



# City of Malibu News

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## **FOR IMMEDIATE RELEASE**

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## **Malibu City Council Approves Financing Mechanisms to Make Major Land Acquisition of Open Space**

(Malibu, CA) – The City Council unanimously approved taking further steps toward the historic purchase of 29.24 acres of open space from the Malibu Bay Company for the community’s future use. During a Special City Council meeting on July 9, the Council approved the purchase agreement and authorized the issuance of Certificates of Participation (COPs) to fund a portion of the acquisition.

“The excellent financial management and long-term vision of the City really pays off when we have the ability to move quickly and acquire open space like this when it becomes available,” said Mayor Rick Mullen. “This land was commercially zoned, and by purchasing it, we can ensure it will never become a shopping mall or an office building, but will become something that will provide a lasting community benefit.”

The City Council has identified that preservation of open space is one of the City’s highest priorities and has discussed multiple parcels for sale in closed session over the past year. Malibu’s long history of responsible and conservative fiscal management of public funds has resulted in a AA+ rating from Standard & Poor’s, which implies that the City’s issuer credit rating would be AAA, the highest rating possible. Additionally, the City has surpassed its policy of maintaining a 50% undesignated General Fund Reserve and has started the Fiscal Year with a 106% reserve. This strong financial position has allowed the City to take advantage of this unexpected opportunity.

The purchase involves 9.65 acres located at 23575 Civic Center Way (commonly known as Sycamore Village); 1.11 acres located at Civic Center Way and Webb Way; and purchase of 18.48 acres located at Pacific Coast Highway and Heathercliff Road.

The City Council started the process of acquiring the parcels in April, 2018. The City Council has not determined the future uses of the properties or how the purchase might affect any plans for Bluff Park, Trancas Field or other properties. The land acquisition will open up new opportunities for future uses to benefit the community, which will be explored and discussed in a carefully considered, wide-ranging, transparent process involving all residents of Malibu.

The Bay Company land purchase adds to the City’s ongoing efforts to acquire open space land to prevent it from commercial development. In 2014, the City entered into a five-year lease with the Santa Monica Mountains Conservancy for 83 acres of open space adjacent to Bluffs Park. In 2016, the City purchased the 35 acre-Trancas Field property overlooking Zuma Beach. The 1.74- acre parcel of the Crummer property adjacent to

Bluffs Park is being donated to the City. A 2.3-acre La Paz parcel in the Civic Center is designated to be donated to the City.

The City sought a professional appraisal for each of the three properties and negotiated with the seller to finalize the purchase price based on fair market value. The total purchase price for the three properties is \$42,500,000. The City plans to make the purchase with a combination of Undesignated General Fund Reserves, Designated General Fund Reserves, Los Angeles County Measure R and M funding and through the issuance of Certificates of Participation (COPs).

The staff report about the proposed land acquisition is available at <https://www.malibucity.org/AgendaCenter/ViewFile/Item/3325?fileID=4804>.

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