



# Board Agenda Item 40

DATE: April 23, 2024

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer  
Sally Gomez, Interim County Librarian

SUBJECT: Purchase and Sale Agreement of 3002 North Cedar Ave, Fresno, CA 93703

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute the Purchase and Sale Agreement with Seller for the County's purchase of Property located at 3002 North Cedar Avenue, Fresno, CA 93703 (APN 447-031-71) ("Property") from Seller, with an expected closing date of May 22, 2024, for the sum of \$550,000 ("Purchase Agreement");**
2. **Authorize and direct the Director of the Internal Services Department/Chief Information Officer, or their 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 refundable \$100,000 deposit into escrow; 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;**
3. **Adopt Budget Resolution increasing the FY 2023-24 appropriations for Library Org 7530 in the amount of \$560,000 for purchase and escrow fees (4/5 vote); and**
4. **Adopt Resolution authorizing the County to pay its pro-rata share of Common Area Maintenance costs for the Property.**

There is no additional Net County Cost associated with the recommended actions. The Property acquisition includes land and a 2,280 square foot building with a shared parking lot, located in the Cedar & Shields Shops Center at 3002 North Cedar Ave, Fresno, CA 93703 (also referred to as "shopping center"), which is also referred to in title documents as "Parcel E". The purchase price of the Property is \$550,000, plus estimated escrow fees in the amount of \$10,000.

Approval of the first recommended action will authorize the County's acquisition of the Property at the foregoing agreed-upon purchase price. Approval of the second recommended action will authorize and direct the Director of the Internal Services Department/Chief Information Officer or their designee, to take

the necessary actions required to complete the County's purchase of the Property from Library Measure B and property taxes. Approval of the third recommended action will increase appropriations in the FY 2023-24 Library Org 7530 in the amount of \$560,000. In addition to the purchase, the Library will become responsible for an 11.79% share of Common Area Maintenance ("CAM") fees for the shopping center. The fourth recommended action authorizes the County to pay for these maintenance costs.

This item pertains to a location in District 3.

ALTERNATIVE ACTION(S):

Your Board could direct the Department to pursue other facility acquisition options. However, as the Property is immediately adjacent to existing Library operations at the Betty Rodriguez Library, it would result in a lost opportunity to acquire a unique property that would satisfy many County needs.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The total purchase cost is \$560,000, which consists of \$550,000 for purchase of the Property and approximately \$10,000 for estimated escrow fees associated with the Property's purchase, which will be funded from Measure B library sales tax and property tax revenue. The third recommended action will increase appropriations in the FY 2023-24 Library Org 7530 in the amount of \$560,000 for the purchase of the Property. Additional costs associated with the County's share of CAM fees in the Cedar & Shields Shops Center will be included in subsequent fiscal year budget requests. Library will pay its proportional share of 11.79% for common area maintenance in the shopping center.

DISCUSSION:

The Property is located in the Cedar & Shields Shops Center and immediately adjacent to the County's existing Betty Rodriguez Library ("Library"). The Property consists of a small building and exclusive rear parking area. The Property was a former ice cream shop with an area totaling 2,280 square feet, with four exclusive (4) rear paved parking stalls. The Property will be converted into office space for County staff and storage space for Library operations and will not be open to the public. The Cedar & Shields Shops Center is subdivided into three parcels, Parcel C, Parcel D, and Parcel E (collectively, "Parcels"), as depicted in Attachment A. Parcel C contains existing businesses, and Parcel D is the existing Betty Rodriguez Library. Parcel E is the Property being purchased (the former ice cream shop).

All three Parcels are subject to a recorded "Declaration of Restrictions and Grant of Reciprocal Easements," ("Declaration") which establishes reciprocal parking access and common area maintenance (CAM) fees for the benefit of the owners, for such things as shared parking, trash enclosures, street pole lighting, and other shared costs incurred by the shopping center. The Declaration was recorded against the Property in February 2010, and has a full term of 50 years, and the CAM fees are allocated by the percentage of the building space owned by each parcel. The percentage of the subject Property is 11.79%.

Approval of the First recommended action will authorize the County to enter into the Purchase Agreement for the Property, APN 447-031-71.

Approval of the second recommended action will direct staff to take necessary and appropriate actions to complete the purchase of the Property on the expected date of May 22, 2024.

Approval of the third recommended action will increase appropriations in the FY 2023-24 Library Org 7530 in the amount of \$560,000 for the purchase price and closing costs. There will be sufficient revenues and appropriations for the payment of the on-going CAM fees for the Property which, based on its pro rata share, are estimated to be up to \$10,000 annually.

Approval of the fourth recommended action will authorize the County to pay the ongoing pro-rata share of the CAM fees for the Property.

As related to the CAM fees for the Betty Rodriguez Library (Parcel D), a separate resolution requesting authorization for County payment of its share of the CAM fees is coming before your Board in a separate agenda item. When the County originally purchased the Betty Rodriguez Library in 2015, the County was unaware that the Library property was covered by the Declaration, and has been paying the associated fees using Purchase Orders.

### **Due Diligence**

The Due Diligence period in the proposed Purchase and Sale Agreement is 20 days, which is much shorter than usual. However, during the purchase of the Betty Rodriguez Library, County staff completed extensive due diligence activities, which included Phase 1 and 2 Environmental Site Assessments for an adjacent parcel that stretches around the Property (and is not part of the Cedar & Shields Shops Center). The Environmental Site Assessments found significant environmental concerns caused by “drift” from adjacent properties to the north and northwest of the Betty Rodriguez Library, again, not part of the shopping center. However, these sources were on the opposite side of the Betty Rodriguez Library from the subject Property, and therefore the Department believes that acquiring the Property poses no additional risk to the County, and that the extensive testing performed on the adjacent parcel is sufficient for this purchase.

Under the proposed Purchase and Sale Agreement, the Seller is required, at its own cost, to clear past due property taxes for the shopping center and any monies due to the property management company as related to the Property, prior to the close of escrow. Also, under the proposed Purchase and Sale Agreement, the County will provide a \$100,000 good-faith deposit. This deposit is refundable until the end of the Buyer’s Due Diligence Period and shall be applied to the purchase price of the Property at the close of Escrow. If the County cannot finalize the sale and close escrow after the end of the Due Diligence Period, the deposit will not be refunded.

### **Proposed Use of the Property**

The intended use of the Property will be to provide office space and storage space for County Library operations. The Property will not be open to the public.

### **CEQA Compliance**

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).)

### **Publication Notices**

The public notice of the County’s intention to purchase the Property at the purchase price stated in this item (e.g., today, the Board will meet to consider and consummate the County’s proposed purchase of the Property for the proposed close of escrow on May 22, 2024), as required by California Government Code Section 25350, was published in the Business Journal on March 29, and April 5, and 12, 2024.

### **ATTACHMENTS INCLUDED AND/OR ON FILE:**

Attachment A

On file with Clerk - Purchase Sale Agreement

On file with Clerk - Public Notice

On file with Clerk - Resolution Org 7530

On file with Clerk - Resolution (Parcel E - CAM Costs)

CAO ANALYST:

Ahla Yang