



Board Agenda Item 46

DATE: July 18, 2023

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Sale and Purchase Agreement of 1404 L Street and 2222 Stanislaus Street, Fresno, CA 93721

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute the Sale and Purchase Agreement with Seller (Purchase Agreement) for the County's purchase of 1404 L Street and 2222 Stanislaus Street, Fresno, CA 93721 (APN 466-114-14 and 466-114-11) (Property) from the Wayne H. Towne Family Foundation, Inc. (Seller), with an expected closing date on or before October 20, 2023, for the sum of \$2,950,000;**
2. **Authorize staff to undertake additional due diligence investigations, including any further environmental studies or appraisals of the Property, as deemed necessary or appropriate by staff, in connection with the County's purchase of the Property;**
3. **Authorize and direct the Director of ISD/CIO, or his designee, to take any action as deemed necessary or appropriate, all of which shall be consistent with the Purchase Agreement, and the foregoing Board approvals and actions, to:**
 - a. **Open, carry out, and close escrow for the County's purchase of the Property from Seller; deliver the County's \$100,000 deposit; deliver the County's acceptance of Seller's Grant Deed; and obtain title insurance in favor of the County for the Property in the amount of the purchase price of the Property at escrow closing;**
 - b. **Review, approve, execute, and/or deliver any agreements, documents, certificates, notices, and instruments, and any amendments to any of the foregoing (subject to prior review and approval as to legal form by County Counsel, and, as applicable, as to accounting form by the County Auditor-Controller/Treasurer-Tax Collector), and to take any other actions to initiate, carry out, and finalize the County's purchase of the Property from the Seller; and,**
 - c. **Perform any other obligations, or exercise any other rights, of County under the Purchase Agreement to finalize the County's purchase of the Property;**
4. **Adopt Budget Resolution increasing the FY 2023-24 appropriations for Local Assistance Fund Org 1034 in the amount of \$2,952,000 (4/5 vote); and**
5. **Adopt Budget Resolution increasing the FY 2023-24 appropriations and estimated revenues for County Buildings Org 0131 in the amount of \$2,952,000 (4/5 vote).**

There is no additional Net County Cost associated with the recommended actions. Approval of the first recommended action will authorize the acquisition of the Property located at 1404 L Street and 2222 Stanislaus Street, Fresno, CA 93721. Approval of the second and third action items will authorize and direct Director of ISD/CIO or designee, to take the necessary actions required to complete the purchase of the Property. The Property consists of one parcel which includes a building with associated parking, and a second parcel which includes an additional parking area. The purchase price of the Property is \$2,950,000.

Approval of the fourth recommended action will increase appropriations in FY 2023-24 for Capital Facilities Org 1055 in the amount of \$2,952,000, and approval of the fifth recommended action will increase FY 2023-24 appropriations and estimated revenues for County Buildings Org 0131 in the amount of \$2,952,000. An additional \$2,000 is being transferred into the County Buildings Org 0131 to facilitate potential unexpected costs associated with the purchase of the building. Any remaining funds will be returned to the Local Assistance Fund after the purchase is complete.

The Property purchase (\$2,950,000) is being financed out of the Local Assistance Fund.

This item pertains to a location in District 3.

ALTERNATIVE ACTION(S):

Your Board could direct the Department to continue to pursue other facility options, however, it would result in a lost opportunity to acquire a property that would satisfy many County needs.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The purchase price of the Property is \$2,950,000, which will be financed out of the Local Assistance Fund, including the County's share of estimated closing costs (\$50,000). Approval of the fourth recommended action will increase FY 2023-24 appropriations for the Local Assistance Fund Org 1034 by \$2,952,000. Approval of the fifth recommended action will increase the FY 2023-24 appropriations and estimated revenues for the County Buildings Org 0131 by \$2,952,000.

DISCUSSION:

The Property consists of two separate parcels. The first parcel (APN 466-114-14) consists of 1.37 acres, a parking lot, and a building with 28,823 square feet of office space. The second parcel (APN 466-114-11) consists of .34 acres and provides additional parking. The two parcels combined provide approximately 135 parking stalls.

The recommended acquisition of the Property will allow for temporary space during upcoming downtown space transitions and provide additional staff parking stalls in the downtown area.

Approval of the first recommended action will execute the Purchase Agreement for the Property. Approval of the second and third action items will direct staff in the Internal Services Department to take the necessary actions to complete the purchase in a timely manner. Approval of the fourth and fifth action items will transfer the funds necessary to cover the full purchase price of \$2,950,000, and includes an additional contingency of \$2,000, from the Local Assistance Fund Org 1034 into the County Buildings Org 0131, in order to pay for the Property. The \$2,000 in contingency funds added to County Buildings Org 0131 above the purchase price are to account for any unanticipated costs associated with the purchase and any unexpended funds will be returned to the Local Assistance Fund Org 1034 after the purchase of the building is completed.

The proposed purchase is exempt from California Environmental Quality Act (CEQA) review. CEQA Guidelines, sections 15060(c)(2),(3) and 15378(a) state that where an action is not a "project" (meaning the whole of the action which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment), that action is not subject to CEQA. The proposed action does not result in a direct or indirect change in the environment. Therefore, at this time, the proposed acquisition is not considered the approval of a project under CEQA and is, therefore, exempt from CEQA review. (Pub. Res. Code §21065, CEQA Guidelines §§15060(c), (2)(3) and 15378(a).)

As of the preparation and review of this item, the County has not received the Phase 1 environmental assessment for review. County staff is anticipating receiving the assessment prior to the Board date and will bring forward any concerning items on the report during the meeting. Should the Phase 1 assessment be delayed until after the Board date and there are concerning items on the report that would impact the purchase, staff will return to brief the Board and receive instruction. The Due Diligence period contained in the Sale and Purchase Agreement provides sufficient time for these actions prior to the final purchase of the Property.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Form of Sale and Purchase Agreement and Escrow Instructions

On file with Clerk - Budget Resolution (Org 1034)

On file with Clerk - Budget Resolution (Org 0131)

CAO ANALYST:

Ahla Yang