



STAFF REPORT

TO: CITY COUNCIL
MEETING DATE: JUNE 3, 2024
FROM: DEREK COLE, CITY ATTORNEY
SUBJECT: APPROVAL OF REAL PROPERTY DONATION AGREEMENT FOR 18.3 ACRES OF REAL PROPERTY (APNs 018-020-031 and 018-020-032)

Recommendation

Adopt Resolution 23-24-* Authorizing the City Manager to execute a Real Property Donation Agreement conveying 18.3 acres of real property to the City of Suter Creek (APN's 018-020-031 and 018-020-032).

Background and Analysis

Creekwood Capital LLC ("Creekwood") owns two parcels comprising 18.3 acres ("Property") near the City's wastewater treatment plant ("WWTP"). The property is bordered by Highway 49 on the west, Sutter Ione Road on the north, Oro Madre Way on the west, and the WWTP property on the south. Creekwood has proposed to donate the Property to the City.

The donation of this Property will provide great flexibility to the City given that it is adjacent to the WWTP property. Although the City does not have immediate needs for the Property, the donation will allow the City to have space to accommodate the future uses of the WWTP property, room for a potential public works maintenance yard, solar power generation for city use and to ensure adequate buffer property can surround the WWTP currently and in the future. Importantly, the conveyance of the property would not include any restrictive covenant. The City would thus have the authority to apply the donated property for any public purpose.

The City has secured the attached appraisal from a qualified appraiser, who valued the Property at \$1,265,000. The City has also had a "Phase I" environmental analysis performed, which did not indicate any environmental concerns requiring further analysis.

The City Attorney has drafted a Real Property Donation Agreement that both City Staff and Creekwood have accepted in principle and as to form. If the Council authorizes the receipt of the

donation, the parties will open up a 60-day escrow. Upon the closing of escrow, the two parcels comprising the Subject Property would be conveyed to the City without charge (other than the small closing costs the City would incur).

Fiscal Impact

The City will only incur a small amount of closing costs associated with the escrow for the proposed transaction. Following closing, the City would incur the normal “carrying costs” associated with the ownership of public property. These costs would include the regular costs of property upkeep, maintenance, and security. If the property is used for future WWTP improvements, the value of the land can be considered an “in kind” contribution by the city to the costs of a plant, and used as matching funds for potential grants.