



Board Agenda Item 9

DATE: October 9, 2018

TO: Board of Supervisors

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

SUBJECT: Sale of County Real Property to Fresno Unified School District- Ventura and Tenth Streets

RECOMMENDED ACTION(S):

Adopt Resolution to:

- (a) authorize the sale of County-owned real property, approximately 12.586 acres, including the former Juvenile Hall, facilities formerly used for the County's computer services, former Probation Department buildings, and other improvements, located at the southwest corner of Ventura and Tenth Streets, Fresno (APN's 470-054-04t, 09t, 10t, 11t, 12t, 13t, 14t, 16t; 470-124-07t, 09t; 470-021-01t; and 470-133-01t) (collectively, the Property) in "as is" condition to Fresno Unified School District (FUSD), in the amount of \$1,200,000, with a refundable deposit of \$100,000, under Government Code section 25365 (4/5 vote); and
- (b) authorize the Director of Internal Services/Chief Information Officer to approve and execute the Sale/Purchase Agreement and Escrow Instructions (Sale Agreement), Grant Deed, and any other agreements, documents, and instruments associated with the sale of the Property that he deems necessary or appropriate, and in the County's best interest, to facilitate and consummate the sale, subject to the restrictions set forth in (a), and subject to review and approval of the final Sale Agreement and Grant Deed, and all such other agreements, documents, and instruments by County Counsel as to legal form and the Auditor-Controller/Treasurer-Tax Collector as to accounting form.

Approval of the recommended resolution (a) makes the Board's determination that the Property is no longer required for County use (Gov. Code sec. 25365), and authorizes the County's sale of the Property in "as is" condition to FUSD for \$1,200,000, and (b) authorizes the Director of Internal Services/Chief Information Officer to approve and execute the recommended Sale Agreement and Grant Deed and any other agreements, documents, and instruments necessary for the County to consummate the sale of the Property to FUSD. The targeted sale date is February 22, 2019. The Property is located in District 3.

ALTERNATIVE ACTION(S):

Your Board may choose not to sell the Property and leave the former juvenile justice detention facilities and other buildings vacant.

FISCAL IMPACT:

The County will realize significant ongoing and one-time cost savings as a result of this sale. Annual costs to maintain the Property as of FY 2016-17 averaged \$126,679 per year. The March 2018 maintenance costs were approximately \$20,000. It is recommended that the net proceeds from the sale be deposited in Countywide Revenues Org 0415 and designated for future capital projects. The County will pay for its share of closing costs in the estimated amount of \$5,000.

DISCUSSION:

Fresno Unified School District (FUSD) first approached the County on March 9, 2018, regarding the acquisition of the 12 parcels (APN's 470-054-04t, 9t, 10t, 11t, 12t, 13t, 14t, 16t; 470-124-07t, 09t; 470-021-01t; and 470-133-01t) of vacant County real property, consisting of approximately 12.586 acres, including the former juvenile justice facilities, buildings formerly used for the County's computer services, former Probation Department buildings, and other improvements (See Site Plan of the Property in Attachment A).

Pursuant to California Government Code section 25365, your Board may, by four-fifths vote, convey the Property to FUSD, if the Property is not required for County use.

The County used the 10th Street Property beginning in the 1950's as a juvenile detention facility that consisted of dormitories, playgrounds, a school and other buildings to support the juvenile detention facility. The juvenile detention facility was closed in 2006 when the American Avenue juvenile justice campus was opened. The remaining County departments that occupied space at the Property have vacated the Property and since relocated to other facilities not located at the Property.

The following key terms are included in the recommended Sale/Purchase Agreement and Escrow Instructions (Sale Agreement):

- \$1,200,000 sale price, in "as is" condition;
- \$100,000 refundable good faith deposit, to be applied toward the purchase price and to be deposited into escrow upon escrow opening;
- 90-day due diligence period for Buyer to complete Buyer's inspection of the Property (the Due Diligence Period); and
- 30-day escrow period upon expiration of Due Diligence Period or completion of Buyer's inspection of the Property, whichever is earlier.

FUSD conducted a site inspection of the Property on July 18, 2018. There have been no changes to the Property since that site inspection, and the Property to be sold to FUSD will be the Property that FUSD inspected.

Approval of the recommended actions will declare the County's intention to sell County-owned real property to FUSD, and authorize the Director of Internal Services/Chief Information Officer to approve and execute the recommended Sale Agreement and any other agreements, documents, and instruments necessary for the County to convey the Property to FUSD.

The parties are still finalizing the terms of the recommended Sale Agreement and related documents.

FUSD's governing board will consider and approve the recommended Sale Agreement, and related documents on October 17, 2018.

Therefore, to avoid delay, the Director of Internal Services/Chief Information Officer requests your Board's authority, in recommended action (b), above, to negotiate the final terms of those transactions, consistent with the key terms, above, and subject to the restrictions set forth in (a) of the Recommended Actions (i.e., "as is" condition, at the sale price of \$1,200,000).

The targeted escrow opening date is October 22, 2018, and the targeted escrow closing and sale is February 22, 2019

The proposed sale was published in The Business Journal at least seven (7) days before the date that this item is being presented to your Board for recommended approval.

The sale of the Property is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 et. seq.), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the Property does not involve any development, or any land use entitlements that would allow for development on the Property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. The sale of the Property is also exempt under Section 15312 of the CEQA Guidelines, as this is the sale of surplus government property that does not have significant values for wildlife habitat or other environmental purposes, and the use of the Property has not changed since the County purchased the Property and constructed the buildings on the Property. Assuming the County sells the Property to FUSD, any future development by FUSD at the Property following the sale would be subject to additional environmental review and independent analysis, as required by CEQA.

REFERENCE MATERIAL:

BAI #12, June 20, 2017
BAI #9, March 7, 2017 (Including Resolution No. 17-161)
BAI #44, September 13, 2016
BAI #12, May 24, 2016
BAI #9, February 9, 2016 (Including Resolution No. 16-058)
BAI #9, July 15, 2014
BAI #7, September 17, 2013
BAI #16, February 8, 2011

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment "A"
Form of Sale/Purchase Agreement
On file with Clerk - Resolution

CAO ANALYST:

Juan Lopez