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CITY OF FRESNO
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Regular Council Meeting

November 4, 2021

FRESNO CITY COUNCIL



Information Packet

ITEM(S)

File ID 21-798, 3-D

Actions pertaining to the acquisition of the UMC Campus Property (APN 461-02-003T)

Contents of Supplement: Memorandum presenting the proposed plan to acquire the University Medical Center Campus from Fresno County and initiate a mixed-use development plan for the 30-acre site.

Item(s)

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

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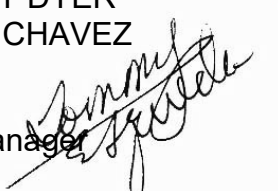


OFFICE OF CITY MANAGER

MEMORANDUM

DATE: November 2, 2021

TO: HONORABLE MAYOR JERRY DYER
COUNCIL PRESIDENT LUIS CHAVEZ
COUNCILMEMBERS

FROM: THOMAS ESQUEDA, City Manager 

SUBJECT: SUPPLEMENTAL INFORMATION AGENDA ITEM ID 21-798
PRELIMINARY ACQUISITION PLAN FOR UMC CAMPUS SITE

The purpose of this Memorandum is to present the Mayor and Councilmembers with the proposed plan to acquire the University Medical Center Campus site from Fresno County and initiate a mixed-use development plan for the 30-acre site.

BACKGROUND

The subject property is commonly referred to as the University Medical Center (UMC) Campus, and it is located on APN 461-02-003T (**see Figure 1**). The property covers approximately 30 acres of land and includes approximately 686,275 square feet of existing buildings and structures.

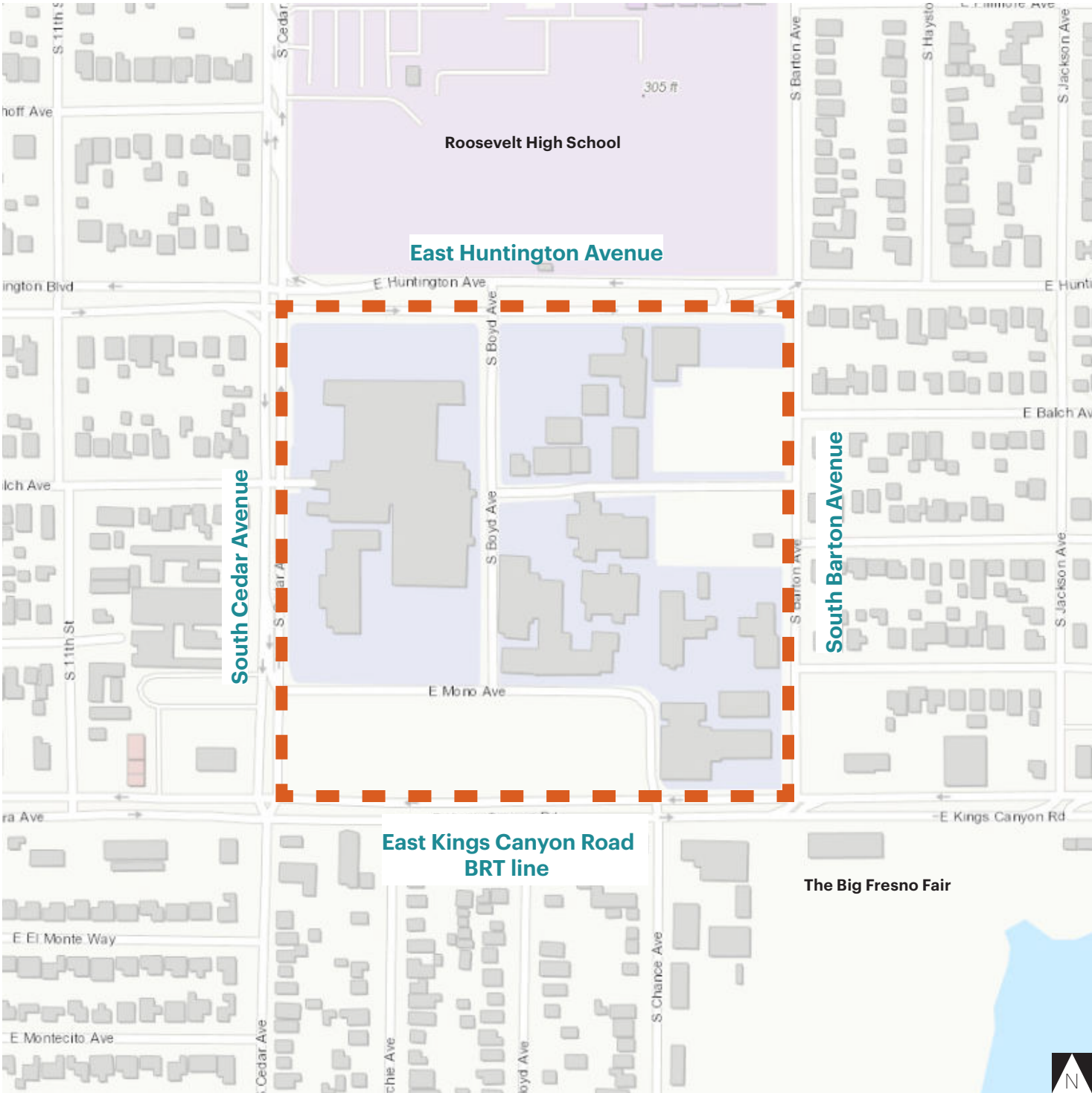
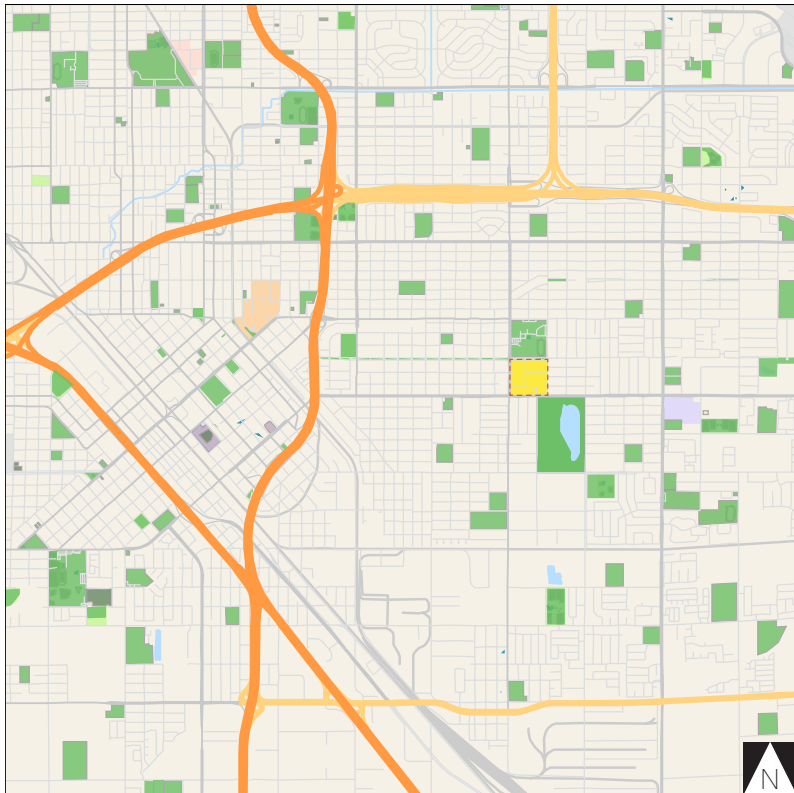
On June 8, 2021, the County Board of Supervisors adopted Resolution No. 21-180 declaring the UMC Campus surplus property, and the County made a written offer to sell the subject property in "as is" condition.

On June 14, 2021, the County of Fresno issued a Notice of Availability of the subject property to the City of Fresno. In the June 14, 2021, Notice of Availability, the County requested that the City of Fresno notify the County in writing of its intent to purchase the Property within 60 days after receipt of the June 14, 2021, letter.

On August 9, 2021, the City of Fresno submitted a letter to Fresno County notifying the County of the City's intent to engage in good faith negotiations to determine if a mutually agreeable sales price and terms could be negotiated for the UMC Campus acquisition.

The Administration has completed a preliminary assessment of the site and is prepared to submit a written offer to purchase the property from Fresno County subject to conditions specified in this Memorandum.

FIGURE 1
Site Location



MEMORANDUM

Mayor Dyer, Council President Chavez, Councilmembers
Preliminary Acquisition Plan for UMC Campus Site

November 2, 2021

Page 3 of 8

CITY OF FRESNO DEVELOPMENT PLAN

The Administration recommends that the Fresno City Council authorize the purchase of the UMC Campus site from Fresno County, and that the 30-acre site be developed as a multi-phase, mixed-use project with mixed-income housing, parking structures, retail stores, commercial businesses, and green space provided within the 30-acre site.

Upon the close of escrow for the 30-acre site, the Administration recommends the City initiate demolition and clearing of the site, which will include demolition of all existing structures, and removal of all paving, utilities, and other infrastructure located on the 30-acre site. The Administration estimates that demolition and clearing of the 30-acre site can be initiated within 12 months from the close of escrow.

Upon completion of demolition and clearing for the 30-acre site, the Administration recommends the City prepare a development plan to segregate the site into eight development pads as shown in **Figure 2**. To create the eight development pads, the Administration recommends that Mono, Inyo, and Balch avenues be extended through the 30-acre site to Cedar Avenue, with two new roads constructed to connect Huntington Avenue to Kings Canyon Road. Alternative development strategies for the eight development pads are shown in **Figure 3**. The Administration estimates that it will require 36 months, from the completion of demolition and clearing activities, to complete construction and receive a certificate of occupancy for the first development pad.

Upon establishing the eight pads for development, the Administration recommends that the City of Fresno issue Requests for Proposal for private developers to construct mixed-use projects on each of the eight development pads. The City of Fresno will assume responsibility for developing the green space associated with the 30-acre site. The City will establish uniform development standards for the 30-acre site to ensure that new development is uniform and complementary in terms of the quality and character of the surrounding neighborhoods and mixed-use projects that will follow.

FIGURE 2

Organizing Principles + Site Framework

Organizing Principles

- A** Extend East-West Street Grid
- B** Create Identity Defining Central Open Space
- C** Focus Retail/Commercial around Plaza along Kings Canyon Road
- D** Provide Heirarchy and Diverse Selection of Housing Types

Land Assignment	Square Feet	Acres
Open Space	150,800	3.46
Street Right of Way	297,300	6.83
Development Area	964,550	22.14
Overall Site	1,412,650	32.43

Note: Site was simplified to 1220 feet by 1160 feet.

Off-street Parking	
Residential	1 space per unit
Retail/Commercial	1 space per 600 sf
On-street Parking	
Internal Streets	390
External Streets	
Huntington Ave	44
Cedar Ave	32
Kings Canyon Rd	44
Barton Ave	22
Total On-Street Parking	532

Street, Block and Open Space Framework

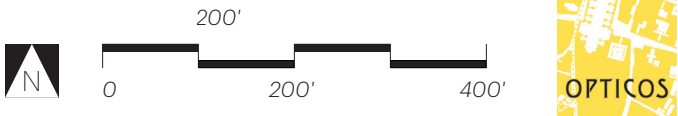
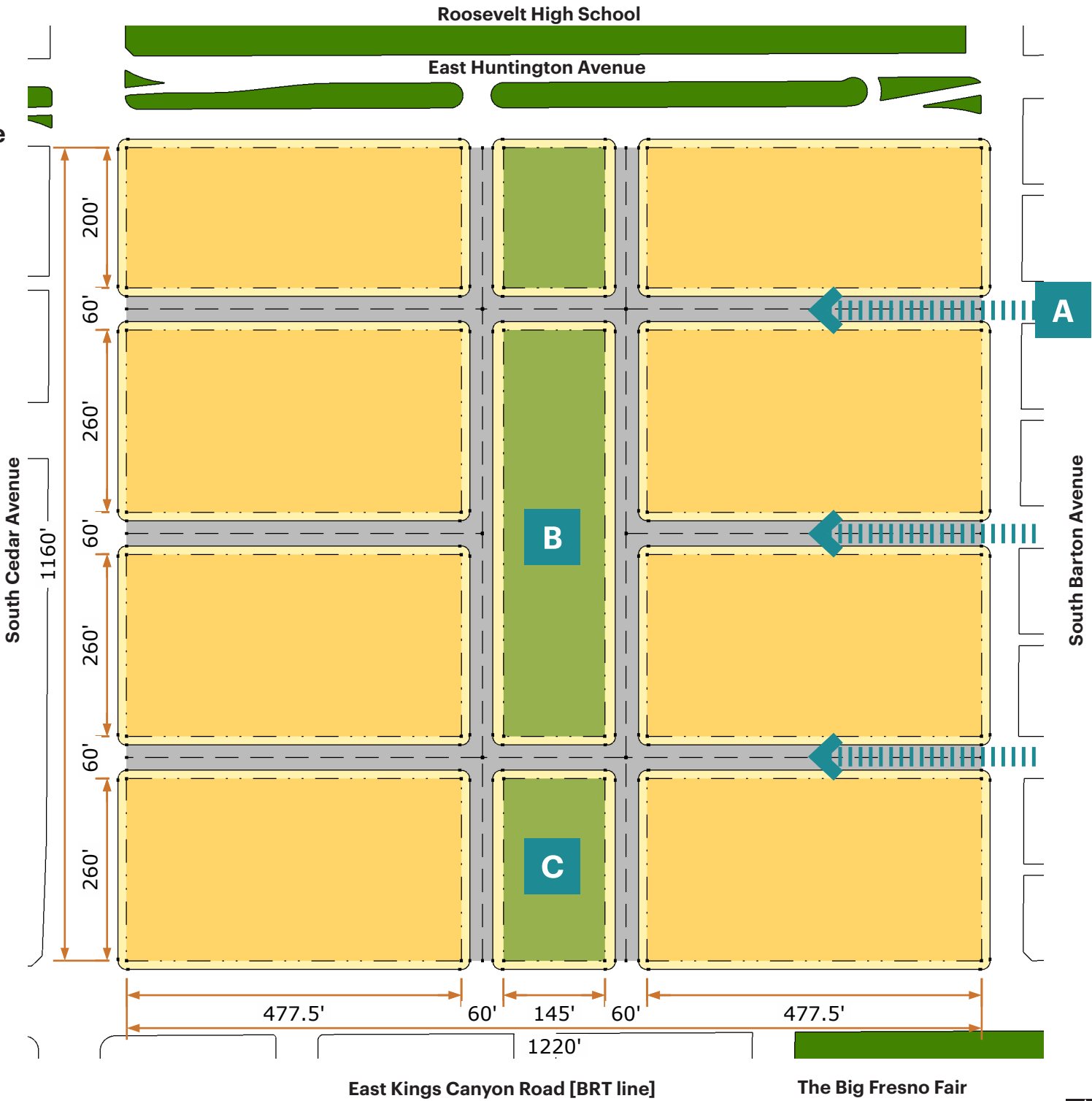


FIGURE 3

Development Intensity Alternatives

High-Intensity Development



	Residential (sqft)	Commercial (sqft)	Total (sqft)	Units
Block A	134,472	-	134,472	88
Block B	153,676	-	153,676	112
Block C	153,676	-	153,676	160
Block D	261,918	38,400	268,800	262
Block E	Open Space			
Block F	Open Space			
Block G	Open Space			
Block H	134,472	-	134,472	88
Block I	153,676	-	153,676	112
Block J	153,676	-	153,676	112
Block K	230,400	38,400	268,800	222
Total	1,430,979	76,800	1,492,020	1156

36 du/acre gross density (1156 units/32.43 acres)
52 du/acre net density (1156l units/22.14 acres)

Medium-Intensity Development



	Residential (sqft)	Commercial (sqft)	Total (sqft)	Units
Block A	134,472	-	134,472	80
Block B	153,676	-	153,676	104
Block C	153,676	-	153,676	104
Block D	187,518	38,400	194,400	158
Block E	Open Space			
Block F	Open Space			
Block G	Open Space			
Block H	134,472	-	134,472	80
Block I	153,676	-	153,676	104
Block J	153,676	-	153,676	104
Block K	156,000	38,400	194,400	158
Total	1,227,166	76,800	1,272,448	892

28 du/acre gross density (892 units/32.43 acres)
40 du/acre net density (892 units/22.15 acres)

Low-Intensity Development



	Residential (sqft)	Commercial (sqft)	Total (sqft)	Units
Block A	86,472	-	86,472	56
Block B	91,276	-	91,276	66
Block C	91,276	-	91,276	66
Block D	81,918	38,400	88,800	62
Block E	Open Space			
Block F	Open Space			
Block G	Open Space			
Block H	86,472	-	86,472	56
Block I	91,276	-	91,276	66
Block J	91,276	-	91,276	66
Block K	50,400	38,400	88,800	62
Total	670,366	76,800	715,648	500

15 du/acre gross density (500 units/32.43 acres)
23 du/acre net density (500 units/22.15 acres)

MEMORANDUM

Mayor Dyer, Council President Chavez, Councilmembers
Preliminary Acquisition Plan for UMC Campus Site

November 2, 2021

Page 6 of 8

INFRASTRUCTURE COSTS

The Administration has prepared preliminary cost estimates for demolition, site clearing, water, sewer, streets, sidewalks, and green space to support the proposed development of the UMC Campus site as shown in Figure 2 and Figure 3.

1. The estimated cost for site demolition, asbestos abatement, and clearing is \$14.6 million. For this cost, the UMC Campus site will be converted from its current developed condition to a cleared site.
2. The estimated capital cost for water and sewer is \$8 million.
3. The estimated capital cost for streets and sidewalks is \$12 million.
4. The estimated capital cost for green space is \$3 million.

The City will assume responsibility for developing the green space for the 30-acre development, and the balance of the infrastructure costs will be allocated to private developers as they develop each of the development pads.

ENVIRONMENTAL REVIEW REQUIREMENTS

The Administration recommends that the UMC Campus be demolished and cleared, and the site be developed as a mixed-use project with mixed-income housing, parking, retail, commercial, and green space provided within the 30-acre site.

The existing 30-acre UMC Campus parcel is currently zoned Public & Institutional. To accommodate the City's proposed mixed-use development plan, the 30-acre parcel will require a General Plan Amendment and Rezone Application to rezone the property to Corridor Mixed Use (CMX).

The General Plan Amendment, Rezone Application will require an environmental review through the CEQA process. If the Initial Study determines that a Mitigated Negative Declaration is appropriate, the CEQA process will require 6 to 9 months to complete. If an Environmental Impact Report is required, the CEQA process will require 12 to 15 months to complete.

In addition to the CEQA process, because several structures on the UMC Campus are over 50-years old, a Historic Site Survey will also be required. It is estimated the Historic Site Survey will require 1-2 months to complete.

MEMORANDUM

Mayor Dyer, Council President Chavez, Councilmembers
Preliminary Acquisition Plan for UMC Campus Site

November 2, 2021

Page 7 of 8

RECOMMENDED UMC CAMPUS ACQUISITION PLAN

The Fresno County Board of Supervisors have indicated that the minimum sale price for the UMC Campus is \$6 million. The Board of Supervisors had previously proposed to sell the property to a private developer for \$4 million.

The City of Fresno commissioned a land-only appraisal for the property, and the land-only appraised value of the property is \$5.6 million. The Administration recommends offering Fresno County \$4.25 million to purchase the 30-acre UMC Campus site.

Under the terms and conditions of the UMC Campus acquisition, execution of the Purchase and Sale Agreement, the City of Fresno will:

1. Deposit \$100,000 into an escrow account as a demonstration of the City's good-faith desire to purchase the property. The City's deposit will remain refundable for 120-days, during which time the City will complete the Feasibility Assessment.
2. Initiate a 90-day Feasibility Assessment, during which period the City will:
 - a. Review the Preliminary Title Report
 - b. Conduct Pre-Demolition Asbestos Containing Material Survey
 - c. Conduct ALTA Survey
 - d. Conduct Phase I and Phase II environmental studies as necessary to determine absence or presence of contamination on the site.
 - e. Initiate an Initial Environmental Study to determine the level of CEQA analysis required for the project.
 - f. Based on findings of the Feasibility Assessment, City and County will negotiate a price adjustment or terminate the purchase and sale agreement prior to deposit becoming non-refundable.
3. Initiate the appropriate level of CEQA analysis for the property based on findings of the Initial Study.
4. Once City and County have completed the Preliminary Assessment Process, and the UMC Campus has been environmentally cleared through the CEQA process, the City and County will close escrow on the property.

MEMORANDUM

Mayor Dyer, Council President Chavez, Councilmembers
Preliminary Acquisition Plan for UMC Campus Site

November 2, 2021

Page 8 of 8

5. Upon Close of Escrow, the City of Fresno will:

- a. Assume all responsibility for the site security, maintenance, repair, and all utilities charges.
- b. Execute contracts with licensed and bonded contractors to demolish existing structures, and remove all pavement, utilities, and other infrastructure on the site.
- c. The City of Fresno will start the demolition and clearing of the UMC Campus site within 12 months of the close of escrow.
- d. Once the 30-acre UMC Campus site has been demolished and cleared, and prepared for mixed-use development, the City will issue Requests for Proposal for private developers to purchase one or more of the eight development pads to construct mixed-use projects.
- e. The City of Fresno will use the proceeds from the sale of development pads to private developers to recover a portion of the City's investment to purchase the site, complete the environmental review process, demolish, clear, and prepare the site for a mixed-use development project.
- f. The Administration estimates that the certificate of occupancy for the first phase of development at the UMC Campus site will be issued within 36 months of the close of escrow.