



## CITY COUNCIL AGENDA REPORT

**Meeting Date:** February 15, 2024  
**From:** Director of Public Works/City Engineer  
**Subject:** Potential Sale of City Parcel APN 005-300-999 (formerly, S.P.R.R. SBE 872-41-23R);  
Resolution Declaring that City Parcel is Surplus Land

**Community Goal/Result:** Economic Development

### Purpose

To determine whether there is City Council support to sell vacant and landlocked property in Crocker Park and, if so, to discuss the next steps Council must take concerning the sale of this property.

### Recommendation

1. If Council elects to continue with the potential sale of APN 005-300-999;

Adopt Resolution No. 2024-XX declaring that the property owned by the City, a landlocked, vacant site of approximately 28,000 square feet located in Crocker Park, encumbered by a drainage canal, is surplus land, i.e., not necessary for the City's use, and if there is no interest in any school district, recreation agencies, or affordable housing developers to purchase the property, authorize the City Manager to (a) sell the property at fair market value, including the potential sale to the adjacent property owner, BLT Enterprises, and (b) sign a purchase and sale agreement, in a form as approved by the City Attorney, and authorize the City Clerk to record the necessary documents to effectuate the sale.

These actions are not subject to further environmental review as they involve general policy making activities of the City Council and hence they are not projects under the California Environmental Quality Act (CEQA). CEQA Guidelines, Section 15378 (b) (2).

2. If Council elects not to proceed with selling the property, provide direction to staff deemed necessary and appropriate

### Background

The property that is the subject of this agenda report is located in Crocker Park and is part of a former rail spur that was owned by the Southern Pacific Railroad. The Railroad sold the property to the McKesson Corporation and, in 1995, the McKesson Corporation transferred this property and numerous other properties in the area to the City. The particular parcel that is the subject of this agenda report is highlighted in blue on the included

screenshot from San Mateo County Property Information Portal (pg. 5 of this report).

The next screenshot (pg. 6 of 11) shows the portion of the property that was sold to South Hill Properties (Sheng Kee), as well as the discontinuity in the former rail spur immediately to the west of the land sold. The third screenshot (pg. 7 of 11) shows a wider view of the area in question, and also highlights the parcel that is now under discussion for potential sale.

Recently, BLT Enterprises, which owns property at 151 West Hill Place, which property is immediately adjacent to the parcel under discussion, made inquiry of City staff about its purchasing this parcel. Several issues dominated staff's review of this request and subsequent conversations with Council; first, was the examination of any future "best" uses for this parcel, e.g., use of the property for access to San Bruno Mountain; second, the presence of existing city storm drain facilities on the parcel; and third, what level of development would be permitted on the parcel were it sold.

## **Discussion**

The question on future best uses for this parcel was focused primarily on its potential use for access to San Bruno Mountain. As seen in the attached "Vicinity 201 South Hill" photo (pg. 6 of 11), this parcel dead-ends at 201 South Hill, and currently does not provide any potential for future access to the Mountain. In its letter of intent to purchase this property, the adjacent property owner states that it will provide an easement on the property for the purpose of providing public access.

The second issue considered during review of this request was the City's storm drain facilities. This matter would be resolved by requiring any purchaser to grant the City an easement for its storm drain facilities on the property, and the owner's agreement to maintain the storm drain facilities, including providing permission for the city to inspect the owner's compliance with the agreed upon duty to maintain the vee ditch. Those commitments are also set forth in the letter of intent.

Third was the City Council's concern about future development of the property. The property owner's letter of intent states that a covenant would be recorded to restrict the use of the property (other than for the public trail and the storm drain facilities) to parking for and access to the building on the adjacent property (which now houses a Frito-Lay facility).

Given these commitments from BLT Enterprises—which commitments would be embodied in a written purchase agreement—if Council wishes to proceed with the potential sale of the property, set forth below are the next steps, with the understanding, explained below, that the Council's agreeing to proceed with the sale does not necessarily mean the property will be sold to BLT Enterprises.

## **Next Steps**

### Compliance with the Surplus Land Act.

The Surplus Land Act (Government Code, section 54220 and following) increases the availability of land held by public agencies for use in creating housing for low/moderate income families, for recreational or school district purposes, and for clustered housing/commercial development near transit stations. The parcel under discussion is not near a transit station, and its 44-foot width is encumbered by a 15' vee ditch easement that makes it likely unsuitable for any housing. Both its small size and its inaccessibility due to being surrounded on all four sides by lands of others also makes it likely unsuitable for recreation or school district purposes.

Notwithstanding its inapplicability to the intent of the Act, there is no express exemption that the Act does not apply and, therefore, prior to selling the land, the City is required to make a finding at a regular public meeting that the land is not necessary for the City's use, which the Act defines as "surplus land." Then the City must provide notice of the availability of the parcel to school districts, recreation agencies and affordable housing developers. (The State maintains a list of such developers.)

Approval of Resolution No. 2024-xx will satisfy the requirements of the Act

### Final negotiations with a purchasing party

If there is no interest in any of the public agencies or affordable housing developers in purchasing the property at a price that the City Council deems fair, the City may then enter into negotiations to determine a mutually satisfactory sales price with a third party, such as BLT Enterprises. (BLT's letter of intent includes a purchase price of \$718,250.) Based on the unsuitability of the parcel for housing or school purposes, and with no existing/planned trail on the San Bruno Mountain State and County Park trail map within 1/4- 1/2 mile of the western terminus of the parcel, staff does not anticipate receiving offers from affordable housing developers, the County of San Mateo, or school districts. Assuming that is the case, Council action tonight includes authority for the City Manager to enter into a purchase agreement and any other documents necessary to carry out the sale. If a purchase agreement and related documents are entered into with BLT, such agreement must be consistent with BLT's letter of intent, and in a final form as approved by the City Attorney.

### Conformity with the City's General Plan and Sale of the Property

If there is a purchase agreement, before the property may be sold, the Planning Commission must find that the sale is consistent with the City's General Plan. Any decision of the Planning Commission could be appealed to the City Council. Such an item would not be presented either to the Planning Commission or to the City Council (on appeal) until there is a signed purchase agreement and, of course, the sale would be contingent on the finding of the sale's conformity

with the General Plan.

### **Fiscal Impact**

If the property is eventually sold as provided in the letter of intent, there would be one time revenue of approximately \$718,000. Council will have the discretion to direct this money's placement into whatever account or accounts it deems appropriate. If the City were to receive offers from a school district, recreation agency or an affordable housing developer, the item would be returned to Council for further consideration of such offer.

### **Environmental Review**

These actions are not subject to further environmental review because the actions are general policy making activities and hence they are not projects under the California Environmental Quality Act (CEQA). CEQA Guidelines, section 15378 (b) (2).

### **Measure of Success**

If Council directs staff to move forward with the sale, in the future, City Council has directed that proceeds will be used for open space acquisition and open space habitat management.

### **Attachments**

1. Screenshot from San Mateo County Property Information Portal [pg. 5 of 11]
2. Orthodigital view from 201 South Hill sale [pg. 6 of 11]
3. Orthodigital view highlighting requested sale to 151 West Hill Place [pg. 7 of 11]
4. Resolution declaring property surplus land and providing authority to the City Manager to carry out the sale

*R.L. Breault*

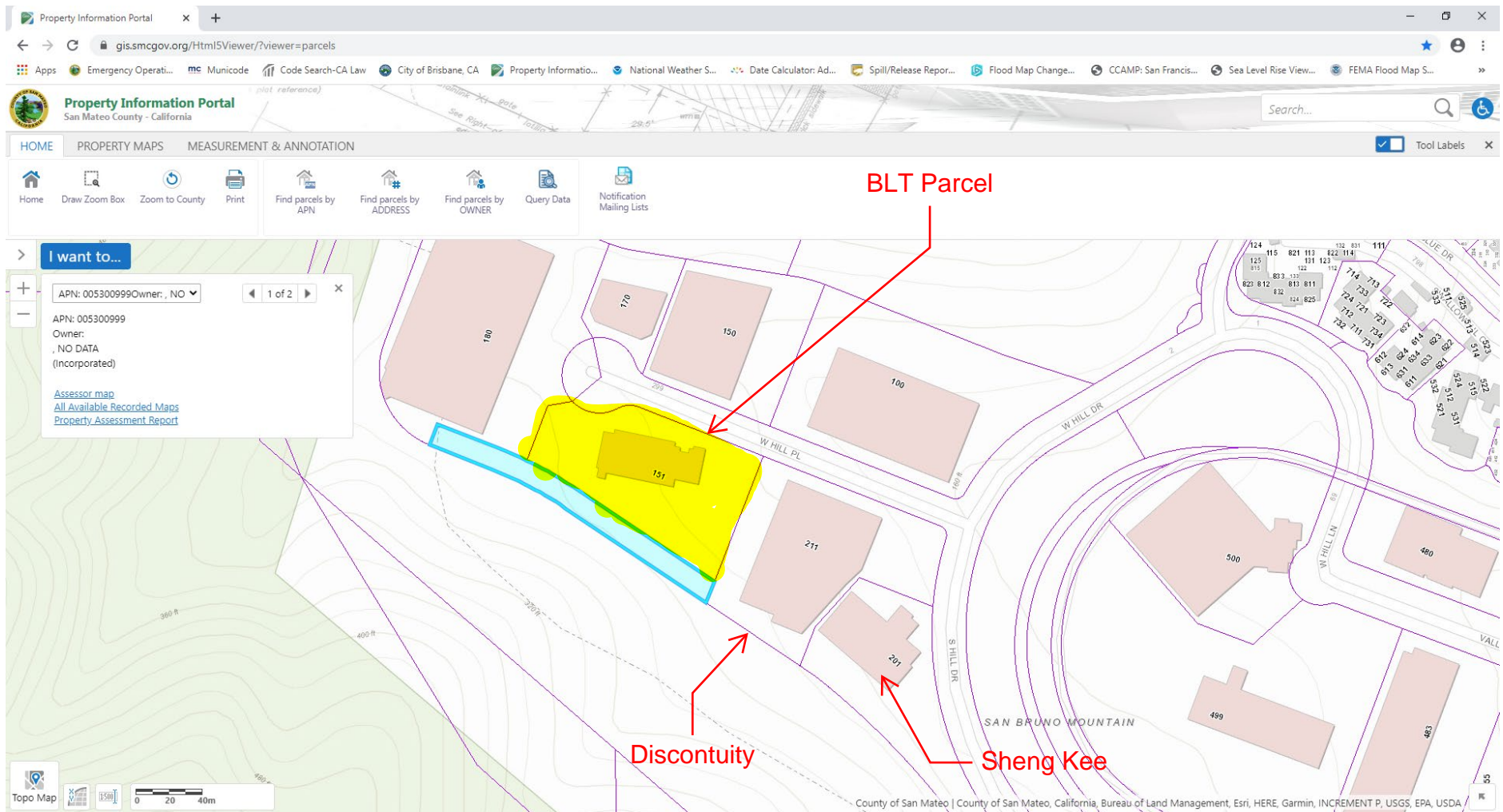
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Randy Breault, Public Works Director



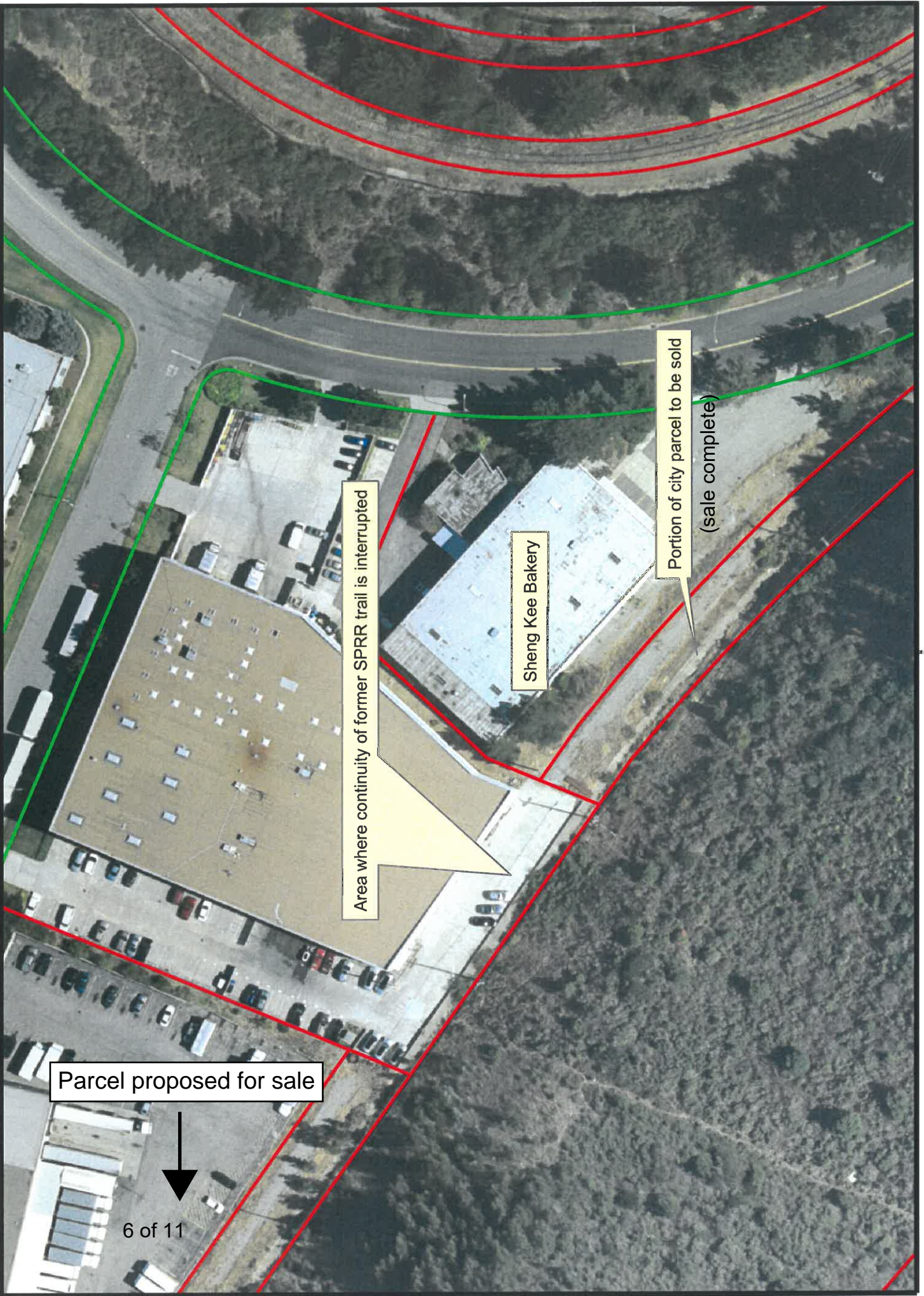
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Clay Holstine, City Manager



- City owned parcel shown in blue
- BLT parcel at 151 West Hill Place
- Discontinuity in trail spur shown at 211 South Hill Drive
- Sheng Kee (now owning former city railroad spur) at 201 South Hill





Area where continuity of former SPRR trail is interrupted

Sheng Kee Bakery

Portion of city parcel to be sold  
(sale complete)

Parcel proposed for sale



6 of 11





Vicinity 201 South Hill-wider view



Extent of city owned former rail parcel parallel to West Hill Place

BLT Parcel





**BRISBANE CITY COUNCIL RESOLUTION NO. 2024-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE  
DECLARING CERTAIN PROPERTY IT OWNS AS SURPLUS LAND AND  
AUTHORIZING THE CITY MANAGER TO TAKE ALL NECESSARY STEPS TO  
DISPOSE OF THE PROPERTY CONSISTENT WITH THIS RESOLUTION**

**Whereas**, State law, the Surplus Lands Act (“SLA”) requires that before a local agency, including a City, takes any action to sell or lease its property, it must declare the property to be either “surplus land” or “exempt surplus land”; and

**Whereas**, “surplus land” means land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular meeting declaring that such land is surplus and is not necessary for the agency’s use; and

**Whereas**, 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; and

**Whereas**, the City of Brisbane owns vacant, landlocked, property in Crocker Park, and Whereas, BLT Enterprises also owns property within Crocker Park and approximately 28,000 square feet of City owned property lies immediately adjacent to the BLT Enterprises property; and

**Whereas**, BLT Enterprises has asked the City whether it would sell to it the approximate 28,000 square feet of City property, as depicted on the attached Exhibit 1, to be used by BLT Enterprises solely for the parking of vehicles for, and access to the building for, employees of the business located on the BLT Enterprises property; and

**Whereas**, there is a drainage canal on the property and BLT Enterprises has indicated that if the City sells the property to it, it would grant the City an easement for such canal, and maintain the drainage canal in perpetuity; and

**Whereas**, BLT Enterprises has also indicated that it will grant the City an easement on the property to be sold for the purpose of providing a public access that would connect to the eastern boundary of San Bruno Mountain State and County Park; and

**Whereas**, BLT Enterprises has also indicated that by written and recorded instrument it would restrict the use of the property sold to it for parking for, and access to, the building on the property that BLT owns; and

**Whereas**, the City Council finds and determines that the City has no need of this property for public purposes because of its odd shape and location and that BLT Enterprises, should the property be sold to it, would grant the City an easement for the drainage canal on the property, maintain the drainage canal on the property in perpetuity, grant the City an easement for the purpose of providing a public hiking trail that would connect to the eastern boundary of San Bruno Mountain State and County Park, and would restrict the use of the property sold to it for the parking of vehicles by persons using the



building on adjacent property owned by BLT Enterprises; and

**Whereas**, the City Council further finds, based upon the foregoing recitals, that the approximate 28,000 square feet of City owned property is surplus land.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BRISBANE RESOLVES AS FOLLOWS:**

Section 1. The vacant, approximately 28,000 square foot site in Crocker Park, as depicted on the attached Exhibit 1, is declared surplus land and the City Manager shall, on behalf of the City, (a) send the appropriate notices under Government Code, section 54222, (b) negotiate in good faith for the disposition of the property should there be any interest in the property by those districts, recreation agencies and affordable housing developers who receive such notice, and (c) participate in negotiations to dispose of the property should there be no interest by those school districts, recreation agencies or affordable housing developers or, if there is such interest, no agreement as to the property's disposition is reached.

Section 2. If the surplus land is not sold to a school district, a recreation agency or an affordable housing developer, the City Manager is authorized to take all necessary steps and to sign all necessary documents to sell the property at fair market value, including entering into a purchase agreement to dispose of the surplus land consistent with the terms and conditions of the letter of intent dated January 23, 2024 submitted by BLT Enterprises, when the purchase agreement and any documents required by the purchase agreement are approved in final form by the City Attorney.

Section 3. Should a purchase agreement be executed, once all its conditions have been satisfied, the City Clerk is authorized to record all documents to carry out the purpose of the purchase agreement.

Section 4. This Resolution shall become effective immediately upon its adoption.

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Terry O'Connell, Mayor

\* \* \* \*

I hereby certify that the foregoing Resolution No. 2024-XX was duly and regularly adopted at a regular meeting of the Brisbane City Council on February 15, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Ingrid Padilla, City Clerk

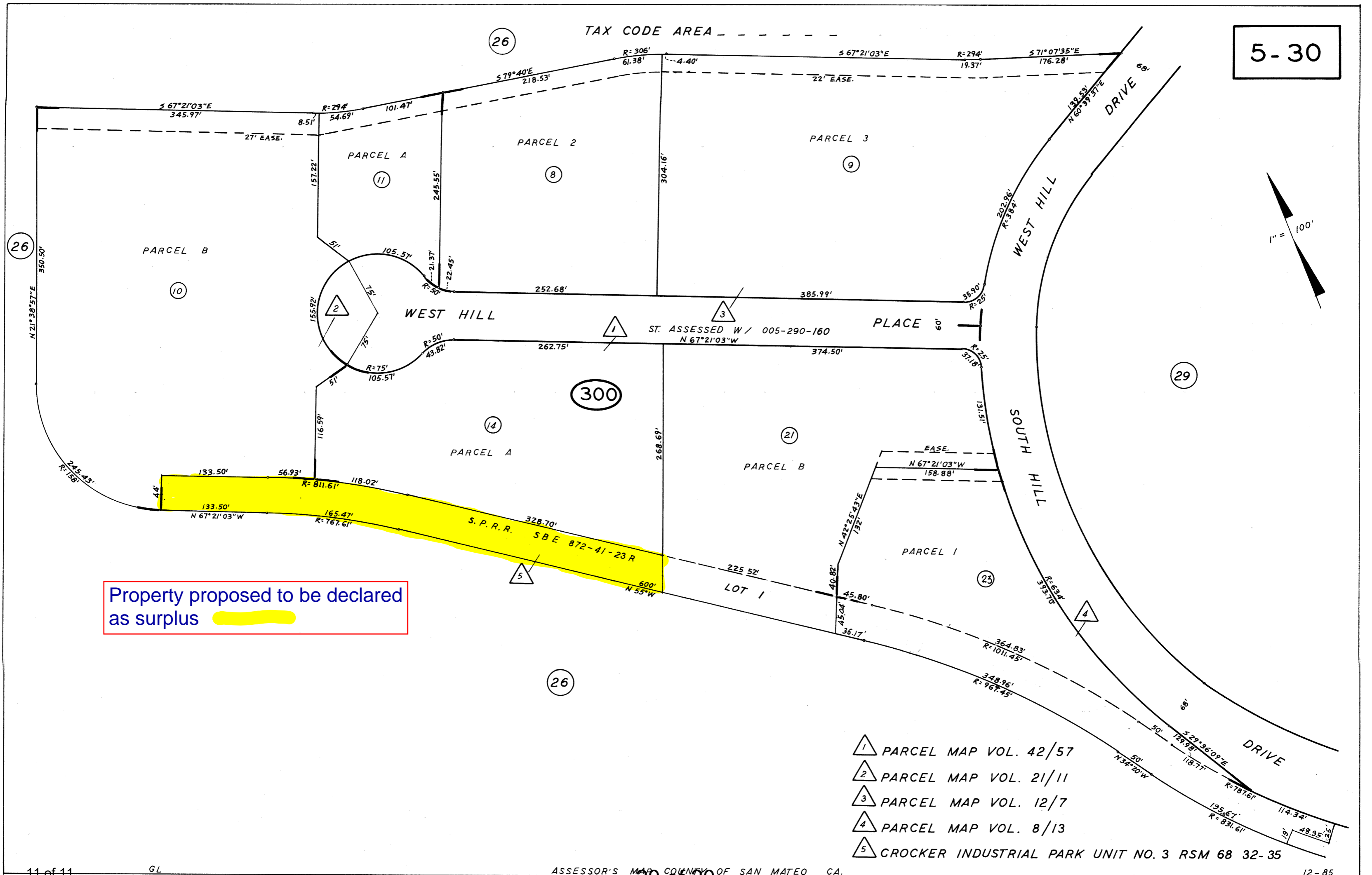
Approved as to form:

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Thomas R. McMorrow, City Attorney

# EXHIBIT 1

5-30



Property proposed to be declared as surplus

- 1 PARCEL MAP VOL. 42/57
- 2 PARCEL MAP VOL. 21/11
- 3 PARCEL MAP VOL. 12/7
- 4 PARCEL MAP VOL. 8/13
- 5 CROCKER INDUSTRIAL PARK UNIT NO. 3 RSM 68 32-35