



Board Agenda Item 10

DATE: April 3, 2018

TO: Board of Supervisors

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

SUBJECT: Resolution Accepting Non-Monetary Donation from the State of California - Military Department

RECOMMENDED ACTION(S):

Adopt Resolution accepting and expressing gratitude to the State of California - Military Department for the non-monetary donation of three buildings located at 911 S. Chance, Fresno, CA 93702 with a combined estimated value of approximately \$3,343,200.

There is no Net County Cost associated with the recommended action. The recommended action is required to satisfy the reporting requirements under Fresno County Board of Supervisors Administrative Policy 30 and CAO Management Directive 760 for donations greater than \$7,500 in value. Approval of the recommended action will allow the County to accept the donation of the three buildings, more commonly referred to as the National Guard Armory, which have been vacated by the State of California - Military Department (Guard). The buildings are located in District 3.

ALTERNATIVE ACTION(S):

There is no viable alternative action. The Land Lease Agreement (Lease) requires the Guard to leave, surrender, and yield to the County all of the premises with said appurtenances and fixtures, or return the property to its original condition, upon expiration or termination of the Lease.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. If the recommended action is approved, the County will receive a donation of three buildings with a combined estimated useful life value of approximately \$3,343,200 from the Guard.

DISCUSSION:

On January 20, 1953, your Board entered into a 50-year Lease with the Guard for the purpose of constructing an armory on County-owned property. The Lease expired on December 31, 2002 and could be terminated with 180-day written notice. Upon expiration or termination of the Lease, the Guard will leave, surrender, and yield to the County all of the premises with said appurtenances and fixtures, or return the property to its original condition.

On May 12, 1953, your Board approved First Amendment to the Lease to increase the annual lease rate to \$1 per year and extend the term of the Lease an additional 50 years to expire on December 31, 2052.

On December 1, 1953, your Board approved Second Amendment to the Lease allowing the annual lease

payment in arrears.

On September 21, 2017, Internal Services Department (ISD) - Lease Services received a 180-day notice of termination of Lease on behalf of the Guard from the State of California- Department of General Services, 707 3rd Street, 5th Floor, West Sacramento, CA 95605.

In accordance with the terms of the original Lease dated January 20, 1953, the Guard has vacated the premises. The Guard now desires to donate the National Guard Armory buildings to the County of Fresno.

Constructed in 1954, the National Guard Armory at 911 S. Chance actually consists of three separate buildings: the Armory building, the Butler building, and the Fuel, Maintenance, & Support (FMS) building, collectively referred to herein as the "Armory". ISD - Facility Services utilized their Computerized Maintenance Management System (CMMS), VFA Facility, to estimate the remaining useful life value of each building. VFA Facility calculates the replacement value of a building by using RSMeans construction cost estimating. VFA Facility used the price per square foot of County-owned buildings of similar construction and use, to estimate the useful life value of the National Guard Armory buildings. The Auditor Controller/Treasurer Tax Collector (AC/TTC) concurs with the method used to determine value.

The Armory building is approximately 44,000 sq. ft. and consists of mainly warehouse space that opens up to the second floor, with offices along two sides of the first and second floor perimeter. The Civil Air Patrol Squadron 112 and U.S. Naval Sea Cadet Corps currently occupy office space in the building. The first floor of the building has been historically subleased to the 21st District Agricultural Association annually for a 30-day period for the purposes of the Annual County Fair. The estimated useful life value of the Armory building is estimated to be \$3,004,320, or \$68.28 per sq. ft.

The Butler building is approximately 3,000 sq. ft. of storage space and is constructed of metal panels. The estimated useful life value of the Butler building is estimated to be \$99,900, or \$33.30 per sq. ft.

The FMS building is approximately 3,500 sq. ft. and consists of 5 vehicle bays and an office area. The estimated useful life value of the FMS building is estimated to be \$238,980, or \$68.28 per sq. ft.

Staff is working with the 21st District Agricultural Association to include the Armory into their existing lease agreement with the County. Staff is also working to repurpose the Butler and FMS building for County use.

DONOR DISCLOSURES:

The County of Fresno does not has active agreements with the Guard. The Guard has not bid on any County contracts within the last 12 months. The ISD does not anticipate the Guard to bid on any County contracts within the next 12 months.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Resolution

CAO ANALYST:

Juan Lopez