



Legislation Details (With Text)

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Title: Approve the sale of APN 507-030-12st, approximately 14.55 acres of which 10.72 are developable, ("Property") in the amount of \$1.7 million to Marc O'Polo Enterprises, Inc., a California corporation ("Buyer"). The property is located at the southwest corner of Herndon and Brawley Avenues in Fresno, California, to be used for future development. (Council District 2)

Sponsors: Office of Mayor & City Manager

Indexes:

Code sections:

Attachments: 1. Purchase & Sale Agreement Herndon & Brawley 011217.pdf, 2. Exhibit A.pdf

Date	Ver.	Action By	Action	Result
1/12/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

January 12, 2017

FROM: BRUCE RUDD, City Manager
Office of the City Manager

SUBJECT

Approve the sale of APN 507-030-12st, approximately 14.55 acres of which 10.72 are developable, ("Property") in the amount of \$1.7 million to Marc O'Polo Enterprises, Inc., a California corporation ("Buyer"). The property is located at the southwest corner of Herndon and Brawley Avenues in Fresno, California, to be used for future development. (Council District 2)

RECOMMENDATION

Staff recommends the Council authorize the sale of property located on the southwest corner of Herndon and Brawley Avenues in Fresno, California, APN 507-030-12st, to Buyer, for \$1.7 million and authorize the City Manager, or his designee, to sign all documents necessary to complete the transaction.

EXECUTIVE SUMMARY

The City of Fresno proposes to sell Property of approximately 14.55 acres on the southwest corner of

Herndon and Brawley, formerly the Blosser parcel, to be developed at a future date. The Property was last appraised on April 6, 2016 at a value of \$1.850 million. The Property has been surveyed since the appraisal resulting in a lot line adjustment and reevaluation of the open space or no fly zone. With consideration of these adjustments the Buyer has agreed to pay \$1.7 million for the Property.

BACKGROUND

Buyer has expressed an interest in developing the Property on the southwest corner of Herndon and Brawley, formerly referred to as the Blosser parcel. The City of Fresno ("Seller") is the fee owner of the Property.

Financial Terms

- Purchase Price: \$1,700,000.
- Total acreage 14.55 acres or 633,798 sf of undeveloped land area
- Deposit: Within three (3) calendar days after the full execution and delivery of this agreement, Buyer shall open an escrow and three (3) days after they open escrow they will deposit \$25,000.

Close of Escrow

- Escrow must close within 180 days from the closing date of Buyers IRS Code 1031 Tax Deferred Exchange Escrow which closed and recorded on December 28, 2016.

The site is proximate to the Sierra Sky Park Airport (SSP) which is a privately owned, public use general aviation airport. The SSP Land Use Policy Plan was adopted by the Airport Land Use Commission (ALUC) and the current 1995 revision is intended to be consistent with the City of Fresno's Specific Plan and zoning ordinance. The buyer is aware that a development project that is not in current compliance will require a site rezone and a Conditional Use Permit (CUP). Seller and the Development and Resource Management Department will work collaboratively towards rezoning efforts. However, the City of Fresno's recommendation will be based on the due diligence outcomes for the property and does not guarantee a final result.

Buyer confirms that it is purchasing the Property in its "AS IS" conditions and in reliance upon its own investigation of the present condition the property and all governmental laws and ordinances which might affect its use and development.

ENVIRONMENTAL FINDINGS

This approval is not a project for the purposes of CEQA Guidelines section 15178.

LOCAL PREFERENCE

Local preference was not considered because the acquisition of this property does not include a bid or award of construction or services contract.

FISCAL IMPACT

The debt on this property has recently been retired making the property unencumbered. The close of escrow shall take place within 180 days from the closing date of Buyers IRS Code 1031 Tax Deferred Exchange or near the end of the FY 2017. Sale proceeds of \$1.7 million net administration and commissions will be deposited into the General Fund. Recommendations for the use of funds will be brought forward by the Administration with the FY 2018 budget.

Attachments:

Purchase and Sale Agreement