



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
March 4, 2015**

TO: Mayor and City Council
FROM: Alan Shear, Acting City Manager
PREPARED BY: Michael Chandler, Senior Management Analyst
SUBJECT: City Options for Campbell Theater Property at 636 Ward Street
DATE: February 26, 2015

RECOMMENDATION:

Discuss options regarding City's long-term interest in the Campbell Theater property located at 636 Ward Street and provide direction to staff for any or a combination of the following:

- A) Engage and commence a qualified appraisal of the property;
- B) Commence negotiations for long-term lease and sublease of the property; or
- C) Other options as directed by Council.

BACKGROUND:

The Campbell Theater located at 636 Ward Street is an approximately 5,700 square foot, two-story building on a lot of approximately 10,000 square feet with 12 parking spaces. The City of Martinez began leasing the property from the Bisio Trust in January 2005 for a term that was set to expire on December 31, 2014. In order to afford both the City and the Bisio Trust additional time to consider long-term options for the property, this term was extended an additional 6 months to June 30, 2015. This extension coincided with the 6 month extension the City granted to Onstage Repertory Theater ("Onstage"), its current sublease tenant on the property since October 2013. Under the respective extensions, the City's monthly rent obligation to the Bisio Trust remained constant at \$4,637 per month and the City's minimum monthly revenue as rent from Onstage was established at \$300 per month.

The City Council has previously discussed the possibility purchasing the property as one possible option. In order to adequately evaluate this possibility, a current appraisal of 636 Ward Street will be required at an estimated cost of \$5,000 and a typical timeline for completion of within eight weeks of the City's contractual engagement. The funds for this purpose are available within the Economic Development professional services budget should the Council direct staff to pursue this option.

An additional option available upon direction from Council is for staff to commence negotiations with the Bisio Trust and Onstage for long-term leasing and subleasing of the property, respectively. The Council may also direct staff to conduct the appraisal and commence negotiations simultaneously or provide other direction to staff as it deems necessary.

FISCAL IMPACT:

City funding in the amount of approximately \$5,000 is available within the FY 2014-15 Economic Development budget to conduct an appraisal of the 636 Ward Street property should Council direct staff to pursue this option.

ACTION:

Discuss options regarding City's long-term interest in the Campbell Theater property located at 636 Ward Street and provide direction to staff for any or a combination of the following:

- A) Engage and commence a qualified appraisal of the property;
- B) Commence negotiations for long-term lease and sublease of the property; or
- C) Other options as directed by Council.

Attachment:

Smyers & Krauss Appraisal LLC

APPROVED BY:


Acting City Manager



February 26, 2015

City of Martinez
c/o Mike Chandler
Sent Via Email: mchandler@cityofmartinez.org

**RE: Appraisal Proposal – 636 Ward Street, Martinez, CA 94520
Contra Costa County APN 373-201-002**

To Whom It May Concern:

This letter represents my proposal to prepare an appraisal, which will estimate the current market value of the leased fee interest in the property located at 636 Ward Street, Martinez, California. The property is also identified as Contra Costa County Assessor's Parcel Number 373-201-002. A site inspection as well as all pertinent documents will be reviewed by the appraiser.

The report will be a summary appraisal report as defined in USPAP. My final report will be delivered to you as a PDF and three hardcopies (additional hardcopies available upon request). The cost of the narrative report will be \$4,800.

I can commence work on the project with your acceptance of the terms of this letter and will complete the assignment within eight weeks of your acceptance. If the terms of this engagement are acceptable to you, please indicate by signing and returning a copy of this letter. Please call me if you have any questions.

Respectfully,

A handwritten signature in blue ink that reads 'Trentin P. Krauss'.

Trentin P. Krauss, MAI

City of Martinez

Date

TRENTIN P. KRAUSS, MAI
1839 Ygnacio Valley Rd., #171
Walnut Creek, CA 94598
(925) 947-1140
tkrauss@kraussappraisal.com

EXPERIENCE

Mr. Krauss has over twelve years of experience as a real estate appraiser. Appraisal assignments have covered a wide range of existing and proposed properties, including residential subdivision, offices, industrial, retail, raw acreage, and special purpose properties. His clients include individuals, attorneys, lenders, and public agencies.

2002 to Present	Smyers and Krauss Appraisal, LLC (formerly Smyers Appraisal, Inc.) Walnut Creek, California
2000 to 2002	Investment Bank, Barclays Global Investors Walnut Creek, California

EDUCATION

California Polytechnic State University, San Luis Obispo, B.S. - Finance, Minor in Economics, 1999

Appraisal Institute

Courses:

Basic Appraisal Principles
Basic Income Capitalization
General Applications
Advanced Income Capitalization
Highest and Best Use and Market Analysis
Advanced Sales Comparison and Cost Approaches
Report Writing and Valuation Analysis
Advanced Applications
Condemnation Appraising: Basic Principles & Applications
National USPAP Course
Fundamentals of separating Real Property, Personal Property, and Intangible Business Assets
Litigation Appraising

Seminars:

The Appraiser as an Expert Witness
Arbitration: What you Can't Learn from Books
Inspecting Commercial Properties
Real Estate Damage Economics
Appraising Partial Interests
Appraising Green Properties
Residential Market Trends
Liability, Errors, Omissions
Investment Analysis
Subdivision Analysis
Valuation of Partial Interests
Wetlands, Waterways, and Unusual Land Valuation Issues

PROFESSIONAL CREDENTIALS

Appraisal Institute – MAI Designated Member
Certified General Real Estate Appraiser - State of California # AG043134

TESTIMONY

Superior Courts of California, Alameda and Contra Costa County