



Legislation Details (With Text)

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Title: Authorize City Manager to enter into the attached "Reimbursement Agreement, California High Speed Rail Heavy Maintenance Facility" with the Fresno County Transportation Authority
Sponsors: Office of Mayor & City Manager
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Attachments: 1. HSR HMF Reimbursement Agreement for Council 4-6-17.pdf

Date	Ver.	Action By	Action	Result
4/6/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

April 6, 2017

FROM: BRUCE RUDD
City Manager

BY: LARRY WESTERLUND
Director of Economic Development

SUBJECT

Authorize City Manager to enter into the attached "Reimbursement Agreement, California High Speed Rail Heavy Maintenance Facility" with the Fresno County Transportation Authority

RECOMMENDATION

It is recommended by staff that the City Council authorize the City Manager to enter into the attached REIMBURSEMENT AGREEMENT with the Fresno County Transportation Authority to receive reimbursement from Measure C transportation funds for the non-refundable deposits the City will incur while entering into the Agreements for Purchase and Sale of Property for the purpose of assembling the necessary land needed to be competitive for the location of the proposed California High Speed Rail Authority's ("CHSRAs") Heavy Maintenance Facility (HMF) at the Fresno site.

EXECUTIVE SUMMARY

On October 13, 2016, the Council authorized the City Manager to enter into conditional purchase and sales agreements to acquire properties within the proposed Fresno High Speed Rail HMF footprint which would allow the City to control the property for 12 months, and up to two years, through a non-refundable deposit(s) for a total amount not to exceed \$250,000 per year. The second part of that Council action was to authorize the City Manager to pursue a reimbursement agreement for the cost of those agreements from the \$25 million in Measure C funds already allocated by the Fresno County Transportation Authority for the Fresno HMF. Since that Council authorization, the City Manager has received approval for reimbursement from the Measure C funds from the Fresno Council of Governments on January 26, 2017 (Resolution 2017-01) and, subsequently, on February 8, 2017 the Fresno County Transportation Authority approved the amendment to the Measure C expenditure plan to allow for the reimbursement and to give the Executive Director authority to enter into this reimbursement agreement. The City has negotiated with the Fresno County Transportation Authority and their attorney and now request Council approval and authorization for the City Manager to sign on behalf of the City.

BACKGROUND

In 2010, CHSRA issued a request for information for potential sites within the Central Valley to be used for their HMF site. Ten sites were originally submitted including a site in Fresno County just south of the City of Fresno between the BNSF mainline tracks and Cedar Avenue. Subsequently, the Fresno COG Policy Board and the Fresno County Transportation Authority Board approved Amendment #1 to the Measure "C" Expenditure Plan which authorized \$25 million to be used for a variety of purposes related to securing the HMF at the proposed Fresno site including the assembly of the necessary parcels required for the CHSRA HMF provided that the Fresno site is selected for permanent location of the HMF. The HMF operations would create positions for up to 1,500 technical and skilled employees in the Fresno area.

The Fresno site is very competitive given its central location within the initial operating segment of the High Speed Rail, however, the site contains parcels owned by several separate property owners as opposed to competing sites that have single ownership. In October 2015, the City of Fresno entered into an agreement with Continental Field Services (CFS) to develop and negotiate Purchase and Sales Agreements with property owners to assemble the necessary land needed for the HMF in an effort to make the Fresno site more attractive to the CHSRA. The agreements are to be entered into with the condition that the proposed Fresno site be selected as the final location for the HMF.

The total non-refundable deposit amount is not to exceed \$500,000 over two years. The City's obligation to complete the purchase of each property is subject to the condition that the CHSRA select the Fresno site for the HMF. If this condition is not met, and the City does not waive the condition prior to the expiration of this Agreement, the City will not proceed with the transaction and the Seller is entitled to retain the deposit and property.

The funds for the purchase of the subject properties, including the deposits, will be reimbursed to the City from Measure C funds authorized by the Fresno County Transportation Authority (FCTA). FCTA has set aside a \$25 million allocation from Measure C funds to be utilized for the purchase of the properties required for the HMF Fresno site and the terms of agreements have been approved by the FCTA at their February 8, 2017 Board Meeting. The action today formally approves the reimbursement agreement with FCTA.

ENVIRONMENTAL FINDINGS

This action is not a project pursuant to CEQA Guidelines 15378

LOCAL PREFERENCE

N/A

FISCAL IMPACT

The agreement allows for the funding for the attached Purchase and Sales Agreements to be reimbursed to the City of Fresno from Measure C funds approved for this use by the Fresno County Transportation Authority. There would be no impact on the City's General Fund for the execution of this agreement.

Attachments:

Reimbursement Agreement