

MEMO

Item 16b

To: Board of Directors

From: Martin Eckert, Real Estate Manager *mne*

Date: March 17, 2006

Re: SURPLUS PROPERTY REPORT

For budgeting purposes, and pursuant to Resolution 1997-7, *Real Property Lease Policy*, and Resolution 2003-4, *Disposal Of Excess Lands*, included herein is staff's recommendation with regard to potentially excess real property that may be available for lease or sale.

Subsequent to last year's Surplus Property Report at the March, 2005 Board meeting, AMAFCA closed on four sales transactions (totaling \$599,165.41) and one land exchange as follows:

<u># of Parcels</u>	<u>Total Area</u>	<u>Facility</u>	<u>Purchaser</u>	<u>Sale Price</u>
2	2.9196 +/- acres	Amole/Snow Vista	Curb, Inc.	\$117,000.00
1	1.8678 +/- acres	Westgate Dam	Curb, Inc.	\$ 71,000.00
1	17,434.60 +/- sq. ft.	La Cueva Channel	Haidari's	\$ 77,060.93
7	NAA lots	East of Kinney Dam	City of Alb.	\$334,104.48
1	.3458 +/- acres	La Cueva Channel	City of Alb. *	\$ 0.00
TOTAL				\$599,165.41

* Exchanged for a nearby .3458 +/- acre parcel (no money exchanged)

The following AMAFCA property is currently under lease agreement or is in the process of being sold.

CURRENT LEASE STATUS

Marvin Abeita leases the "Rutherford" property at \$700/year. He paid \$700 in January 2006, and the property is leased through December 31, 2006. Subject to written agreement between the parties, he has an option to continue the lease with the same terms until December 31, 2007.

Ron and Patsy Maestas lease the "Herring" property at \$2,000/year. They paid \$2,000 in November 2005, and the property is leased through November 8, 2006. Subject to written agreement between the parties, they have an option to continue the lease with the same terms until November 8, 2007.

SALES TRANSACTIONS IN PROGRESS

AMAFCA has a signed agreement to sell a 31,270 +/- sq. ft. parcel to Llave, Inc. (Bob Keeran) for \$57,536.80. Closing will be scheduled at the appropriate time, pending approval of construction plans for the channel and channel construction. The \$57,536.80 is projected as revenue in the FY 06 Budget as we anticipate closing to occur in FY 06.

In addition, Ridgecrest Properties is still interested in purchasing 14,456.06 +/- sq. ft. at the South Domingo Baca Channel just west of Tramway. They have received Preliminary Sale approval by AMAFCA, but they are addressing issues with the appraisal prior to this item being brought back before the Board for final sale approval.

And finally, DCLP Trust (Phil Pickard) is still interested in purchasing 17,279 +/- sq. ft. at the North Domingo Baca Dam west of Eubank (see item 17a on this months agenda for more information on this item).

Staff recommends that the Real Estate Committee of the Board ("REC") visit some or all of the below referenced potential lease sites and potential sale parcels, and any additional property that the REC or the Board might want staff to consider for lease or sale, between the March 23rd and April 27th Board meetings, for future recommendations to the Board.

FY 2007 LEASE PROJECTIONS

Subject to written agreement between the Parties prior to January 1, 2007, we anticipate the lease with Mr. Abeita for the Rutherford Property should be extended for its last one-year lease option extension per the lease agreement at \$700.00 through December 31, 2007.

Subject to written agreement between the Parties prior to November 8, 2006, we anticipate the lease with Mr. and Mrs. Maestas for the Herring Property should be extended for its second one-year lease option extension per the lease agreement at \$2,000.00 through November 8, 2007.

Staff is still working with AMAFCA Attorney Bregman on the potential lease of the property shown on the attached as Potential Lease #1. Staff has requested guidance from Attorney Bregman in lease issues in order that we comply with State Statutes since this would be different from the two existing leases that are short term for agricultural purposes. We hope to be in a position to recommend a lease of this property at an upcoming Board meeting.

FY 2007 SALE PROJECTIONS

With regard to the potential sale of Property, two parcels shown on the attached as Potential Surplus #1 and Potential Surplus #2 are being carried over from prior years on the potential Surplus Property list for further evaluation for potential future sale. In addition, we have added two additional parcels which may now be considered surplus to AMAFCA's needs.

Please see the attached list of parcels that staff believes could be declared surplus by the Board if the REC and the Board desires to sell any of the property during the next fiscal year. It should be noted that, at a future date, owners of other property adjacent to AMAFCA facilities may design a project that could potentially make small portions of other AMAFCA property surplus (i.e., like Ridgecrest Properties proposed acquisition of a portion of the South Domingo Baca Tributary south of Paseo Del Norte, West of Tramway).

After review of the attached information and discussion for budgetary purposes, if the Board determines it to be the appropriate course of action, staff will provide additional information required per Resolution 2003-4, *Disposal Of Excess Lands*, at a subsequent Board meeting for any of the listed property.

For the draft FY-07 operating fund budget, \$2,700 in lease revenue is included for the two parcels currently under Lease. At this time, we have not added any additional revenue from the lease or sale of other parcels.

I have included orthophotos and copies of zone atlas pages showing each parcel. I can provide more detailed information, mapping and/or additional photography at a future date if the RE Committee and/or the Board desires more information on any of the parcels. If the Board decides to pursue the sale of any of the property at a future date, it is recommended that independent appraisals be obtained from one of AMAFCA's on-call appraisers for each parcel.

Recommend: The Board provide input to the staff for budgetary purposes and future action.