



Board Agenda Item 7

DATE: December 11, 2018

TO: Board of Supervisors

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

SUBJECT: Acquisition of Real Property and Improvements
(6870 E. Kings Canyon, Fresno, CA)

RECOMMENDED ACTION(S):

1. Approve the purchase by the County of the real property located at 6870 E. Kings Canyon, Fresno, CA 93729-3605 (APN 313-280-40), including the real property, building, and all improvements ("Property"), excluding certain rocks and trees designated on Exhibit C to the Purchase Agreement, from Seller, Panh Vang, for the sum of \$525,000, plus \$15,000 estimated closing costs.
2. Approve and authorize the Chairman to execute a Sale and Purchase Agreement and Escrow Instructions ("Purchase Agreement") for the County's purchase of the Property.
3. Authorize staff to undertake additional due diligence investigations, as needed, including any further environmental studies and appraisals of the Property, as deemed necessary or appropriate by staff, in connection with the County's purchase of the Property.
4. Authorize and direct the Director of Internal Services/Chief Information officer, or his/her designee, to take any action as he/she deems necessary or appropriate, all of which shall be consistent with the Purchase Agreement, and the foregoing Board approvals and directions, to:
 - a. Open, carry out, and close escrow for the County's purchase of the Property from Seller, deliver the County's \$50,000 deposit to escrow, deliver the County's acceptance of Seller's Grant Deed at closing, and obtain title insurance in favor of the County for the Property in the amount of the purchase price of the Property;
 - 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 thereof as to legal form by County Counsel, and, if 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.
5. Adopt Budget Resolution increasing the FY 2018-19 appropriations for County Buildings Org 0131 in the amount of \$540,000, using available Fund Balance in the General Fund, to allow for the County's purchase of the Property located at 6870 E. Kings Canyon, Fresno, CA 93729-3605 (APN 313-280-40) (4/5 Vote).

Approval of recommended actions 1 through 4 will authorize the acquisition of the Property located at 6870 E. Kings Canyon, Fresno, CA for the sum of \$525,000, plus estimated closing costs of \$15,000, with a total not to exceed amount of \$540,000. The Purchase Agreement provides an extended escrow period to allow the Seller, Panh Vang, to complete his relocation process. Escrow is expected to close January 31, 2020 or sooner. Approval of recommended action 5 will set up the necessary appropriations for the purchase of the Property. This item pertains to a location in District 5.

ALTERNATIVE ACTION(S):

Your Board could direct the Department to pursue alternate property. Non-approval of the recommended actions, however, would result in a lost opportunity to acquire a property that would satisfy the County's needs.

FISCAL IMPACT:

There is an additional \$540,000 of Net County Cost associated with the recommended actions. Approval of recommended action 5 will increase appropriations by \$540,000 in the County Buildings General Fund Org 0131 to purchase the Property. The additional Net County Cost will be funded from Unassigned Fund Balance that the Board has reserved in Fiscal Year 2018-19 for budget mitigation in the amount of \$10,000,000. These funds are classified as Unassigned for financial reporting purposes, in compliance with Governmental Accounting Standards Board (GASB) statement 54.

DISCUSSION:

The ultimate plan for the use or development of the Property is uncertain and undefined at this time, however, acquisition of the Property will provide improved access to adjoining property owned by the County of Fresno. The Property consists of a .98 acre parcel of real property containing one 2707 square foot residential building. As part of the Purchase Agreement, the Seller will be entitled to take certain designated trees and rocks from the Property.

The County will be responsible for bearing all of the Closing Costs incurred as part of this purchase. The Purchase Agreement will also require the Seller to pay off a Deed of Trust on the Property before the close of escrow. Escrow is expected to close January 31, 2020 or sooner.

Your Board gave negotiating instructions to its designated Real Property Negotiators in Closed Session on July 10, 2018.

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 acquisition does not result in a direct or indirect change in the environment because the ultimate use and/or development of the Property has not been identified. The development of the site, if any, remains unspecified, uncertain, and undefined at this time. If and when future development is proposed at this site, the County will review such development consistent with CEQA. 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).)

REFERENCE MATERIAL:

BAI #32 - October 11, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Sale Purchase Agreement

On file with Clerk - Budget Resolution

CAO ANALYST:

Yussel Zalapa