

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO**

848 M Street, 3rd Floor / Fresno, CA 93721
(559) 621-7600
(559) 498-1870 (Fax)

**Oversight Board to the
Successor Agency to the Redevelopment Agency
of the City of Fresno**

**Executive Director
Marlene Murphey**

Chair
Alan Hofmann

Members
Jeff Becker
Larry Hodges
Brian Pacheco
Doug Vagim
Rene Watahira
Larry Westerlund

AGENCY BRIEFING REPORT

Date: October 4, 2017
To: Oversight Board Members
From: Enrique Mendez
Through: Marlene Murphey
Subject: Agenda Item IV. – 1.

- **PROPERTY:** LRPMP #9 is approximately 3.7 acres located at 46 E. Florence Ave. (APN 477-161-16T). The property was previously appraised in September 2014 for \$140,000. The updated recent appraisal values the property at \$81,000.
- The property was previously auctioned June 8, 2016 and August 24, 2016 at full appraised value of \$81,000 and on November 16, 2016 and April 4, 2017 at the reduced (25%) minimum bid price of \$60,750. At the April Board meeting, staff was directed to reduce the minimum bid price to \$40,000. The property was auctioned again on July 19, 2017 and again, no bids were received. At the July Board meeting, in lieu of another auction, staff was directed to market the property and accept purchase offers to present to the Oversight Board for review.
- **BACKGROUND:** Updated appraisals were obtained for parcels with value above \$30,000. Environmental Assessments were obtained pursuant to the Property Disposition Guidelines (PDG). On February 5, 2016 the property was listed on

LoopNet.com, the leading online commercial real estate marketing website. Also, by February 5, 2016 a freestanding highly visible billboard sign was placed on the site. The LoopNet listing contained attachments that include the PDG, draft PSA, environmental documents, and location map.

Attachments: Summary Appraisal
LoopNet Listing
Draft PSA
Draft Resolution

APPRAISAL REPORT OF:

VACANT LAND
SEC S. Thorne (Extended) & E. Florence Ave.
Fresno, California 93706

EFFECTIVE VALUE DATE:

March 3, 2016

FOR:

Mr. Enrique Mendez
Project Coordinator
Successor Agency to the Redevelopment Agency
2344 Tulare Street #200
Fresno, California 93721

PREPARED BY:

DAVID P. HAMILTON, MAI

REAL ESTATE APPRAISER AND CONSULTANT
1050 MINNEWAWA AVENUE #108
CLOVIS, CALIFORNIA 93612

David P. Hamilton, MAI
REAL ESTATE APPRAISER & CONSULTANT

1050 Minnewawa Avenue, #108, Clovis, California 93612
(559) 325-7342 • (844) 273-1432 FAX

April 20, 2016

Mr. Enrique Mendez
Project Coordinator
Successor Agency to the Redevelopment Agency
2344 Tulare Street #200
Fresno, California 93721

Re: SEC S. Thorne Ave. (Extended) & E. Florence Ave.
Fresno, California 93706

Dear Mr. Mendez

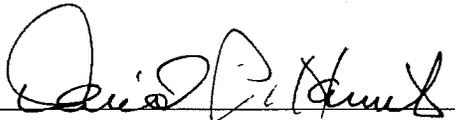
At your request, we have observed the above subject property, gathered necessary data, and made certain analyses. These efforts enabled us to form one or more opinions about the market value for a 100% ownership interest in the subject's fee simple estate. This valuation assumes no adverse leases, liens, or encumbrances other than normal covenants and restrictions of record.

The attached appraisal report appraisal report sets forth the identification of the property appraised, assumptions and limiting conditions, pertinent facts about the area and subject property, comparable data, results of our investigations and analyses, and the reasoning leading to our conclusions. Based on all of our efforts, we have formed the following market value opinions for the subject real estate as of March 3, 2016

Market Value "As Is":	\$81,000
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Thank you for your business. Let us know how we may further serve you.

Respectfully submitted,



David P. Hamilton, MAI
Certified General Real Estate Appraiser
California License AG007721
License Expiration Date: 6/3/2017

DPH:ts



Overview

Salient Information	
<i>Property Type</i>	Vacant Residential Land
<i>Real Estate Appraised</i>	SEC S. Thorne Ave. (Extended & E. Florence Ave. Fresno, California 93706
<i>County</i>	Fresno
<i>MSA</i>	Fresno
<i>Assessor's Parcel No.</i>	477-161-16T
<i>Census Tract No.</i>	09.02.03
<i>Thomas Bros. No.</i>	1352--2
<i>Zoning</i>	RS-5 (Residential Single Family District)
<i>Flood Zone</i>	X; Community Panel #06019C 2105H; Effective Date: 2/18/09
<i>Estate Valued</i>	100% of the Fee Simple Estate
<i>Client</i>	Successor Agency to the Redevelopment Agency
<i>Client File Number</i>	None
<i>Most Likely Buyer</i>	Speculator
<i>Effective Value Date</i>	March 3, 2016
<i>Report Preparation Date</i>	April 20, 2016

Value Indications

	"As Is" Value:
Land Value:	\$81,000
Cost Approach:	N/A
Sales Comparison Approach As Improved:	N/A
Income Approach, Direct Capitalization:	N/A

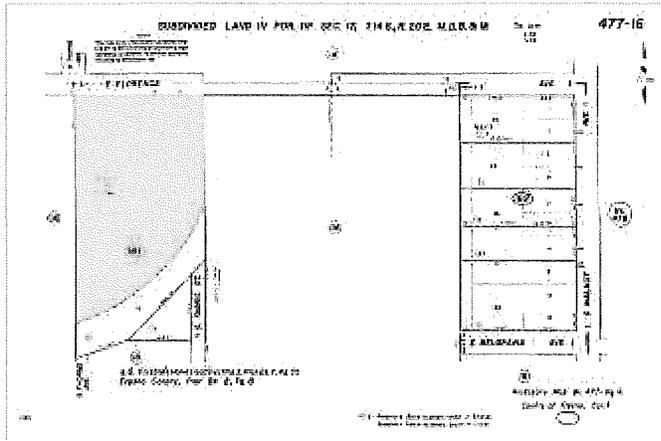
Final Value Conclusion

Market Value "As Is":	\$81,000
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Land For Sale

46 E. Florence Avenue

46 E. Florence Avenue, Fresno, CA 93706



Price: \$40,000
 Lot Size: 3.70 AC
 Property Type: Land
 Property Sub-type: Residential (land)
 Listing ID: 19618275
 Last Updated: 17 days ago
[Find Out More...](#)

1 Lot Available

Lot 1	Price:	\$40,000
	Lot Size:	3.70 AC
	Price/AC:	\$10,810.81
	Lot Type:	Residential (land)
	APN/Parcel ID:	477-161-16T

Description

Vacant parcel @ Florence & Thorne Avenues
 Zoning: RS-3 - Residential Single-Family, Low Density

This property is being offered through:
OPEN MARKET SOLICITATION (Request for Offer to Purchase)
 Highest purchase price shall guide selection. Where there are two or more offers Agency may request a highest and best offer. Offers presented for approval will generally be in the form of a written purchase and sale agreement with deposit in the form of a cashier's check. Offers will be considered at the next scheduled Oversight Board meeting at 1:30 PM on Wednesday, October 4th, 2017 in City Hall Meeting Room A (2165). Nothing shall obligate the Successor Agency or Oversight Board to select an offer. The Agency and Oversight Board may, in their discretion, accept, conditionally accept or reject any or all offers submitted.

Map of 46 E. Florence Avenue, Fresno, CA 93706 (Fresno County)

**REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO, a public body, corporate and politic (“Seller” or “Successor Agency”), and _____ (“Buyer”), enter into this Real Property Purchase and Sale Agreement and Joint Escrow Instructions (the “Agreement”), effective as of the date that the Buyer has executed it and both the Agency and Oversight Board have approved it.

RECITALS

- A. The Seller owns certain real property within the Project Area, and the City of Fresno commonly known as _____, Fresno, California, and more particularly described in Exhibit A, attached, (the “Property”).
- B. The former Redevelopment Agency was responsible for implementing the redevelopment plan (the “Plan”) governing the land area identified as the _____ Redevelopment Plan Area (the “Project Area”), in accordance with the California Community Redevelopment Law (Health and Safety Code Sections 33000, *et. seq.*; hereafter the “CRL”). The Plan and the CRL authorize the Agency to purchase property for redevelopment purposes.
- C. On January 26, 2012, the City Council adopted Resolution No. 2012-12 electing to serve as the Successor Agency to the Redevelopment Agency of the City of Fresno (“Successor Agency”). Pursuant to Health & Safety Code Section 34181(a) the Oversight Board (“Oversight Board”) shall direct the Successor Agency to dispose of certain Property purchased by the former redevelopment agency with tax increment funds expeditiously and in a manner aimed at maximizing value.
- D. The Buyer has agreed to purchase the entire parcel as-is.
- E. The Buyer desires to purchase the Property on the terms and conditions set forth in this Agreement.
- F. The Buyer shall execute the Agreement when submitting an offer to purchase. The Agreement shall become a contract for sale and purchase of the property binding on the Buyer following the Successor Agency and Oversight Board approval. Nothing shall obligate the Oversight Board to select or approve the subject offer.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **Purchase and Sale.** Seller will sell the Property to Buyer, and Buyer will purchase the Property from Seller on the terms and conditions set forth in this Agreement. Sale of these Property is subject to compliance with Community Redevelopment Law of the State (California Health and Safety code Sections 33000 *et seq*),
2. **Conditions Precedent.** Closing shall be conditioned upon performance of all of obligations in this Agreement and satisfaction of the conditions listed in Sections 2.1, and 2.2, provided that Seller may, in Seller's sole discretion, elect to waive any such condition of Closing.
 - 2.1 **Compliance with CEQA.** This is not a project for the purposes of California Environmental Quality Act (CEQA) Guidelines section 15178.
 - 2.2 Approval of this Agreement by Successor Agency and Oversight Board.
3. **Purchase Price.** The purchase price for the Property is _____ ("Purchase Price"). The Purchase Price, subject to adjustments provided in this Agreement (if any), will be paid by Buyer in cash or by wire transfer of immediately available funds at the Closing.
4. **Seller's Warranties.** Seller represents and warrants that: (a) Seller owns the Property, free and clear of all liens, licenses, claims, encumbrances, easements, leases, encroachments on the Property from adjacent Property, encroachments from the Property onto adjacent Property, and any rights of way, other than those disclosed by the public record; (b) Seller has no knowledge of any pending litigation involving the Property; (c) Seller has no knowledge of any violations of, or notices concerning defects or noncompliance with any code, statute, regulation, ordinance, judicial order, judicial holding, or other applicable law concerning the Property; (d) Seller has no knowledge of any hazardous materials or substances (as now or hereafter defined in any law, regulation, or rule) stored, discharged, or otherwise present in, on, or affecting the Property; (e) Seller has no knowledge of any material defects in the Property; (f) the Property is currently vacant.

Seller's authority to sell the property may be subject to approval of the Oversight Board of the Successor Agency and subject to the timelines set forth in California Health and Safety Code section(s) 34170-34191.

The continued accuracy in all respects of Seller's representations and warranties shall be a condition precedent to Buyer's obligation to close. All representations and warranties contained in this Agreement shall be deemed remade as of the date of Closing and shall survive the Closing. If any of the representations and warranties are not correct at the

time made or as of the Closing, Buyer may terminate this Agreement and there shall be no further liability on the part of Buyer to Seller.

5. **Opening Escrow/Escrow Deposit.** Within ten (10) business days after the execution of this Agreement by both parties, the parties will open an escrow ("Escrow") with _____ ("Title Company"), Attention: _____.

- 5.1 **Agreement as Joint Escrow Instructions.** This Agreement, when signed by Buyer and Seller and deposited into escrow with the Title Company, will be the parties' joint escrow instructions. Buyer and Seller will sign and deliver any other form instructions the Title Company may require that are consistent with this Agreement.
- 5.2 **Deposits into Escrow.** Buyer and Seller will deposit all instruments, documents, money, and other items into escrow with the Title Company that (i) this Agreement identifies or (ii) the Title Company may require that are consistent with the terms and purposes of this Agreement, and necessary to Closing. Buyer has provided a deposit in the amount of _____. Within thirty (30) days after the agreement is executed, Buyer will deposit the balance of the Purchase Price and Seller will deposit, or will conditionally deliver to Buyer, a recordable grant deed duly executed and acknowledged before a notary public, and accompanied by documentation reasonably necessary to establish the authority of any signatory executing such deed on behalf of Seller.
- 5.3 **Title.** Seller will convey title of the Property to Buyer AS IS, without regard to all title defects, liens, encumbrances, conditions, covenants, restrictions, leases or agreements, and other adverse interests of record or known to Seller.
- 5.4 **Title and Closing Costs.** Buyer will pay any costs of clearing and conveying title. Buyer will pay the cost of a CLTA or ALTA owner's title policy insuring Buyer's title in the condition described in Section 5.3. Escrow fees, costs to record the grant deed, etc., shall be split equally between Buyer and Seller.
- 5.5 **Closing.** The escrow will be considered closed ("Closing" or "Close" or the "Closing Date") on the date that the Title Company records the grant deed. The escrow will be in condition to Close when all conditions to Close are satisfied or waived, the Title Company is prepared to issue the title policy described herein, and the Title Company is otherwise able to record the grant deed. Unless extended by the mutual consent of the parties, the escrow and this Agreement shall terminate if Closing does not occur within sixty (60) days following final execution of this Agreement (including attestation by the Clerk) (the "Outside Closing Date"). Seller's Executive Director is authorized to agree to administratively extend this Agreement as necessary to accommodate satisfaction of conditions precedent. Upon termination of the escrow, the Title Company will return all funds and documents to the respective depositor, including deposit if Seller defaults under section 8.16, and this Agreement will be of no further effect

except as herein provided. If Buyer defaults under section 8.17 deposit is nonrefundable, and this Agreement will be of no further effect except as herein provided.

- 5.6 **Recordation.** At Closing, Title Company shall date the grant deed, and all other undated documents in escrow, with the date of Closing, and the Title Company shall record the grant deed, performance deed of trust and all other documents necessary to the Closing.
- 5.7 **Disbursements.** At Closing, Title Company shall disburse the Purchase Price, less Seller's costs to clear title (placing it in the condition set forth in Section 5.3), prorations, and other costs, if any, to Seller, when Title Company is committed to issue a standard CLTA or ALTA owner's title insurance policy to Buyer insuring its fee title in the condition set forth in Section 5.3, above, for the Purchase Price or such lesser amount as Buyer may designate.
- 5.8 **Risk of loss.** Any loss or damage, to the Property or any improvements on it, before Closing is at Seller's risk.
- 5.9 **Broker.** Neither party engaged a broker for this transaction.
6. **Delivery of Possession.** Seller shall deliver exclusive possession of the Property at Closing.
7. **Buyer's Right to Enter and Inspect the Property.** The Property is being sold in an "As is" condition. The Buyer may perform a Phase 1 Environmental Site Assessment at Buyer's cost. Seller shall provide Buyer with any copies of environmental reports pertaining to the Property in Seller's possession without any warranty as to their accuracy. Buyer shall have the right to enter, inspect, and conduct any due diligence tests on the property that Buyer deems advisable. Seller grants Buyer, and/or Buyer's agents, the right, upon 24 hours notice, to enter onto the Property to conduct tests and investigations, if all the following occur: (a) Buyer conducts tests and investigations at its sole cost and expense; (b) the tests and investigations do not unreasonably interfere with Seller's possession.
8. **Miscellaneous Provisions.**
 - 8.1 **Further Assurances.** Each party will sign and deliver further documents, or take any further actions required to complete the purchase and sale described herein.
 - 8.2 **Notices.** All notices and other communications required or permitted under this Agreement shall be in writing and shall be deemed delivered: (a) on the date of service if served personally on the person to receive the notice, (b) on the date deposited in the U.S. mail, if delivered by depositing the notice or communication in the U. S. mail, postage prepaid, and addressed to the relevant party at the address set forth below, (c) on the date of transmission if delivered by facsimile,

SAMPLE PURCHASE AGREEMENT (8/14/17)

to the number provided below, that provides a transmission confirmation showing the date and time transmitted, or (d) on the date of transmission if delivered electronically via email and showing the date and time transmitted.

To Seller:

SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY OF THE CITY OF FRESNO, a public body
corporate and politic
Attention: Executive Director
848 M Street, 3rd floor
Fresno, CA 93721
Phone No.: 559.621.7600
Fax No.: 559.498.1870

To Buyer:

Attention: _____

Phone No.: _____

- 8.3 **Entire Agreement.** Each Exhibit referred to in this Agreement is by that reference incorporated into and made a part of this Agreement. This Agreement is the entire agreement between the parties regarding the purchase and sale of the Property, and supersedes all prior discussions, negotiations, commitments or understanding, written or oral.
- 8.4 **Amendment or Cancellation.** Buyer and Seller may amend or cancel this Agreement only by mutual written consent of the parties, unless otherwise expressly provided herein.
- 8.5 **Successors and Assigns.** This Agreement is binding upon and shall inure to the benefit of each party, and each party's heirs, successors, assigns, transferees, agents, employees or representatives. The Buyer may assign this agreement and its rights hereunder without the consent of Seller.
- 8.6 **Time of the Essence.** Time is of the essence of each term in this Agreement.
- 8.7 **Attorneys' Fees.** If any party to this Agreement or the Title Company begins any action, proceeding, or arbitration arising out of this Agreement, then as between Buyer and Seller, the prevailing party shall be entitled to receive from the other party, besides any other relief that may be granted, its reasonable attorneys' fees,

costs, and expenses incurred in the action, proceeding, or arbitration.

- 8.8 **Governing Law.** This Agreement and the legal relations between the parties shall be governed by and construed according to California law. Venue for the filing of any action to enforce or interpret this Agreement or any rights and duties hereunder shall be in Fresno, California.
- 8.9 **Headings.** The section headings in this Agreement are for convenience only. The headings are not part of this Agreement and shall not be used to construe it.
- 8.10 **Waiver.** If Buyer or Seller waives a breach of any provision herein, the waiver will not be a continuing waiver. The waiver will not constitute a waiver of any subsequent breach, or a waiver of a breach of any other provision hereof.
- 8.11 **Severability.** The provisions of this Agreement are severable. The invalidity or unenforceability of any provision in this Agreement will not affect the other provisions.
- 8.12 **Interpretation.** This Agreement is the result of the combined efforts of the parties. If any provision of this Agreement is found ambiguous, the ambiguity will not be resolved by construing this Agreement in favor or against any party, but by construing the terms according to their generally accepted meaning.
- 8.13 **Precedence of documents.** If any conflict exists between the body of this Agreement and any Exhibit or Attachment to it, the provisions of the body of this Agreement will control and take precedence over the Exhibit or Attachment.
- 8.14 **Counterparts.** This Agreement may be executed in counterparts, each of which when executed and delivered will be deemed an original, and all of which together will constitute one instrument. Facsimile or electronic copy signatures shall be deemed as valid and binding as original signatures.
- 8.15 **Survival.** All representations and warranties, indemnifications, and other provisions which, by their nature are intended to continue, shall survive Closing and delivery of the grant deed.
- 8.16 **Seller's Default and Buyer's Remedies.** If the sale of the Property is not consummated due to Seller's material default hereunder that is not cured within five (5) business days of Notice from Buyer of Default, then Buyer shall have the right, to elect, as its sole and exclusive remedy, to either (a) terminate this Agreement by written notice to Seller, promptly after which the Deposit shall be returned to Buyer, (b) waive the default and proceed to close the transaction contemplated herein. Notwithstanding anything to the contrary contained herein, Seller shall not be deemed in default unless and until Buyer provides Seller with written notice of such default and Seller fails to cure such default within five (5) business days of its receipt of such written notice.

8.17 **Buyer's Default and Seller's Remedies.** If the sale of the Property is not consummated due to Buyer's material default, then Seller shall have the right, to elect, as its sole and exclusive remedy, to terminate this Agreement by written notice to Buyer, after which the Deposit shall be forfeited.

SAMPLE PURCHASE AGREEMENT (8/14/17)

IN WITNESS WHEREOF the Seller and Buyer have signed this Agreement on the dates set forth below.

BUYER:

By: _____

Dated: _____, 20__

SELLER:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
OF FRESNO, a public body corporate and politic

By: _____
Marlene Murphey, Executive Director

Dated: _____, 20__

The Successor Agency to the Redevelopment Agency of the City of Fresno has signed this Agreement pursuant to authority granted on _____, 20__

ATTEST:
YVONNE SPENCE, CMC
Ex-officio Clerk

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
Ex-officio Attorney

By _____
Deputy

By _____
Deputy

Dated: _____, 20__

Dated: _____, 20__

Attachments:
Exhibit A: Legal Description

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FRESNO,
COUNTY OF FRESNO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

APN: _____

OVERSIGHT BOARD RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO APPROVING THE SALE OF APPROXIMATELY _____ ACRES AT _____ (APN(s) _____) (LRPMP #____) TO _____

WHEREAS, pursuant to AB X1 26 (which became effective at the end of June 2011), as modified by the California Supreme Court's decision in *California Redevelopment Association, et. al. v. Matosantos, et. al.* (53 Cal. 4th 231 (2011)), the Redevelopment Agency of the City of Fresno ("Former RDA") was dissolved as of February 1, 2012 and the Successor Agency was constituted; and

WHEREAS, AB 1484 (which became effective at the end of June 2012) amended and supplemented AB X1 26 (AB X1 26 and AB 1484, together, being referred to below as the "Dissolution Act"); and

WHEREAS, pursuant to the Dissolution Act, all non-housing assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA have been transferred to the control of the Successor Agency; and

WHEREAS, pursuant to Section 34191.5(b) of the Dissolution Act, the Successor Agency prepared a long-range property management plan (the "Plan") which addresses the disposition and use of the real properties of the Former RDA, and the Plan was adopted by the Oversight Board on July 7, 2014, and submitted to the State Department of Finance ("DOF") for approval on July 9, 2014, and was approved by DOF December 16, 2015; and

WHEREAS, _____ wishes to purchase _____ acres of real property which is identified in the Plan as Line #____, APN(s) _____ (the "Property") for a total price of \$_____ cash at close of escrow. Appraised value for the Property is \$_____.

NOW THEREFORE BE IT RESOLVED BY OVERSIGHT BOARD AS FOLLOWS:

Section 1. The Oversight Board hereby approves the Purchase and Sale Agreement, substantially in the form attached hereto as Exhibit A, and directs the Executive Director to execute the Purchase and Sale Agreement on behalf of the Successor Agency, and to take all such actions as may be required to close escrow and convey the Property pursuant to the Purchase and Sale Agreement.

Section 2. Pursuant to Health and Safety Code Section 34180(j), staff of the Successor Agency is hereby authorized and directed to transmit the Purchase and Sale

Agreement to the Successor Agency, the County Administrative Officer, and the County Auditor-Controller.

Section 3. Pursuant to Health & Safety Code Section 34191.5(f), Oversight Board actions to implement the disposition of property pursuant to an approved Plan shall not require review by DOF.

Section 4. The Executive Director is hereby authorized and directed to do any and all things which may be necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

Section 5. This Resolution shall be effective in accordance with CRL section 34179(h).

ADOPTED by the Oversight Board this 4th day of October, 2017.

Alan Hofmann
Chair of the Board

I, YVONNE SPENCE, City Clerk/Clerk of the Oversight Board hereby certify that the foregoing resolution was duly and regularly adopted at a meeting of the Oversight Board for the City of Fresno as Successor Agency to the Redevelopment Agency of the City of Fresno at its meeting held on the 4th day of October, 2017, by the following vote, to wit:

AYES :
NOES :
ABSENT :
ABSTAIN :

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Fresno, California, this _____ day of October, 2017.

Yvonne Spence
City Clerk/Clerk of the Oversight Board