



Board Agenda Item 37

DATE: January 8, 2019

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer
Kelly Worman-Landano, County Librarian
Les Wright, Agricultural Commissioner

SUBJECT: Termination of Joint Occupancy Agreement and Lease Agreement with the City of Firebaugh for the Firebaugh Courthouse Facility

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute the Termination of Joint Occupancy Agreement with the Judicial Council of California for the Firebaugh courthouse facility located at 1325 O Street, Firebaugh, California 93622; and**
- 2. Approve and authorize the Chairman to execute a Lease Agreement with the City of Firebaugh for approximately 2,090 square feet of exclusive space for use by the Fresno County Public Library and Agricultural Commissioner, located at 1325 O Street, Firebaugh, California 93622, effective upon execution, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions (\$0).**

Approval of the first recommended action will terminate the County's Joint Occupancy Agreement with the Judicial Council, which will facilitate the sale of the Firebaugh Courthouse, and enable the County to receive its equity percentage of the sale proceeds. Approval of the recommended actions will allow the Library and Ag Commissioner to remain at the Firebaugh courthouse facility (Firebaugh Courthouse), where both departments currently occupy space, until both departments can move to the new West Hills Community College District (WHCCD) campus. The projected construction completion date of the new WHCCD campus is late 2021. This item pertains to a location in District 1.

ALTERNATIVE ACTION(S):

If the first recommended action is not approved, the sale of the Firebaugh Courthouse will not be completed, and the County will not receive its equity share percentage of the sale proceeds. Should your Board choose not to approve the second recommended action, the Library and Ag Commissioner will need to find a new location for their staff to occupy space until they can move into the new WHCCD campus, which is not scheduled for completion until 2021, or until an alternative location is found.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. There shall be no rent or lease payments charged for the duration of the proposed lease. The appropriations to cover the Department of Agriculture's share of the operational costs are included in its FY 2018-19 Adopted Budget and will be included in subsequent Recommended Budgets. The appropriations to cover the Library's share of the operational costs are included in its FY 2018-19 Adopted Budget and will be included in subsequent

Recommended Budgets.

DISCUSSION:

The County has occupied the Firebaugh Courthouse, located at 1325 O Street, Firebaugh, California, since 1954. Part of the Firebaugh Courthouse is currently being used as a public library by the Library, and part is being used for office space for the Ag Commissioner. On December 9, 2008, the County and Judicial Council entered into a transfer agreement for the transfer of responsibility for the Firebaugh Courthouse, pursuant to the Trial Court Facilities Act of 2002. Under the transfer agreement, the County transferred to the Judicial Council responsibility for funding and operation of the Firebaugh Courthouse. Additionally, both parties entered into a Joint Occupancy Agreement dated December 9, 2008, setting forth the parties' respective rights and obligations with respect to the shared occupancy and use of the Firebaugh Courthouse. Under the Joint Occupancy Agreement, the County is not charged rent, but pays its proportional shared cost of utilities, capital replacement items, improvements, equipment, and repairs, as well as the proportional operational costs of the common areas shared by both parties.

The Firebaugh Courthouse ceased to be used for court operations in 2012. In 2017, the Judicial Council received authorization to sell this property. Earlier this year, the City of Firebaugh made an offer to purchase the Firebaugh Courthouse for its fair market value of \$270,000. The County was provided with the opportunity to match this offer to purchase the Judicial Council's equity and title to the Firebaugh Courthouse. The County declined this offer, and allowed the Judicial Council to sell the County's equity interests in exchange for cash at close of escrow, in an amount equal to the County's equity share percentage (41.98%) of the final net sales proceeds.

The Termination of Joint Occupancy Agreement outlines the Judicial Council and County's respective rights and responsibilities upon termination of the Joint Occupancy Agreement. It memorializes the sale price of the Firebaugh Courthouse at \$270,000, as well as each party's respective share of that sale price. It specifies that the City of Firebaugh will be required to enter into a lease with the County prior to the close of escrow of the sale of the Firebaugh Courthouse. It also specifies that the County will continue to be obligated to pay the County Facilities Payment to the Judicial Council following termination, pursuant to the requirements of California Government Code §70351, et. seq.

The Sale and Purchase Agreement between the Judicial Council and the City of Firebaugh requires that the City of Firebaugh enter into a lease agreement with the County for leased space in the Firebaugh courthouse. This proposed lease agreement maintains most of the same terms and conditions as in the County's current Joint Occupancy Agreement with the Judicial Council.

The Library and Ag Commissioner are entering into agreements with WHCCD for occupation at WHCCD's new campus located at 1511 Ninth Street, Firebaugh, California 93622. Construction of this new campus is scheduled for completion in late 2021. Two agreements are currently being approved: one is between the Library and WHCCD for operation of a County public library to be co-located with the West Hill's academic library, and the other agreement is between the Ag Commissioner and WHCCD for exclusive office space at the new campus. The lease agreement between the County and the City of Firebaugh allows the County to terminate the lease agreement early when the new WHCCD campus becomes available for the Library and Ag Commissioner to move to the new campus.

REFERENCE MATERIAL:

BAI #44, December 9, 2008

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Termination of Joint Occupancy Agreement
On file with Clerk - Lease Agreement

CAO ANALYST:

Yussel Zalapa