



AGENDA ITEM NO. 8'30 AM "G"
BOARD MEETING: 1/20/11

APPROVED BY


(Executive Director)

**REPORT TO THE
REDEVELOPMENT AGENCY AND
THE CITY COUNCIL**

DATE: January 20, 2011
FROM: Marlene Murphey, Executive Director
BY: John Quiring, Project Manager
SUBJECT:

CONSIDER APPROVAL OF THE FOLLOWING ACTIONS RELATING TO REIMBURSEMENT OF COSTS INCURRED WITHIN THE FREEWAY 99-GOLDEN STATE BOULEVARD CORRIDOR REDEVELOPMENT PROJECT AREA FOR THE INSTALLATION OF PUBLIC IMPROVEMENTS ON NORTH KNOLL, WEST ASHCROFT, WEST HOLLAND, WEST RICHERT AND WEST SWIFT AVENUES.

1. ADOPT A JOINT RESOLUTION MAKING CERTAIN FINDINGS PURSUANT TO SECTION 33445 OF THE COMMUNITY REDEVELOPMENT LAW, AUTHORIZING THE AGENCY'S REIMBURSEMENT OF COSTS INCURRED WITHIN THE FREEWAY 99 - GOLDEN STATE BOULEVARD CORRIDOR REDEVELOPMENT PROJECT AREA FOR THE INSTALLATION OF PUBLIC IMPROVEMENTS ON NORTH KNOLL, WEST ASHCROFT, WEST HOLLAND, WEST RICHERT AND WEST SWIFT AVENUES, AND

2. AUTHORIZE MEMORANDUM OF UNDERSTANDING BETWEEN THE REDEVELOPMENT AGENCY AND DON PICKETT & ASSOCIATES, INC , AND AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE THE MEMORANDUM OF UNDERSTANDING.

RECOMMENDATION

It is recommended by staff that the Agency Board approve the Resolution, and the Memorandum of Understanding between the Redevelopment Agency and Don Pickett & Associates, Inc., and authorize the Executive Director to execute the MOU.

EXECUTIVE SUMMARY

The Redevelopment Agency has been working with Don Pickett & Associates, Inc. (DPA) to stimulate small industrial development located near the intersection of Ashlan and Brawley Avenues. The proposed development will require significant public infrastructure improvements in the Freeway 99/Golden State Corridor Project Area. Don Pickett & Associates, Inc. and Agency staff have met regarding mutual goals for development that may be advanced by the Agency providing 50% reimbursement for public infrastructure construction improvements. These measures would provide Don Pickett & Associates, Inc.

the means to develop approximately seventy (70) industrial parcels for small industrial development on a 38 acre parcel formerly used for industrial pipe construction. The discussions resulted in the attached draft Memorandum of Understanding. Upon full development and build out the development will result in an estimated increased assessed property valuation of \$45 million, contributing in excess of \$335,000 annually to the Agency. This project is consistent with the goals and objectives in the Freeway 99 - Golden State Boulevard Corridor Redevelopment Project Area.

Pursuant to the Memorandum of Understanding (MOU) between the Agency and Don Pickett & Associates, Inc., DPA will dedicate eight (8) acres to the City for required street rights-of-way, construct public infrastructure improvements costing an expected \$3.4 million and will then dedicate the improvements to the City. The Agency will reimburse Don Pickett & Associates, Inc. 50% of the public infrastructure construction costs following completion of construction and ensuing dedication.

BACKGROUND

The small lot industrial subdivision proposed by Don Pickett & Associates, Inc. is located in the Freeway 99/Golden State Corridor Project Area near the intersection of Ashlan and Brawley Avenues. It is a blighted industrial parcel formerly used by several companies for the manufacture of water and sewer pipes used in public infrastructure systems. DPA has entered into an agreement to purchase this property, demolish all of the blighted improvements no longer used from past manufacturing operations, complete all required environmental cleanup, complete entitlements required to meet all current city and industry standards and dedicate and install extensive public improvements.

DPA and Agency staff have met extensively and agreed to mutual goals for the development of this property. The subdivision of this property and installation of all required infrastructure will result in approximately 70 shovel-ready industrial parcels being made available in the Golden State/99 Redevelopment Project Area. DPA will incur costs of property acquisition, demolition, environmental cleanup, entitlement processing, dedication of approximately eight (8) acres of the property for street rights-of-way for portions of North Knoll, West Ashcroft, West Holland and West Richert Avenues and the costs of all public infrastructure related to those streets including paving, curb, gutters, flood control, water, sewer, power and telecom systems. This public infrastructure alone is estimated to cost in excess of \$3.4 million.

Based upon our experience in facilitating similar small lot industrial subdivisions, this type of development produces one of the strongest long-term new tax revenue streams for City finances. In addition to the strong new property tax increment, these types of business parks usually become home to service industries that produce significant new sales tax revenue. In addition, because of the large number of individual businesses, gross City business license revenue is significantly greater than if the property were owned by a single large user. Finally, these individual businesses are collectively projected to employ in excess of 400 employees upon final build out.

This project is consonant with and meets all requirements of the Health & Safety Code Section 33445 et seq. of the Community Redevelopment Law and the Redevelopment Plan of the Golden State/99 Redevelopment Project Area. As stipulated in the MOU:

- 1 Don Pickett & Associates, Inc. is responsible to complete acquisition of the subject property and fully develop approximately seventy (70) parcels for small lot light industrial buildings.
- 2 Don Pickett & Associates, Inc. is responsible to construct all public infrastructure improvements and dedicate improvements to the City of Fresno upon acceptance and completion, estimated to cost in excess of \$3.4 million.
3. Following completion of the improvements, the Agency is responsible for reimbursing Don Pickett & Associates in arrears for 50% of public infrastructure construction costs, but not to exceed a total of \$1 7 million, payable solely from annually allocated and available FY 2011-14 net tax increment funds.

This project has already been environmentally assessed. The City Council and the Agency Board, on June 24, 2003, approved a Joint Resolution of the Council and Redevelopment Agency (Resolution No. 2003-198/1627) Certifying Program Environmental Impact Report No. 03-01 with Attachments (the Program EIR), in compliance with the California Environmental Quality Act (CEQA). The Program EIR environmentally reviewed the proposed Redevelopment Plan for the Freeway 99 — Golden State Boulevard Corridor Redevelopment Project Area. The EIR addressed, among other things, the construction and/or installation of the subject public improvements. Accordingly, pursuant to CEQA Guidelines Sections 15180 (c) and 15168 (c) (2) Redevelopment Agency staff has determined that this project is within the scope of the Program EIR and that no new significant effects not identified and analyzed in the Program EIR have been identified, and no new mitigation measures are required, other than those set forth in Program EIR No. 03-01 Therefore, no additional environmental documents are required for this project.

This item was considered by the Housing and Community Development Commission during a regularly scheduled meeting on November 10, 2010 and passed unanimously

FISCAL IMPACT

An investment in this project of \$1 7 million in net tax increment funds will generate an average of \$335,000 annually in new property tax increment for a return on investment of 5.1 years to the Agency

- Attachments:**
- 1 Location Map/Aerial Map
 2. Memorandum of Understanding
 3. Joint Resolution

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
REDEVELOPMENT AGENCY OF THE CITY OF FRESNO
AND
DON PICKETT & ASSOCIATES, INC.

THIS MEMORANDUM OF UNDERSTANDING (“Agreement”) is entered January ___, 2011, between the REDEVELOPMENT AGENCY OF THE CITY OF FRESNO, a public body, corporate and politic, (“Agency”) and DON PICKETT & ASSOCIATES, INC., a California Corporation (“DPA”).

RECITALS

A. By authority granted under California Redevelopment Law (the “Law”), the Agency has prepared and is responsible for carrying out the redevelopment plan for the Freeway 99 – Golden State Boulevard Corridor Redevelopment Project Area.

B. DPA intends to subdivide an approximately thirty-nine (39) acre parcel into a small lot industrial subdivision (the "Project"), to facilitate the development of a business industrial park at 4144 North Brawley Avenue to provide locations for new and expanding small industrial businesses in the Fresno market. This Project will include approximately seventy (70) lots that can be configured in sizes of up to five (5) acres. The Project site is located within the Freeway 99 – Golden State Boulevard Corridor Redevelopment Project Area.

C. The Agency desires to enter into this agreement with DPA to reimburse DPA for Fifty percent (50%) of the cost of the Work for the Public Improvements to be developed within the interior of the existing boundaries of the Brawley Location as a condition of development of the Project (the “Reimbursable Work”), provided that the total reimbursement to be paid for the Reimbursable Work shall not exceed One Million Seven Hundred Thousand Dollars (\$1,700,000.00). The Public Improvements are more particularly described in the attached construction costs estimate schedule attached as Exhibit “A” It is presently anticipated that the Public Improvements shall be installed in future publicly dedicated roadways to be constructed within the proposed future alignments for North Knoll, West Ashcroft, West Holland, West Richert and West Swift Avenues.

D. No new environmental document is required pursuant to the California Environmental Quality Act as the Project contemplated under this Agreement has been assessed in Program EIR No 10124

AGREEMENT

1 **DEFINITIONS.** Besides definitions contained elsewhere in this Agreement, the definitions in this Section will govern the construction, meaning, application and interpretation of the various terms used in this Agreement.

1.1 “Agency” means the Redevelopment Agency of the City of Fresno, a public body, corporate and politic, organized and existing under the Law, and any assignee of or successor to its rights, powers and responsibilities.

1.2 “Agreement” means this Memorandum of Understanding.

1.3 “DPA” means Don Pickett & Associates, Inc., a California corporation.

1.4 “Default” means a party’s failure to timely perform any action or covenant required by this Agreement following notice and opportunity to cure.

1.5 “Director” means the Executive Director of Agency

1.6 “Brawley Location” means Parcel # 424-040-89 located at 4144 N Brawley Avenue, Fresno, California.

1.7 “Project” has the meaning ascribed to it in Recital Paragraph B above.

1.8 “Public Improvements” means the construction of the curb, gutter, street lights, storm drain, water systems, sewer systems, paving and all others as described on the attached cost estimate.

1.9 “Reimbursable Work” has the meaning ascribed to it in Recital Paragraph C above.

1.10 “Work” means all design, construction and other services required for the construction of the Public Improvements, including procuring and furnishing all materials, equipment, services and labor

2. RESPONSIBILITIES OF DPA.

2.1 DPA agrees to pursue good faith efforts to acquire fee title to the Brawley Location. Notwithstanding the forgoing, DPA's good faith efforts are subject to its right to conduct, based upon standards that it shall determine in its sole discretion, feasibility evaluations of the Brawley Location for its intended uses, including but not limited to the environmental circumstances, infrastructure capacities, and likely market absorption rates of the proposed business industrial park that will be supported by the Project. In the event that DPA does not acquire title to the Brawley Location on or before one hundred

twenty (120) days following the Director's execution of this Agreement, then all further rights and obligations of DPA and the Agency under this Agreement shall terminate and be of no further force or effect.

2.2 DPA shall dedicate to the City approximately 8 acres of the Brawley Location for the easements and rights-of-way necessary for development of the Project.

2.3 DPA shall complete the design, construction and other services required for the construction of the infrastructure improvements within the Brawley Location as required by law and City standards for development of the Project.

2.4 Notwithstanding any other term or provision of this Agreement, it is expressly acknowledge that the Project and the obligations hereunder relate solely to the construction of public improvements required for a parcel map subdivision of the Brawley Location, that the obligations under this Agreement shall be deemed complete when the Public Improvements are completed and accepted by the City, and that any additional industrial development upon the Brawley Location is at DPA's option and is not required under the terms of this Agreement. Without limiting the generality of the forgoing, this Agreement does not commit DPA to conduct any vertical building construction, and the sole element of public work that is being provided public financing under this Agreement is the Public Improvements.

3 RESPONSIBILITIES OF THE AGENCY.

3.1 The Agency will reimburse DPA in arrears for Fifty percent (50%) of all costs incurred in completing the Reimbursable Work, provided that the total reimbursement shall not exceed One Million Seven Hundred Thousand Dollars (\$1,700,000 00) (the "Reimbursement Payment"). The Reimbursement Payment shall be paid in quarterly installments on or about January 1st, April 1st, July 1st and October 1st, for any Work for the Public Improvements for which "Paid Invoices" have been previously submitted to the Agency. For purposes of this Agreement the term "Paid Invoices" means documentation, to the reasonable satisfaction of the Executive Director, confirming that DPA has paid costs for completing an element of Reimbursable Work.

3.2 The Agency staff will include in their 2011-12 Fiscal Year budget the amount of One Million Seven Hundred Thousand Dollars (\$1,700,000) to fund the Reimbursement Payment for the Reimbursable Work. In addition, the Agency Staff will include in their 2012-13 Fiscal Year budget the amount of any Reimbursement Payment for the Reimbursable Work that is not fully paid to DPA during the 2011-12 Fiscal Year. In addition, the Agency Staff will include in their 2013-14 Fiscal Year budget the amount of any Reimbursement Payment for the Reimbursable Work that is not fully paid to DPA during the 2011-12 and 2012-13 Fiscal Year. The obligation to pay the Reimbursement Payment shall continue for each Fiscal Year until the 2015-16 Fiscal Year.

4 **TERMINATION OF AGREEMENT.**

4.1 In the event that DPA does not acquire title to the Brawley Location on or before one hundred (120) days following the Director's execution of this Agreement, then all further rights and obligations of DPA and the Agency under this Agreement shall automatically terminate and be of no further force or effect.

4.2 The Agency shall have the right to terminate this Agreement upon sixty (60) days notice, if DPA fails to achieve any of the following milestones:

a. DPA shall file with the City of Fresno all entitlement applications reasonably anticipated as being required for the Project within one hundred eighty (180) days following acquisition of title to the Brawley Location, and shall diligently pursue the attainment of those entitlement applications. It is anticipated that the total entitlement process may take up to thirty (30) months following the date of this Agreement.

c. DPA shall initiate the construction of the Public Improvements within six (6) months following receipt of all required construction permits for such Public Improvements, and diligently pursue completion of the Work required for the Public Improvements.

5 **DEFAULTS AND REMEDIES.**

5.1 Either party's failure to perform any material action or material covenant as required by this Agreement, following notice and failure to cure, is a "Default" under this Agreement. A party claiming a Default shall give written notice of Default to the other party specifying the Default complained of, and the cure demanded. Except as otherwise expressly provided in this Agreement, the noticing party shall not begin any proceeding against the other party until the other party is given an opportunity to cure the Default. The other party will have thirty (30) calendar days after receiving the notice to cure the Default, or, if the party cannot reasonably cure the Default within such thirty (30) days, the other party must begin to cure within the thirty (30) days and diligently pursue the cure to completion, whereupon there shall be no event of Default.

5.2 Subject to first giving the notice and opportunity to cure, a party may begin an action at law to enforce, or in equity to seek specific performance of, the terms of this Agreement, or to cure, correct, or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. A party must bring any legal action in the Superior Court of the County of Fresno, State of California.

5.3 **ARBITRATION OF DISPUTES.** Subject to first giving the notice and opportunity to cure and except as provided below, in the event of any disagreement or dispute between the Agency and DPA regarding performance of this Agreement, either party shall be entitled to have such dispute or disagreement determined by binding arbitration in accordance with the procedure provided in this Section 5.3 ("Arbitration").

Any Arbitration permitted pursuant to this Section 5.3 shall be commenced and conducted in accordance with California Code of Civil Procedure Section 1281 et seq., and the discovery procedures permitted by Code of Civil Procedure Section 1283.05 shall apply. The Arbitration award rendered shall be final and binding and judgment may be entered upon it in accordance with applicable laws by any court having jurisdiction thereof. The costs of the Arbitration shall be paid by the parties equally, provided the prevailing party shall be entitled to an award against the other party of any costs paid or incurred by such prevailing party in such Arbitration in addition to all other relief awarded.

BY INITIALING IN THE SPACES BELOW, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE ABOVE STATED "ARBITRATION OF DISPUTES" PROVISION DECIDED BY A NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW, AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATION UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. THE UNDERSIGNED HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

AGENCY'S INITIALS: _____

DPA'S INITIALS: _____

Notwithstanding any other provision, the following matters are excluded from the Arbitration agreement. (a) an action for bodily injury or wrongful death, or, (b) any provisional remedies that may be available to either Agency or DPA.

5.3 Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and a party's exercise of one or more rights or remedies will not preclude the party's exercise, at the same or different times, of any other rights or remedies for the same or any other Default of the other party.

5.4 A party's failure or delay in asserting any right or remedy will not be a waiver of any Default or of any right or remedy, and will not deprive the party of its right to begin and maintain any action or proceeding to protect, assert or enforce any right or remedy.

5.5 The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

6 **GENERAL PROVISIONS.**

6.1 All notices, requests, determinations, or other correspondence required or allowed by law of this Agreement to be provided by the parties shall be in writing and shall be deemed given four (4) days following deposit in first-class mail postage prepaid (or an equal or better form of delivery) at the following addresses:

Marlene Murphey
Executive Director, Redevelopment Agency
2334 Tulare Street
Fresno, CA 93721

Don Pickett & Associates, Inc.
Michael P. Pickett, President
4144 North Brawley Avenue
Fresno, CA 93721

By giving notice, either party may change its address for these purposes.

6.2 All of the terms, covenants and conditions of this Agreement shall be binding upon DPA, jointly and severally, and its permitted successors and assigns. Whenever the term "DPA" is used in this Agreement, such term shall include DPA's successors and assigns as permitted under this Agreement.

6.3 No party shall assign, transfer or sub-contract this Agreement nor their rights or duties under this Agreement without the prior written consent of the other party, except that DPA may assign its rights to Don Pickett, an individual, or any entity in which Don Pickett holds more than Fifty percent (50%) of ownership interests, either directly or indirectly. The parties acknowledge that DPA has reserved the name "Brawley Business Park, LLC", as the name of a new entity that may be formed, to receive an assignment of the rights under this Agreement. The MOU may be modified only by written amendment signed by the authorized agent of each party.

6.4 No member, official or employee of the Agency shall be personally liable to DPA, or any successor in interest to DPA, for any Default or breach by the Agency.

6.5 In pursuit of this Agreement the parties shall act in an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of the other party. Each party shall retain the right to administer this Agreement so as to verify that the other party is performing its obligations in accordance with the terms and conditions hereof. Each party shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over the subject matters herein.

6.6 Whenever this Agreement references an action or approval required or permitted by the Agency, the Director or his or her designee is authorized to act for the Agency as agent of the Agency unless this Agreement, the Law, Constitutional and/or local law provide otherwise, or the context otherwise requires.

6.7 This Agreement may be signed in multiple counterparts which, when signed by all parties, will be one binding agreement. The parties will sign three (3) copies of this Agreement, each of which is deemed to be original

6.8 This Agreement includes any exhibits and attachments referenced and incorporated in it. This Agreement contains the entire agreement between the parties relating to the transaction contemplated by this Agreement and supersedes all prior or contemporaneous agreements, understanding, representation and statements, whether oral or written.

6.9 If either party begins a lawsuit or binding arbitration proceeding, in law or equity, to enforce or interpret any provision of this Agreement, the prevailing party will be entitled to recover from the other party reasonable attorneys' fees, court costs, and legal expenses as determined by the court or tribunal having jurisdiction.

6.10 Any waiver, alteration, change or modification of or to this Agreement, to be effective, must be in writing, and signed by each party

6.11 If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances is held invalid or unenforceable, the remainder of this Agreement and its application to persons or circumstances, other than those about whom or which it is held invalid or unenforceable, shall not be affected, and shall remain valid and enforceable to the fullest extent permitted by law

6.12 Each party represents and warrants to the other that (a) each has read this Agreement, and (b) is signing this Agreement with full knowledge of any rights and obligations each may have, and (c) each has received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or has knowingly chosen not to consult legal counsel, and (d) has signed this Agreement without relying on any agreement, promise, statement or representation by or for the other party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

6.13 No member, official or employee of Agency has or shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. DPA represents and warrants that it has not paid or given, and will not pay or give, to any third party any money or other consideration for obtaining this Agreement, other than normal costs of conducting

business and costs of professional services such as architects, consultants, engineers and attorneys.

6 14 The parties will execute such other and further documents, and will take any other steps, necessary, helpful, or appropriate to carry out the provisions of this Agreement.

6 15 DPA hereby covenants and warrants that it is a duly authorized and existing California corporation, in good standing; that it shall remain in good standing, that it has the full right, power and authority to enter into this Agreement and to carry out all actions on its part contemplated by this Agreement, that the execution and delivery of this Agreement were duly authorized by proper action of DPA and no consent, authorization or approval of any person is necessary in connection with such execution and delivery or to carry out all actions of DPA's part contemplated by this Agreement, except as have been obtained and are in full force and effect; and that this Agreement constitutes the valid, binding and enforceable obligation of DPA.

6 16 In the event of any conflict between the body of this Agreement and any exhibit or attachment to it, the terms and conditions of the body of this Agreement will control.

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the day and year set out below

Dated _____, 2011

REDEVELOPMENT AGENCY OF THE
CITY OF FRESNO

By: _____
Marlene Murphey
Executive Director

Dated. _____, 2011

DON PICKETT & ASSOCIATES, INC

By: _____
Name: Michael P Pickett
Title: President

APPROVED AS TO FORM
City Attorney's Office
Ex Officio Attorney to Agency

By _____
Katherine E. Bradley
Deputy City Attorney

ATTEST
REBECCA E. KLISCH
Ex Officio Clerk for the Agency

By _____
Deputy

Exhibit "A"

Cost Estimate and Description Work for of Public Improvements

Engineers Estimate

November 4, 2010

DON PICKETT & ASSOCIATES, INC.
Fresno, California**On-site facilities for Hydro Conduit Industrial project - E/S of Brawley Avenue North of Weber Avenue****Description**

<u>I. PROFESSIONAL SERVICES</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
1) Civil Engineering Design and Services	1 lump sum	\$58,560.00	\$58,560.00
2) Construction supervision (project superintendent)	1 lump sum	\$57,288.00	\$57,288.00
3) Soils Engineering (Initial investigation & testing)	1 lump sum	\$9,050.00	\$9,050.00
4) Surveying (Topo and construction staking)	1 lump sum	\$25,375.00	\$25,375.00
5) Traffic Study Engineering	1 lump sum	\$9,550.00	\$9,550.00
PROFESSIONAL SERVICES SUBTOTAL			\$159,823.00
<u>II. STREET CONSTRUCTION</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
1) Asphalt Pavement - Interior Streets	246,450 sf.	\$2.87	\$707,311.50
2) Concrete Curb and Gutter - Interior Streets	10,805 lf.	\$11.00	\$118,855.00
3) Concrete Valley Gutter - Interior Streets	4 ea.	\$3,525.00	\$14,100.00
4) Concrete Driveway Approach (24')	90 ea.	\$1,260.00	\$113,400.00
5) Concrete Driveway Approach (15')	6 ea.	\$925.00	\$5,550.00
6) Street Lights	23 ea.	\$5,500.00	\$126,500.00
7) Site Grading	1 lump sum	\$150,630.00	\$150,630.00
STREET CONSTRUCTION SUBTOTAL			\$1,236,346.50
<u>III. SANITARY SEWER CONSTRUCTION</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
1) 8" Sanitary Sewer Main	5,550 lf.	\$19.00	\$105,450.00
2) 48" Manholes	10 ea.	\$1,800.00	\$18,000.00
3) Connection to existing Sewer Manhole	1 ea.	\$1,200.00	\$1,200.00
4) 4" House Branches	67 ea.	\$350.00	\$23,450.00
SEWER CONSTRUCTION SUBTOTAL			\$148,100.00
<u>IV. WATER CONSTRUCTION</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
1) 8" Water Main	5,690 lf.	\$21.00	\$119,490.00
2) Fire Hydrants with Bury	15 ea.	\$3,500.00	\$52,500.00
3) 2" Water Services	67 ea.	\$725.00	\$48,575.00
4) 1.5" Irrigation Services	56 ea.	\$570.00	\$31,920.00
5) 2" Irrigation Services	11 ea.	\$570.00	\$6,270.00
6) 6" Fire Services	21 ea.	\$5,000.00	\$105,000.00
7) 8" Gate Valve	6 ea.	\$1,400.00	\$8,400.00
WATER CONSTRUCTION SUBTOTAL			\$372,155.00
<u>V. STORM DRAIN CONSTRUCTION</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
1) 18" RCP Pipe	204 lf.	\$70.00	\$14,280.00
2) 24" RCP Pipe	100 lf.	\$65.00	\$6,500.00
3) Type "A" manhole	2 ea.	\$3,000.00	\$6,000.00
4) Type "D" curb inlet	2 ea.	\$2,900.00	\$5,800.00
STORM DRAIN CONSTRUCTION SUBTOTAL			\$32,580.00

Engineers Estimate (continued)

November 4, 2010
Sheet 2

VI. DRY UTILITIES

1) P.G. & E	1 lump sum	\$792,180.00	\$792,180.00
<i>PG&E charges to include engineering, design, transformers, junction boxes, primary wire, tie in of backbone system into PG&E's electrical and gas grids, points of connection for street lighting system, hot ties of gas main and service stubs, and all inspections of contractor installed primary & secondary conduits, gas main, gas service stubs and I.T.C.C. tax for 34% for value of contractor's work in item #3.</i>			
2) A.T & T	1 lump sum	\$58,680.00	\$58,680.00
<i>AT&T charges are representative of C.I.A.C. taxes (33%) paid on contractor supplied trenches, contractor supplied underground vaults, and installation of AT&T supplied conduits.</i>			
3) Contractor	1 lump sum	\$515,123.00	\$515,123.00
<i>Contractor charges include trenching for all dry utilities, material and installation for gas main and service stubs, material and installation for primary conduit, secondary conduit, and utility pads, material and installation of telephone vaults and boxes, and installation of AT&T supplied conduit and Comcast conduit.</i>			
DRY UTILITIES SUBTOTAL			\$1,365,983.00

VII. FEES AND PERMITS

	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
1) State Water Resources SWPPP	1 lump sum	\$6,000.00	\$6,000.00
2) Dust Mitigation - Air Quality	1 lump sum	\$300.00	\$300.00
3) City Subdivision improvement Fees	1 lump sum	\$91,166.00	\$91,166.00
<i>City subdivision improvement fees include maps, land entitlement fees, permit fees, plan check fees and sewer and water connection charges.</i>			
FEES AND PERMITS SUBTOTAL			\$97,466.00

TOTAL CONSTRUCTION COST

\$3,412,453.50

For Your Information Only:

<u>NEW BUILDING FEES, (Due at time of construction)</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
1) Flood Control Fees	1 lump sum	\$204,339.00	\$204,339.00
2) County Fees	1 lump sum	\$353,475.00	\$353,475.00
<i>County Fees include facilities fee and Regional Traffic Mitigation Fees.</i>			
3) City Fees	1 lump sum	\$479,801.00	\$479,801.00
<i>City Fees include police, fire, traffic signal, street fees.</i>			
4) San Joaquin Valley Air District	1 lump sum	\$360,000.00	\$360,000.00
<i>SJVAD fees based on industrial use.</i>			
NEW BUILDING FEES SUBTOTAL			\$1,397,616.00

COUNCIL RESOLUTION NO. [_____]
REDEVELOPMENT AGENCY RESOLUTION NO. [_____]

A JOINT RESOLUTION OF THE COUNCIL AND THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO MAKING CERTAIN FINDINGS PURSUANT TO SECTION 33445 OF THE COMMUNITY REDEVELOPMENT LAW, AUTHORIZING AGENCY REIMBURSEMENT OF COSTS INCURRED WITHIN THE FREEWAY 99 - GOLDEN STATE BOULEVARD CORRIDOR REDEVELOPMENT PROJECT AREA FOR THE INSTALLATION OF PUBLIC IMPROVEMENTS ON NORTH KNOLL, WEST ASHCROFT, WEST HOLLAND, WEST RICHERT AND WEST SWIFT AVENUES

WHEREAS, the Redevelopment Agency of the City of Fresno (the "Agency") is responsible for carrying out the Redevelopment Plan for the Freeway 99 – Golden State Boulevard Corridor Redevelopment Project Area ("Plan"), pursuant to the Community Redevelopment Law of California (Health & Safety Code Sections 33000 *et. seq.*) (the "Law"); and

WHEREAS, the Agency is engaged in activities necessary to carry out the Plan, and the Plan authorizes the Agency to: (i) install, construct or reconstruct public improvements or facilities to eliminate blight, (ii) cause or provide for installing or constructing utilities and other public improvements necessary to carry out the Plan, and (iii) specifically includes payment of the cost of the installation and construction of any improvement that is publicly owned and is located inside the Project Area and associated with Plan implementation; and

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WHEREAS, the Project Area Implementation Plan ("Implementation Plan"), to help eliminate physical and economic blighting influences, includes a redevelopment program to facilitate private reinvestment in the Project Area by installing public facilities and infrastructure within the Project Area; and

WHEREAS, Agency staff have determined that the Public Improvements contemplated under this resolution have been environmentally assessed under Certifying Program EIR No. 03-01; and adopted by Council/Agency Resolution No. 2003-198/1627 on June 24, 2003; and

WHEREAS, this project consists of utilizing annually allocated and available FY 2011-13 tax increment funds to reimburse in arrears costs incurred in the construction of curb, gutter, street light, storm drain, water, sewer, paving and similar public infrastructure ("Project"), upon dedication to and acceptance by the City of Fresno of the Public Improvements; and

WHEREAS, the Project Improvements will be publicly owned and will benefit the Project Area by helping to eliminate blight, and no other reasonable means of financing the installation or construction of improvements are available to the community, and the payment of Agency funds for the Improvements that will be publicly owned is consistent with the Implementation Plan adopted pursuant to Section 33490; and

WHEREAS, the inability of the Developer, Don Pickett & Associates, Inc., ("Developer") to undertake this Project without the involvement of the Agency relates to

the limited funding available to the Developer for this Project and the current economic downturn; and

WHEREAS, on November 10, 2010, in a regular meeting, the Housing and Community Development Commission ("HCDC") considered whether to recommend approval of this Agreement, and voted to recommend that the Agency approve this Agreement; and

WHEREAS, the Agency's obligations hereunder are payable solely from and limited solely to the extent of annually allocated and available FY 2011-13 tax increment funds for the Project; and

WHEREAS, pursuant to Section 33445 of the Redevelopment Law the Agency, with the consent of the Council and upon certain Council determinations, may pay for the cost to install and construct publicly owned improvements within the Project Area; and

WHEREAS, the Agency and Council, after due consideration, believe that the Agency's costs, not to exceed a total of \$1,700,000.00, to reimburse costs to construct the Project as provided herein, is in the best interests of the City and health, safety, and welfare of employees, businesses, property, and visitors to the Project Area, and is consistent with the public purposes and provisions of applicable state and local laws; and will improve the quality of life for residents, visitors to, and businesses and properties within the Project Area, consistent with the Plan.

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NOW, THEREFORE, BE IT RESOLVED by the Council and the Agency of the City of Fresno as follows:

1. Based upon substantial evidence provided in the record before it, the Council and the Agency find and determine the following:

Finding No. 1.1: The Project is in the best interests of the City and health, safety, and welfare of employees, businesses, property, and visitors to the Project Area, and is consistent with the public purposes and provisions of applicable state and local laws; and will improve the quality of life for residents, visitors to, and businesses and properties within the Project Area, and will help improve and enhance traffic and pedestrian circulation and safety within the proposed Project Area, and is consistent with and necessary to achieve Area goals and objectives and the Implementation Plan as well as the Redevelopment Plan and will benefit the Project Area.

Finding No. 1.2: Installing the Project will help eliminate blight within the immediate vicinity of the Project, as well as the overall Project Area, by increasing efficient traffic flow, and improving traffic safety and enhancing the area for private investment and upgrading and improving the image of the Area.

Finding No. 1.3: The Project is consistent with the Implementation Plan.

Finding No. 1.4: Using allocated and available tax increment for the Project is essential and necessary, as no other reasonable means of financing the Project are available to the Developer.

2. The Council consents to the Agency expending annually allocated and available FY 2011-13 tax increment funds up to \$1,700,000.00 to reimburse in arrears costs incurred in the construction of Project curb, gutter, street light, storm drain, water, sewer, paving and similar public infrastructure, upon City of Fresno acceptance of dedication thereof.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO)
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno and Ex-Officio Clerk of the Redevelopment Agency of the City of Fresno, certify that the City Council of the City of Fresno and the Redevelopment Agency of the City of Fresno, California, adopted the foregoing resolution at a joint public meeting held on the [] day of [] and that the same was passed by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

REBECCA E. KLISCH
City Clerk and Ex-Officio Clerk
of the Agency

By _____
Deputy

APPROVED AS TO FORM:
JAMES C. SANCHEZ
City Attorney and Ex-Officio Attorney
to the Agency

By Robert R. Coyle 1-18-11
Robert R. Coyle Date
Senior Deputy