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AGENDA REPORT

Date: December 23, 1996
To: The Honorable Mayor and City Council
From: Thomas G. Mauk, City Manager
Subject: **HELLMAN PROPERTY PURCHASE AND SALE AGREEMENT
LEASE AGREEMENT AND OPTION TO REPURCHASE**

RECOMMENDATION

It is recommended the City Council approve the attached Purchase and Sale Agreement relative to the Hellman property together with the Lease Agreement and Option to Repurchase between the City of Whittier and the Whittier/Puente Hills Conservation Authority.

DISCUSSION

As the City Council is aware the Whittier/Puente Hills Conservation Authority received \$2.5 million in the recently passed Proposition A for parks and open space acquisition purposes. The City of Whittier has entered into discussions and negotiations with the JPA for the sale of 200 acres of Hellman Park to the JPA for an amount of \$2,250,000. The purpose of the proposed sale is to include Hellman Park in a larger umbrella organization overseeing wilderness and hills areas in that part of the City; to transfer the maintenance responsibility for a period of 10 years to MRCA which is the administrative arm of the JPA; to generate \$2,250,000 in revenues to the City of Whittier; and to ensure that upon conclusion of the lease - leaseback arrangement the City has the option to repurchase the property.

The advantage of the proposed sale and leaseback is that the City of Whittier has relieved a maintenance responsibility for a period of 10 years. The City will pay from Prop A funds to the JPA \$30,000 per year payable upon execution of the lease, i.e. \$300,000 for that maintenance effort for the 10-year period. This will relieve the City of any General Fund expenditures in that regard. Upon expiration of the 10-year period, the property may return to the City and maintenance issues will then be addressed by the City Council as respects the lease or additional Prop A funding from the maintenance category of the bond act.

The advantage of the proposed sale which precedes the lease - leaseback arrangement to the Whittier/Puente Hills Conservation Authority is the management of the property by a larger umbrella agency coordinating and overseeing the corridor open space and wildlife preservation effort.

In order to achieve this transaction it is necessary for the Council to approve both the Purchase and Sale Agreement and the Lease Agreement and Option to Repurchase and to authorize the staff to execute the documents and conclude the transaction in an escrow arrangement with Continental Lawyers Title Insurance Company. Additionally, the City of Whittier will be the lead agency in completing an appraisal of the property which is required as a result of Prop A regulations.

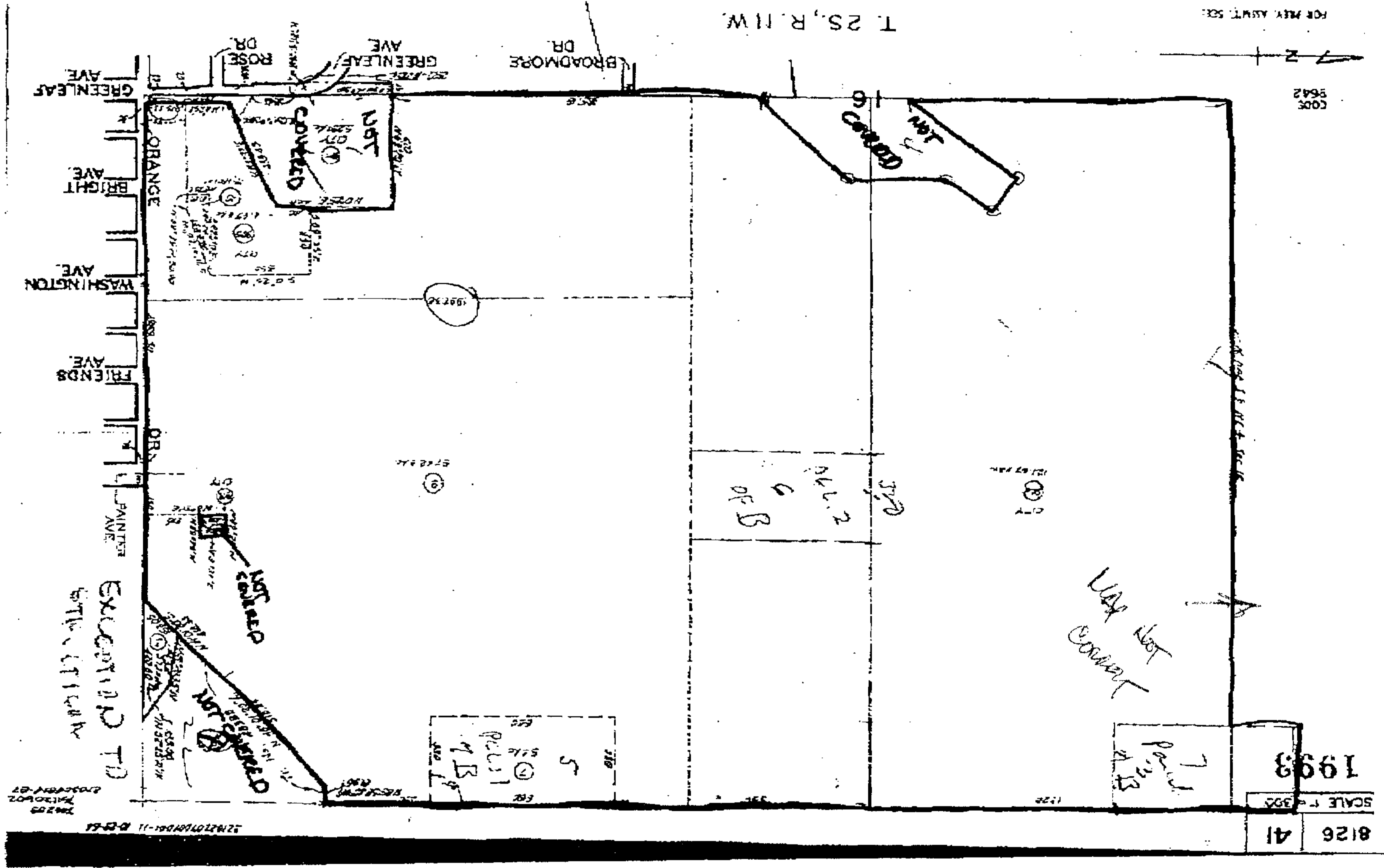
FISCAL IMPACT

The City will receive sale proceeds in the amount of \$2,250,000 and will be relieved of maintenance responsibilities as it relates to the City of Whittier General Fund for the next 10 years -- estimated amount \$300,000 (savings).

Recommend approval,

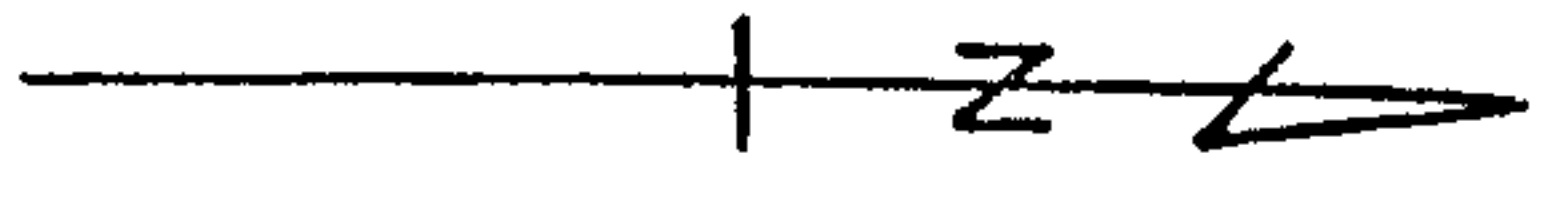
Thomas G. Mauk, City Manager

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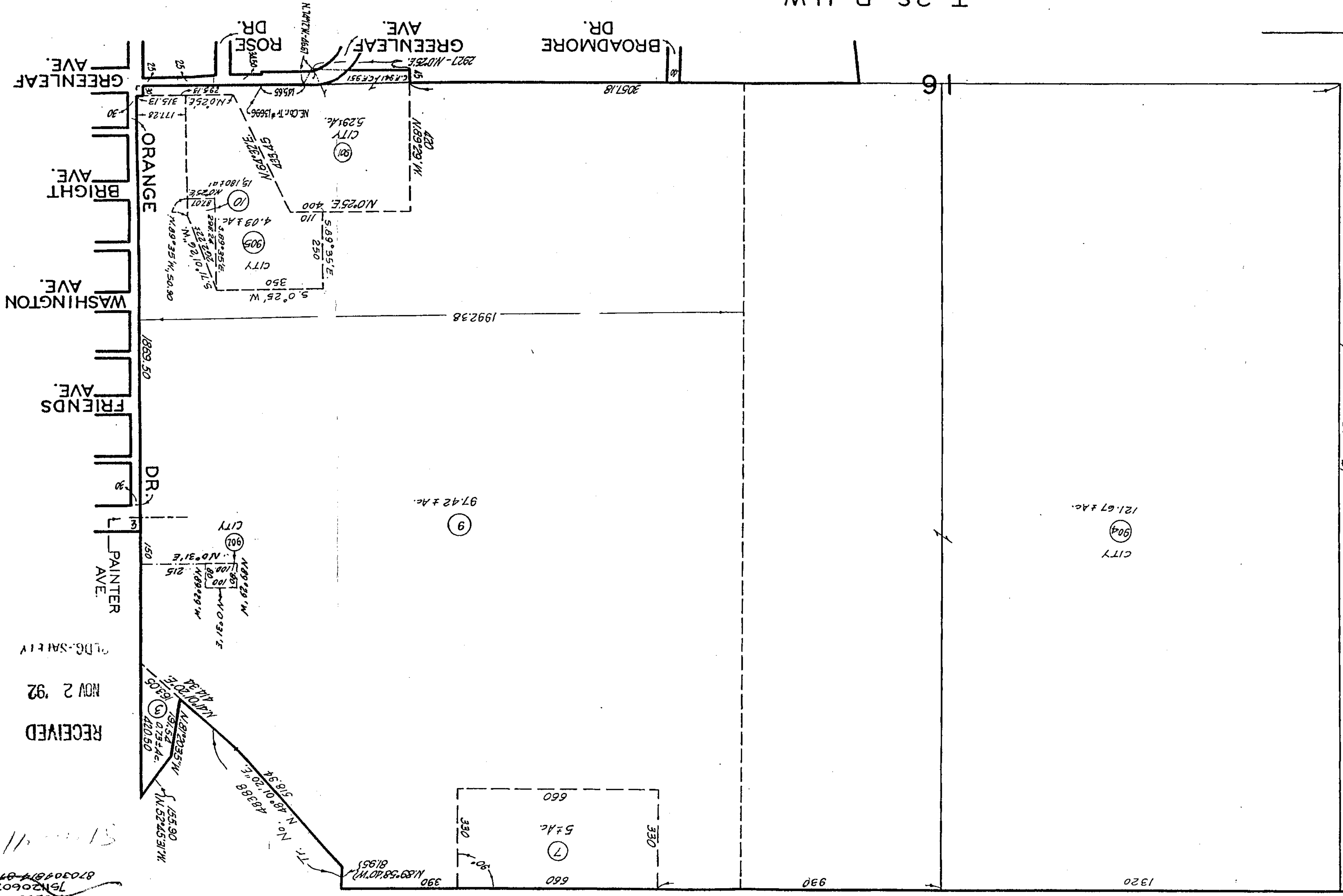


1-7-97
 Assessors Map
 is incorrect, verified
 w/ Harris & Sons
 as follows:

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