

Staff Paper #5:
Remnant Properties

ISSUE: Maintenance of "remnant" park properties and open space

The City of Modesto has a number of remnant parcels of land that do not contribute to the City's requirement for open space in the City of Modesto General Plan. Many of these areas require costly maintenance with little or no benefit to the community. Many of the parcels could be sold to the private sector with monies placed in long-term endowments to support programs and facilities and many lend themselves to long-term leases that would significantly and positively affect the community and the Parks, Recreation and Neighborhoods Department's proposed endowment program. In addition, some of these sites would lend themselves to future use for affordable housing. The property could be sold to a developer, who could be eligible for Community Development Block Grant funds for purchase and/or development. This action would provide benefit to the city by: 1) eliminating park sites that are problems to maintain and police; 2) reducing maintenance costs; 3) providing revenue to PR&N; and 4) increasing the city's affordable housing stock.

CURRENT PRACTICE:

The Park Maintenance Division of the Operations and Maintenance Department currently provides mowing, litter removal, watering and other maintenance to these parcels, a cost which is borne by the General Fund.

OPTION #1: Sell or offer long term leases for certain parcels. Some examples include:

- Sale of the Downey Annex . Approximately three acres of non-contiguous park green space that is operationally unsafe and unable to be developed. This property could be sold for community housing development for fair market value. The monies could be used as an endowment for the Downey Park Complex.
- Lease of McClure Property (Outside of established gardens). The McClure property could be divided to accommodate a long-term lease or sale for a community single-family housing development. A significant amount of the property, 18 – 20 acres, could be leased to a developer for fair market value with the proceeds placed into an endowment for the development of the McClure Home into a corporate retreat. Enough acreage contiguous to the home site should be kept as a buffer.
- Sale or Lease of Modesto Community Service Center. This building could be utilized in a sale or long-term lease agreement. Special attention to historic preservation and integrity of the building and site, beautification, landscaping, and projected use should be incorporated in the deed or lease as restrictions.
- Throughout the PR&N system, there are a number of small parklets that are financial drains on the system and do not lend themselves to development. The sale or lease of these properties would not negatively affect open space or recreation needs or requirements. These areas include Elk Park, MID Lateral, and Pierre Park, among others. These areas could be sold, with monies realized placed in the PR&N Endowment to be used for maintenance of other parks or for park development.

RAMIFICATIONS:

It is recommended in all cases that professional diligence be exercised prior to sale or lease of any property, including but not limited to the following areas:

- Is there any future PR&N need for the property?
- Are there any original deed restrictions?

- Are there any donor/gift restrictions?
- Do other government agencies have first right of refusal?
- Should restrictions be placed on the property to protect adjoining PR&N facilities and/or local citizens?
- Are there restrictions on where monies from the sale must go?
- Does money have to be returned to the original funding source, either government or donor?

OPTION #2: Seek neighborhood-based Lighting and Landscape Districts to fund maintenance of certain parcels.

RAMIFICATIONS:

A two-thirds vote of the people of the impacted neighborhood would be required. Prior to any vote, an assessment would need to be completed to thoroughly evaluate the required financing and the impact to each property.

The Council has the authority to place a measure on the ballot without a petition. A public hearing isn't required, but public input would be essential. It could be a New Business item for discussion and several resolutions would be required. If this item is placed on the November election, we would have to ask the County Board of Supervisors for permission through a resolution process.

OPTION #3: Seek financial support from neighborhoods, in the form of an endowment.

RAMIFICATIONS: Not all residents would be legally required to participate in the financing. Also, a substantial up-front contribution would be necessary to provide sufficient funding from the interest earned.

OPTION #4: Seek sponsorships for maintenance.

RAMIFICATIONS: This option would require finding a business or organization willing to enter into an agreement with the City to provide maintenance funding or maintenance, in exchange for a pre-determined recognition.

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