

## CITY COUNCIL

For City Clerk's Use:

☐

**APPROVED**

☐

**DENIED**

Reso No. \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 17  
**Date:** September 1, 2010

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Edward N. Domingue, Director of Engineering Services  
Jo Ann Case, Economic Development & Real Property Manager

**SUBJECT:** Sale of City-Owned and Vacated Old Fire Station 3 Located at 2165 Village Road, in Escondido (APN 224-610-09)

### RECOMMENDATION:

It is requested that Council adopt Resolution No. 2010-140 to authorize Real Property to enter into an agreement and escrow to sell Old Fire Station 3 to the Deubig Family Trust ("Buyer") for \$360,000, with no contingencies or escrow costs paid by the City.

### FISCAL ANALYSIS:

The City's asking price for the property was \$350,000. This amount was based on real estate market sales comparables performed by professional brokers. Two offers were received. The Buyer's offer was \$10,000 over the asking price and involved no contingencies. When the transaction closes, the allocation of the sale proceeds will be determined by the City Council.

### PREVIOUS ACTION:

In April 2010 the Council directed Real Property to list the Fire Station for sale because there was no need for it. In a closed session meeting on June 9, 2010, two offers were brought to the Council for consideration. City Council directed Real Property to accept the Buyer's offer of \$360,000 and to bring the potential sale to a public session.

### BACKGROUND:

The Fire Station was built in 1976 in conjunction with the Escondido Hills Planned Development. The station was intended to serve north Escondido. Old Fire Station 3 was vacated in July 2008 when fire station personnel moved to the new Fire Station 3 located at 1808 N. Nutmeg Street. The new fire station was constructed at that location to improve response times and meet quality of life standards. The old fire station was then leased to a private fire fighting company, Pac-West Fire, LLC, in November 2008. Pac-West Fire vacated the premises in February 2010.

Due to the unique character and improvements associated with the building and property, professional brokers expert in both residential and commercial property sales were asked to conduct

Sale of Old Fire Station 3 to Deubig Family Trust

September 1, 2010

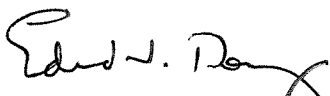
Page 2

a search for comparable sales should the property become an office or residence and adjustments were made in the sales price to allow for tenant improvement costs. Because the building is unique, any other use would require a substantial amount of tenant improvements. With the real estate sale comparables and the cost of tenant improvements in mind, an asking price of \$350,000 was established. Numerous potential buyers toured the building and Real Property ultimately received two offers. One of the offers was for the asking price but had various contingencies; the other offer was for above the asking price with no contingencies.

The current zoning PD-R (Planned Development Residential - Fire Station) does not allow the property to be used for anything but a fire station. Therefore, a zone change will be required for the property to be used for any other purpose. The zone change will be handled as a separate item with a public hearing process. If the zone change is successful, the sale will be completed and the property deeded to the Buyer. The Buyer intends to use the property as a low intensity small business office.

Real Property asks Council to accept the Buyer's offer contingent on the zone change to PD-C (Planned Development Commercial), to approve the Sale and Purchase Agreement in substantially the form attached to Resolution 2010-140 and to authorize Real Property to open escrow pursuant to the terms of the Sale and Purchase Agreement.

Respectfully submitted,



Edward N. Domingue, P.E.  
Director of Engineering Services



Jo Ann Case  
Economic Development &  
Real Property Manager

## RESOLUTION NO. 2010-140

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE MAYOR AND CITY CLERK  
TO EXECUTE, ON BEHALF OF THE CITY, A  
SALE AND PURCHASE AGREEMENT FOR THE  
SALE OF OLD FIRE STATION 3 TO THE  
DEUBIG FAMILY TRUST

(APN 224-610-09)

WHEREAS, certain City-owned real property, Old Fire Station 3 located at 2165 Village Road, in Escondido (the "Property"), became vacant in February of 2010; and

WHEREAS, the City offered the Property for sale at \$350,000 and received an offer from the Deubig Family Trust ("Buyer") for \$360,000 with no contingencies; and

WHEREAS, the City wishes to to sell the Property for a sales price of \$360,000 and to enter into a Sale and Purchase Agreement ("Agreement") with the Buyer; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the sale of the Property to the Buyer.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. The Mayor and City Clerk are authorized to execute, on behalf of the City, the Agreement with the Buyer, in substantially the form attached to this resolution as Exhibit "1," and incorporated by this reference, and subject to final approval as to form by the City Attorney.

**PROJECT:** Old Fire Station 3  
**A.P.N.:** 224-610-09  
**ADDRESS:** 2165 Village Road  
Escondido, CA 92026  
**OWNER:** City of Escondido

### **SALE AND PURCHASE AGREEMENT**

THIS SALE AND PURCHASE AGREEMENT ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_ by and between the CITY OF ESCONDIDO, a municipal corporation (hereinafter called "SELLER"), and Deubig Family Trust (hereinafter collectively called "BUYER"), for the acquisition, by BUYER, of certain real property as hereinafter set forth.

### **RECITALS**

A. SELLER owns that certain real property located at 2165 East Village Road, Escondido, California 92026 in the City of Escondido ("City"), County of San Diego, consisting of an approximate 3060 square foot building on .34 acres of land (the "Property"). The Property is legally described in Exhibit "A," attached hereto and incorporated by this reference.

B. BUYER desires to purchase the Property and make improvements thereon in order to operate a small business office. Plans for the improvements will be processed as a Precise Plan with a zone change that will allow a neighborhood office use.

C. SELLER desires to sell the Property to BUYER, and BUYER desires to purchase the Property from SELLER, on the terms and conditions set forth below.

**NOW THEREFORE**, it is mutually agreed by and between the parties as follows:

1. **AGREEMENT TO SELL AND PURCHASE.**

SELLER agrees to sell the Property to BUYER and BUYER agrees to purchase the Property from SELLER, upon the terms and for the consideration set forth in this Agreement.

2. PURCHASE PRICE.

SELLER agrees to sell and BUYER agrees to buy the Property for the purchase price of THREE HUNDRED AND SIXTY THOUSAND DOLLARS (\$360,000) ("Purchase Price").

3. CONDITION PRECEDENT.

Both parties agree and understand that the purchase and sale of the Property is contingent upon a successful zone change of the Property from Planned Development Residential to Planned Development Commercial ("Re-zone"). In the event a successful Re-zone cannot be effectuated with reasonable diligence for whatever reason, the escrow proceeding described by Section 4 herein, will be terminated and the BUYER'S deposit refunded.

4. PAYMENT OF PURCHASE PRICE/ESCROW.

The Purchase Price shall be payable by BUYER to SELLER as follows:

A \$5,000.00 deposit shall be deposited with the Escrow Holder by personal check to open the escrow. The balance of the purchase price, \$355,000.00, shall be deposited with the Escrow Holder within sufficient time to close escrow. SELLER shall open a sixty (60) day escrow with an escrow company of SELLER'S choice.

The escrow period may be shortened by mutual consent of the parties, without penalty, if the Re-zone of the Property occurs prior to the anticipated close of escrow date.

All associated escrow closing costs shall be paid by the BUYER.

5. CONVEYANCE OF TITLE. SELLER agrees to convey by Grant Deed to BUYER marketable fee title to the Property, free and clear of all recorded and unrecorded liens, encumbrances, assessments, easements, leases, covenants, conditions, restrictions, and taxes, EXCEPT:

Public and quasi-public utility, alley and street easements and rights-of-way record.

6. COST OF SUIT. In the event of any litigation, arbitration, any quasi-judicial, or administrative proceeding between the parties herein to: (i) enforce any provision of this Agreement; (ii) enforce any remedy available under default within this Agreement; or (iii) seek a declaration of the rights of either party on each party's respective interests in the Property, the prevailing party shall be entitled to recover from the other such attorney's fees and costs as may be reasonably incurred.

7. ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties, and neither party relies upon any warranty or representation not contained in this Agreement.
8. AUTHORITY. Those persons executing this Agreement warrant and represent that they have obtained all necessary approvals to enter into this Agreement and are authorized to execute this Agreement and bind their respective entities to the terms herein.

*(Signatures on next page)*

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year set forth below.

Dated: \_\_\_\_\_

BUYER: Deubig Family Trust

MAILING ADDRESS OF BUYER:

Deubig Family Trust  
c/o James Deubig  
125 East Lincoln Avenue  
Escondido, CA 92026

\_\_\_\_\_  
James E. Deubig, Trustee

Dated: \_\_\_\_\_

CITY OF ESCONDIDO  
a municipal corporation

MAILING ADDRESS OF SELLER:

City of Escondido  
201 North Broadway  
Escondido, CA 92025

BY:

\_\_\_\_\_  
Lori Holt Pfeiler, Mayor

\_\_\_\_\_  
Marsha Whalen, City Clerk

Authorizing Resolution No.  
R2010-140

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

By: \_\_\_\_\_

RECORDING REQUESTED BY  
Deubig Family Trust

When recorded mail to:  
Deubig Family Trust  
Attn: James E. Deubig  
125 Lincoln Avenue  
Escondido, CA 92026

APN 224-610-09

ESCONDIDO DOC NO. M-16-10

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**CITY OF ESCONDIDO  
GRANT DEED**

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FOR VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY  
ACKNOWLEDGED

**The CITY OF ESCONDIDO, a municipal corporation, GRANTOR**

hereby grants, conveys and dedicates to

**DEUBIG FAMILY TRUST, GRANTEE**

the real property in the City of Escondido, County of San Diego, State of California, described on  
the attached Exhibit "A".

Dated: \_\_\_\_\_

GRANTOR

City of Escondido, a municipal corporation

BY: \_\_\_\_\_  
Lori Holt Pfeiler, Mayor

BY: \_\_\_\_\_  
Marsha Whalen, City Clerk



## EXHIBIT "A"

### Legal Description

**Assessor Parcel No.: 224-610-09**

**Commonly Addressed as: 2165 Village Road**

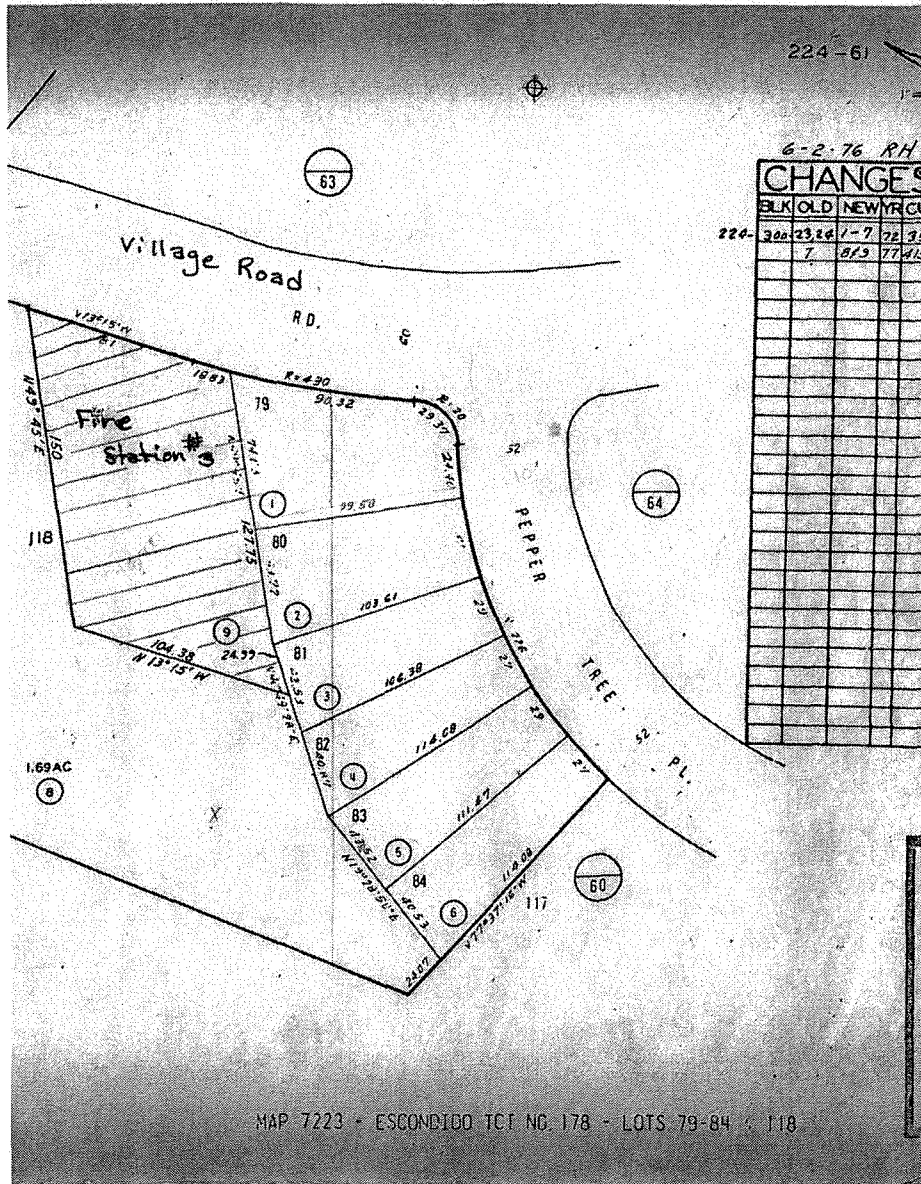
That portion of Lot 118, Map No. 7223, filed in the Office of the County Recorder of San Diego County, State of California, on February 2, 1972 as file No. 49040, described as follows:

Beginning at the most northerly corner of Lot 79, Map No. 7223; said point being the True Point of Beginning and also being a point on a non-tangent curve concave easterly and having a radius of 430 feet, a radial line to said point bears North 74°14'30" East; thence northerly along the westerly right-of-way of Village Road, along said curve through a central angle of 2°30'30", an arc distance of 18.83 feet; thence continuing along the westerly right-of-way line of Village Road North 13°15'00" West a distance of 81.00 feet; thence leaving the westerly right-of-way line of Village Road South 49°45'00" West a distance of 150.00 feet; thence South 13°15'00" East a distance of 104.38 feet to a point on the northwesterly boundary of Lot 81, Map No. 7223; thence along the northwesterly boundary of said Lot 81, North 40°49'28" East a distance of 24.99 feet to the northeast corner of said Lot 81; thence along the northwesterly boundaries of Lots Nos. 80 and 79, North 49°45'00" East a distance of 127.75 feet to the True Point of Beginning.

END OF LEGAL DESCRIPTION

# EXHIBIT "A"

Plat



CITY OF ESCONDIDO DOC. NO. M-16-10

TITLE OR TYPE OF DOCUMENT: GRANT DEED

GRANTOR: CITY OF ESCONDIDO, a municipal corporation

GRANTOR'S ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO

On \_\_\_\_\_ (date) before me, \_\_\_\_\_,  
a Notary Public, personally appeared

\_\_\_\_\_, (name(s) of  
signers)

\_\_\_ personally known to me - OR - \_\_\_ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s), is/are subscribed to the within instrument and acknowledge to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

\_\_\_\_\_  
Signature of Notary

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CITY ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the attached deed or grant, dated as shown hereon and from the persons named (Grantor) to the City of Escondido, a municipal corporation, is hereby accepted pursuant to Ordinance Number 97-14 of the City Council of the City of Escondido, dated July 2, 1997, and the Grantee consents to recordation thereof by said Grantees duly authorized officer.

\_\_\_\_\_  
Real Property Manager or Agent

### CONSENT OF ESCROW AGENT

The undersigned Escrow Agent hereby agrees to (i) accept the foregoing Agreement, (ii) be escrow holder under said Agreement, and (iii) be bound by said Agreement in the performance of its duties as escrow holder; provided, however, the undersigned shall have no obligations, liability or responsibility under (a) this Consent or otherwise, unless and until said Agreement, fully signed by the parties, has been delivered to the undersigned, or (b) any amendment to said Agreement unless and until the same is accepted by the undersigned in writing.

Dated: \_\_\_\_\_

OAK TREES ESCROWS, INC.

By: \_\_\_\_\_  
Escrow Officer Bobbi Pearson