text{ per unit} = \$330,000$$

There has been some limited activity in land sales of light industrial sites in Lodi. One site on Cluff Avenue sold in May 2007 for \$330,000 or \$10.00 per square foot. However this is a finished site, smaller and better located than the subject. The City of Lodi recently offered an 8.9± acre vacant site on Guild Ave. for \$2,500,000 or \$6.44± per sq. ft. with no offers. Typical light industrial land sales throughout San Joaquin County range between \$4.00 and \$7.00 per sq. ft. The subject has three street frontage which is an amenity for light industrial use but the location is only fair for industrial use. Thus, this site would have a value for light industrial of \$5.50 to \$6.00 per sq. ft. or a range as follows:

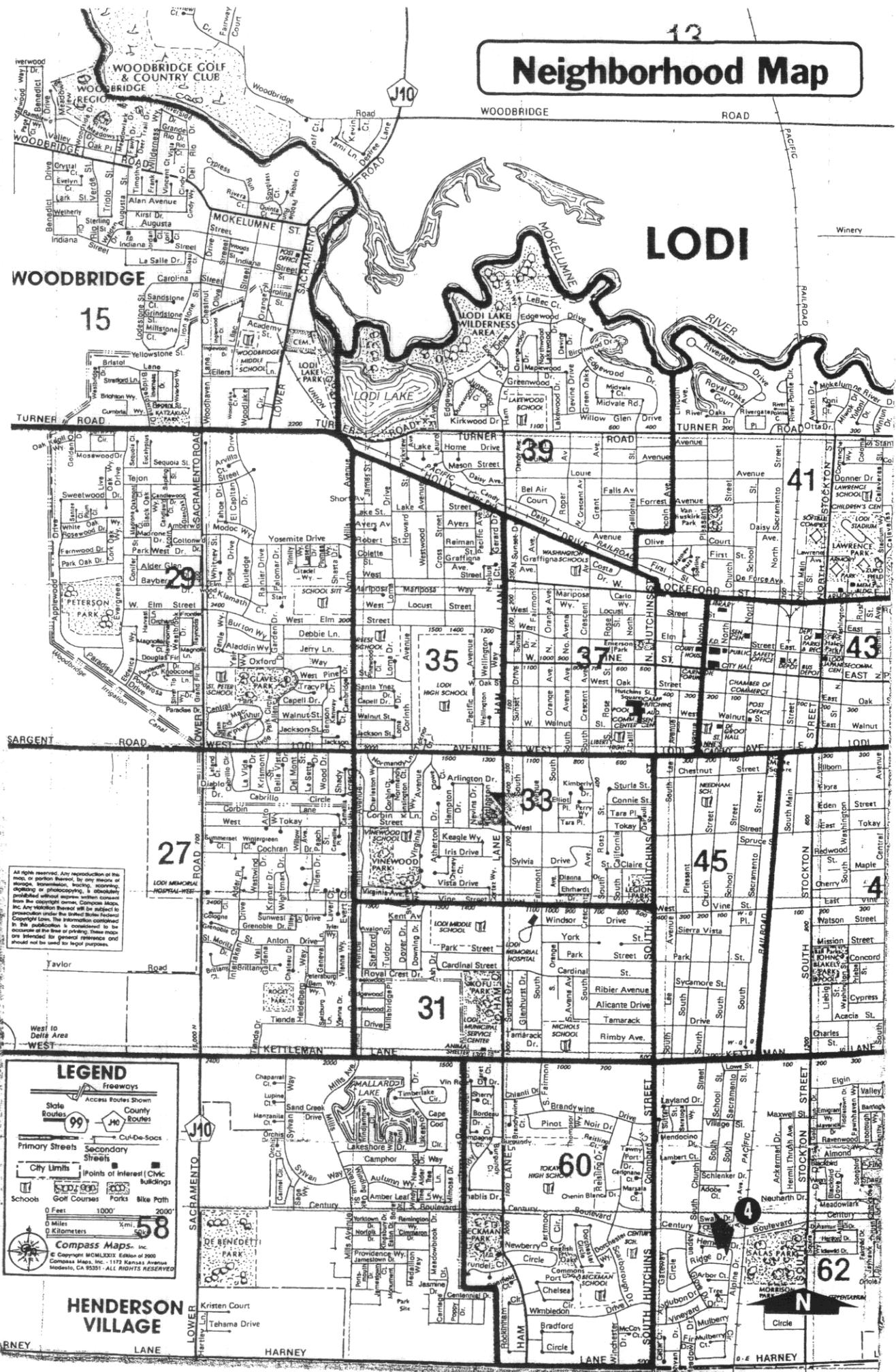
$$59,398 \text{ sq. ft. @ } \$5.50 \text{ per sq. ft.} = \$327,000$$

$$59,398 \text{ sq. ft. @ } \$6.00 \text{ per sq. ft.} = \$356,000$$

This is in the same range as the value for the medium density residential use. Presently the industrial market appears to have greater demand and may generate more interest. In either event the property has a current market value of \$340,000.

CENTURY PROPERTY

Neighborhood Map



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LEGEND

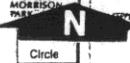
- Freeways
- State Routes
- Primary Streets
- City Limits
- Schools
- Golf Courses
- Parks
- Bike Path
- Access Routes
- County Routes
- Cul-De-Sacs
- Secondary Streets
- Points of Interest (Civic buildings)

0 Feet 1000' 2000'
0 Miles 1 2
0 Kilometers 1 2

58

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HENDERSON VILLAGE



NEIGHBORHOOD DESCRIPTION

The subject property is the current Century Boulevard right-of-way between the Southern Pacific Railroad right-of-way to the west and Stockton Street to the east. It is only improved for 20 ± % of its length. Salas Park, a city owned facility is to the south while Century Self Storage is adjacent to the north. Properties to the east are low density single family residential and to the north are heavy industrial.

PROPERTY DESCRIPTION

OWNER OF RECORD

City of Lodi

ASSESSOR PARCEL NUMBERS

This parcel is not separately assessed nor does it have an assessor's parcel designation.

LOCATION

Century Boulevard right-of-way between Stockton Street on the east and the Union Pacific Railroad right-of-way on the west.

LEGAL DESCRIPTION

Portion of the southwest $\frac{1}{4}$ Section 13, T. 3 N., R. 6 E.

Parcel 4

LAND DESCRIPTION

Size and Shape: The subject is irregular in shape. It has 100±' of frontage on Stockton Street and 200±' of frontage on the railroad right-of-way for a total land area of 133,294± sq. ft. per the Lodi Public Works Department.

Zoning: The property is not designated with a zoning but is in the city limits. The general plan designates the property as a park.

Topography: The site is level and at street grade.

Streets and Access: The site is directly accessed from Stockton Street, which is a two lane asphalt paved with public right-of-way with concrete curbs, curb cuts, lighting, and sidewalks. It is 80' wide.

Utilities: Electricity is provided by the city of Lodi, as are water and sewer to the subject property. Gas is provided by P.G.& E.

Flood Zone: According to map number 060229 0170B dated July 4, 1988, the subject property is located within Zone C, areas of minimal flooding.

Earthquake Zone: According to the Fault Rupture hazard Zoned in California, special publications 42, prepared by the State Division of Mines and Geology and dated

November 1, 1991, the subject is not within an Alquist-Priolo Special Studies Zone.

The Uniform Building Code adopted by the state of California has designated the subject vicinity as being within Earthquake Zone 3, identified as an area of moderate earthquake damage.

History of the property: The subject property has been under the same ownership for a number of years.

IMPROVEMENT DESCRIPTION

The subject property is unimproved with the exception of the easterly 200±' is asphalt paved.

ASSESSED VALUES AND TAXES

Real estate taxes in the county of San Joaquin are calculated using a rate per \$100 of assessed value. The assessed value is set at 100% market value, as established by the San Joaquin County Assessor.

Since 1978, when proposition 13 was passed, real estate taxes in California have been limited to 1% of market value plus bonded indebtedness. The basis is 1975 assessed value, except when there is a change in title or the physical character of the property.

The current tax information for the subject parcel is summarized below.

Assessor's Parcel No.:

Tax Area Code:

Tax Rate:

Assessed Values:

The subject has no assessor's parcel designation and is not presently assessed.

Land

Improvements

Total

2006-2007 Taxes:

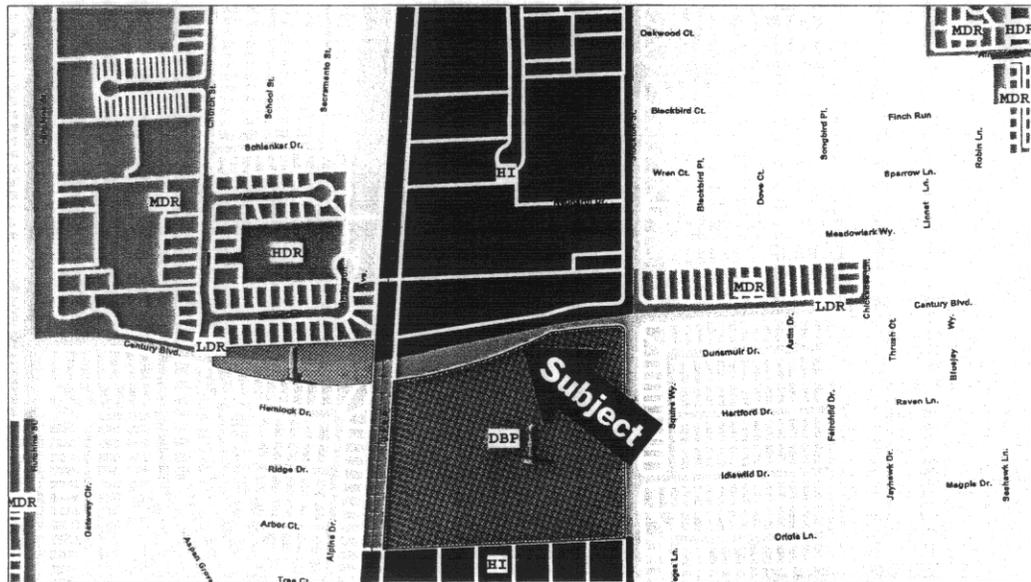
City of Lodi

Base Map

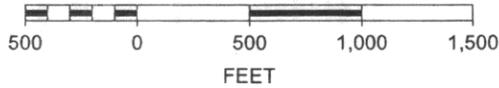
Community Development

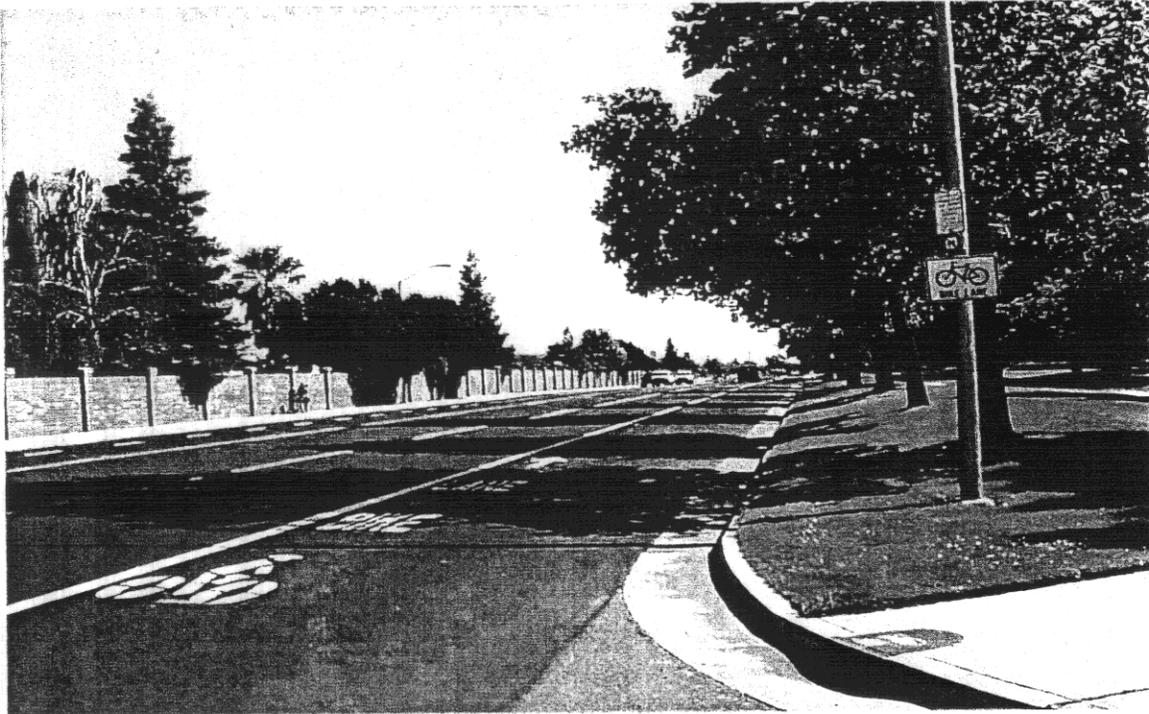
General Plan Land Use

- Office
- Neighborhood Com...
- General Commerical
- Downtown Commer...
- Heavy Industrial
- Light Industrial
- Low Density Reside...
- Eastside Residential
- Medium Density Res...
- High Density Reside...
- Planned Residential
- Planned Residential ...
- Public Quasi Public
- Drainage Basin Park

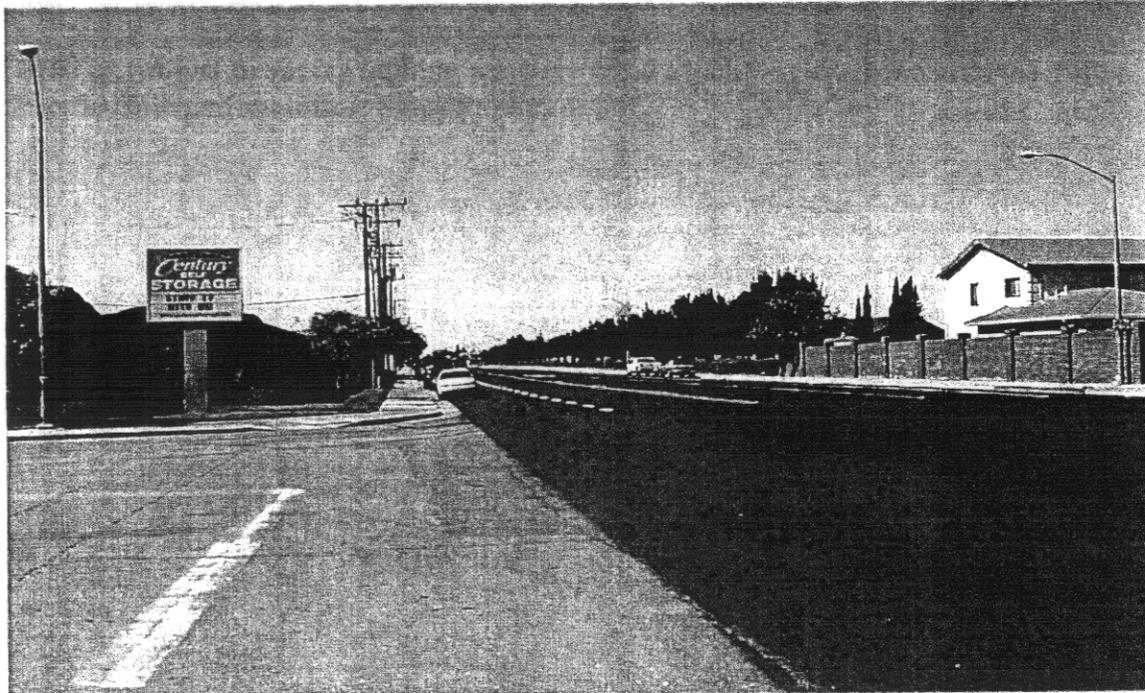


SCALE 1 : 10,220

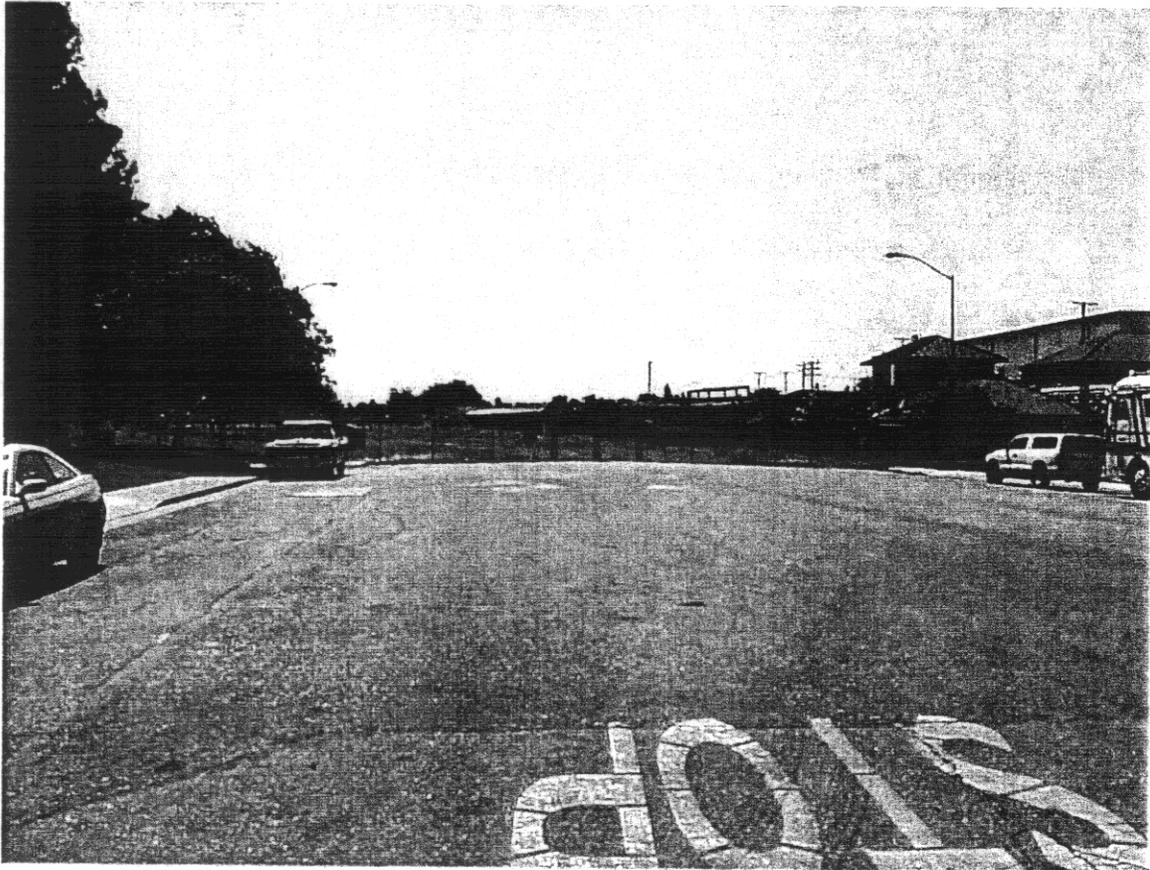




Street scene looking southerly along Stockton Street from Century Boulevard.



Street scene looking northerly along Stockton Street at Century Boulevard with subject at left.



View of subject property looking westerly from Stockton Street towards the Union Pacific Railroad mainline. Salas Park is at left.

HIGHEST AND BEST USE

Highest and best use is that reasonable and probable use that will support the highest and best present value, as defined, as of the effective date of the appraisal.

Alternatively, that use from among reasonably probable and legal alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.

The highest and best use of the subject site, as though vacant, is for plottage to the adjoining owner, Century Self Storage. Salas Park is adjacent to the south, Stockton Street to the east and the Union Pacific Railroad line to the west. The parcel is too narrow and irregularly shaped to be independently developed. The only legitimate buyer would be Century Self Storage for potential expansion. Thus, I am of the opinion that the highest and best use of the subject property is for plottage.

Exposure Time

I have discussed exposure time with sellers of similar property. Based on the subject's location, physical characteristics, and current market conditions, an exposure time of six to twelve months is considered reasonable. This exposure period assumes a reasonable listing price and aggressive marketing methods.

VALUATION DISCUSSION

Traditionally, there are three approaches to value. The cost approach involves the estimation of the reproduction cost new of all improvements and deducting from this cost new depreciation from all causes to arrive at a depreciated reproduction cost. To this, the estimated market value of the land is added to arrive at a reliable indication of value. This approach is particularly valid when buildings are new or proposed and are proper improvements for the site.

The income approach considers the present worth of future benefits derived from ownership and is measured through the capitalization of the property's projected income. The appraisal investigation develops a reliable estimate of the net operating income for the property and capitalizes this to an indication of value.

The market data approach is contingent upon the availability of comparable properties which have recently sold on the open market. Each sale is analyzed and its attributes compared with the subject property. Differences between each comparable and the subject are then adjusted to arrive at an indicated value from each transaction. For the purposes of this appraisal, the market data approach is the only method utilized for these vacant land parcels.

PARCEL 4 VALUATION

The subject property, which is an irregular shaped 3.06± acre parcel is presently an unutilized right-of-way. It is approximately 100' in width at its narrowest point and 200' in width at its widest. Due to this configuration, and given set back and side yard requirements and access, this property is not developable independently. Thus we must look at adjoining owners as the potential buyer for this parcel.

The property adjacent to the south is owned by the City of Lodi and operated as Salas Park, a community park and drainage retention basin. Thus, this is not a logical plottage user. The subject's westerly boundary is the railroad mainline and therefore, is not a viable buyer. Likewise, the easterly boundary is formed by Stockton Street a publicly maintained right-of-way, and not a logical plottage use.

Thus, the only potential user of this excess right-of-way is at the northerly subject boundary, Century Self Storage, a mini storage project. The present design of their project appears to physically allow expansion. There appears to be reasonable demand for public storage. It is uncertain whether the owners are presently motivated to acquire the property.

Public storage is allowed in the light industrial plan designation which the subject has. Unimproved light industrial land has a current value of \$3.00 to \$5.00 per sq. ft.

Due to the irregular configuration and the lack of potential buyers for this parcel,
I have concluded at the bottom of the range of value or \$3.00 per sq. ft. or a total value as
follows:

133,294 sq. ft. @ \$3.00 per sq. ft. = \$399,882

Rounded to \$400,000

DUNCAN, DUNCAN & ASSOCIATES, INC.

Duncan, Duncan & Associates, Inc. is a full service appraisal organization which provides a complete range of valuation and evaluation services including feasibility studies. The firm was established in 1981 when Garry Duncan joined his father, Jim Duncan and Christine Kramer in the real estate appraisal, consultation, brokerage (primarily agricultural and development properties), and development business.

Garry Duncan began his appraisal career in 1977 with the real estate firm of Mason, Mason and Mason, Inc. in Glendale, CA. His assignments were varied and included residential, multi-residential, commercial, industrial, recreation lands, easements, partial takings, etc. Garry is a 1977 graduate of the University of California at Los Angeles (UCLA), with a bachelors degree in political science. He is a licensed California Real Estate Broker. He has qualified as an expert witness in the Superior Courts of Los Angeles, San Joaquin, and Stanislaus Counties and in Federal Bankruptcy Courts in Sacramento and Modesto. Garry Duncan is Secretary of Duncan, Duncan & Associates, Inc. and part owner.

Christine Kramer Duncan is a 1976 graduate of Chico State University with an elementary teaching credential from Stanislaus State University. Chris has been with Duncan, Duncan & Associates, Inc. since its formation and is President/Treasurer, Chief Administrator, and part owner. As such, she oversees human resources including payroll, administration, marketing, quality control, hiring, firing, and employee ratings. She also supervises billing and collection, data collection, and computer services. Chris is a licensed real estate salesperson.

Mike Griffin is a native Californian who spent his early years living mostly on cattle ranches. After attending California Polytechnic State University, San Luis Obispo, he was in charge of several grassland and permanent pasture ranches. While supervising ranches located in several counties, Mike's responsibilities included the procurement of replacement cattle, additional rangeland operations in Ventura County and feeder cattle for the firm's 8,000-head feedlot in Ventura. From 1957 to 1971, Mike owned and operated a feedlot and range operation, also in Ventura. In 1976 he moved to New Mexico to manage a feedlot in the city of Hobbs. Mike's real estate career began in 1982 when he received a New Mexico salesman license. Mike's duties included the analysis of properties throughout the west. Because of his ranching background, Mike was in charge of the farm and ranch division for the firm. He obtained a California salesman license and moved to California in 1986 where he joined John Cyr, Realtors, Inc. as chief appraiser. By 1990, Mike received his Broker's license. Mike is a California Certified General Real Estate Appraiser and a California Real Estate Broker. He is affiliated with the National Association of Realtors, the California Association of Realtors and the San Joaquin Association of Realtors. His experience includes more than 18 years as Chief Appraiser for John Cyr Realtors, Inc, more than 18 years commercial, industrial, farm and ranch appraisal, and more than 23 years in commercial, industrial, farm and ranch brokerage. Mike joined Duncan, Duncan & Associates in January 2005.

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Duncan, Duncan & Associates, Inc. has completed a complex assortment of appraisal assignments, feasibility studies, and consultations for private investors, developers, land owners, lenders, attorneys, and governmental agencies and is available for all types of valuation, evaluation, feasibility studies, negotiations, and site selection assignments. These assignments have included Mello-Roos and 1913/1915 assessment districts, shopping centers, office buildings, medical office buildings and clinics, restaurants, apartments, condominiums and planned unit developments, residential subdivisions, auto centers and agencies, industrial plants and sites, mini-warehouses, athletic and tennis clubs, hotels-motels, ranches, farms, etc. A partial list of Duncan, Duncan and Associates, Inc.'s clients served is as follows:

LENDING INSTITUTIONS

Wells Fargo Bank
Bank of Lodi
Bank of Stockton
Bank of San Francisco
Bank of Amador
Ford Motor Credit Corporation
Toyota Motor Credit Corporation
California First Bank
U.S. Bank
Delta National Bank
Tracy Federal Bank
United Savings Bank
Pacific State Bank
Central Sierra Bank
Sacramento Commercial Bank
Nations Bank

H.S.A. Wexford Bancgroup
PW Funding

ATTORNEYS

Freeman, Brown and Sperry - Stockton
Mayall, Hurley, Knutsen, Smith and Green - Stockton
Kroloff, Belcher, Smart, Perry & Christopherson - Stockton Hauser and Mouzes - Woodbridge
Ramsey, Wallis & Abramson - Sacramento Damrell, Nelson, Schrimp, Pallios & Ladine -
Modesto Altman, Collins & Gross - Modesto Oliver, Stoever, Barr & Vose - Los Angeles Cleve
Stockton - Modesto Dennis Shore - Stockton Pat Riddle - Woodbridge John Roster - Stockton
Katz & Bierber, Inc., - Larkspur Landing Marshall & Marshall - Lodi Johansen & Robinson -
Sacramento Ellman, Bruke, Hoffman and Johnson - San Francisco Richard Coombs -
Sacramento Downey, Brand, Seymour and Rohwer - Sacramento Kenneth A. Martin - Walnut
Creek Westhoff & Associates - Lafayette Haight & Haight - Scotts Valley Jones Hall - San
Francisco Mullen, Sullivan and Newton - Lodi Best, Best & Krieger - San Bernardino Desmond,

Nolan, Livaich & Cunningham - Sacramento Richard S. Calone - Stockton Michael and
Cammack - Stockton

PRIVATE CLIENTS

Grupe Company - Stockton
A. G. Spanos - Stockton Camray Construction and Development - Sacramento Arnaiz
Development - Stockton Kaiser Foundation Hospitals Snider - Wentland and Associates - Lodi
Roy Williams Company - Stockton Patmon Company, Inc. - Stockton Calvin Bright - Modesto
Stamas Corporation - Sacramento Marco Development Company - Loomis Southern Pacific
Railroad Stockton Terminal and Eastern Railroad Santa Fe Pacific Realty Beck Development
Atlantic Richfield Corporation AT&T Corp. Chicago Title Company Old Republic Title
Company Lovas Financial - Sacramento Verner Construction - Stockton Ford Motorland
Development Company Pacific Gas & Electric

GOVERNMENTAL AGENCIES

San Joaquin Area Flood Control Agency
City of West Sacramento
County of San Joaquin
City of Stockton
City of Lodi
City of Galt
City of Jackson
State of California
 Department of Fish & Game
 Cal Trans
 Department of Water Resources
 Department of Education
Sacramento Rapid Transit Authority
S.M.U.D.
S.B.A.
R.T.C.
F.D.I.C. Internal Revenue Service County of Amador County of Placer County of El Dorado
California-Tahoe Conservancy South Lake Tahoe Redevelopment Agency

SCHOOL DISTRICTS

Lodi Unified Ophir Unified Nevada Joint Union San Marcos Unified Planada Unified Turlock
Unified Sonora Elementary Orland Unified Waterford Unified John Swett Unified Oakley
Unified Pleasanton Unified Lake Elsinore Unified City of San Bernardino Unified Folsom-
Cordova Unified Pacific Elementary Placer Hills Union Elementary

SPECIAL ASSIGNMENTS INCLUDE:

Pacific Coast Producers - Lodi J-M Manufacturing Co., Inc. - Stockton Goehring Meat Co. -
Lodi Superior Meat Packing - Dixon, CA., Ellensburg, Wash. and Hermiston, Oregon Oakwood
Lake Resort & Brown Sand & Gravel - Manteca Waterfront Towers - Stockton Quail Lakes
Athletic Club - Stockton Court Room - Modesto Rio Del Oro Racquet Club - Sacramento

U.S. Gasohol - Lockeford
H.J. Heinz Plants - Stockton and Tracy
Stockton Auto Center
Modesto Auto Center
San Joaquin County Public Assistance Block - Stockton
Downtown Parking District - Stockton
Mandeville Island - Stockton
Karly Winery - Plymouth
Wendy's Restaurants - Several Locations
Burger King Restaurants - Several Locations
Foothill Oaks Shopping Center - Oakdale
Arden Square Shopping Center - Sacramento

BOND APPRAISALS

San Joaquin County Courthouse - Stockton Lassen County Buildings - Susanville Parkridge Estates (Marx Roos) - Chowchilla Sunrise Hills (Mello Roos) - Sonora Spanos Park (Mello Roos) - Stockton West Placer Community Facility District #1 - Placer County River Highlands Community Services District - Yuba County Calaveras Country Club - Calaveras County Mace Meadows Assessment District - Amador County Kirkwood Public Utility District - Amador County Santa Nella Water District - Merced County Western Hills Water District Diablo Grande Community Facilities District No. 1 - Patterson, CA

DUNCAN, DUNCAN & ASSOCIATES, INC. DEVELOPMENT PROJECTS

Elliot and Jahant Rd., a 7 lot rural subdivision north of Lockeford, CA Woodbridge Village, a 20 unit condominium project in Woodbridge, CA Woodbridge Greens, a 100 lot planned unit development in Woodbridge, CA Lakeshore Meadows, a 152 unit apartment project in Lodi, CA Oakwood Professional Center, an office building constructed in Woodbridge, CA Woodbridge Town Square, a 21 lot residential project in Woodbridge, CA Woodbridge Riverside, a condominium office building and mini-mart site in Woodbridge, CA

A RESOLUTION OF THE LODI CITY COUNCIL
ACCEPTING ESTIMATES OF VALUE AND AUTHORIZING
THE SALE AND LEASE OF CITY-OWNED PROPERTY

WHEREAS, in February 2007 the Lodi City Council discussed Project Opportunity; a review of City-owned property; and

WHEREAS, the Lodi City Council directed staff to seek appraisals for the following properties:

	<u>Appraised Value</u>
1119-1120 Awani Drive (3.65 acres) APN #'s 041-25-038 & 041-41-001	\$1,200,000
217 East Lockeford Street (1.36 acres) APN # 041-220-02	\$ 340,000
Century Boulevard Right-of-Way (3.06 acres) (West of Stockton Street); and	\$ 400,000*

*Annual lease payment of \$40,000 for this property based on appraised value.

WHEREAS, the properties have been reviewed by the Planning Commission to determine General Plan conformity, and the sale of Century Boulevard Right-of-Way did not conform to the current General Plan and will be offered for lease based upon the appraised value.

WHEREAS, said appraisals have been received and reviewed by City staff and a report filed with the City Manager as outlined above.

WHEREAS, staff recommends acceptance of the value estimates and requests Lodi City Council to direct staff to sell the Awani Drive and Lockeford Street properties, and lease the Century Boulevard property.

NOW, THEREFORE, BE IT RESOLVED, by the Lodi City Council that the value estimates (appraisals) for the above listed properties are accepted and staff is directed to market the Awani Drive and Lockeford Street properties for sale, and lease the Century Boulevard property, with all negotiated deals being brought back to the City Council for approval.

Dated: August 15, 2007

I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 15, 2007, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk