



Legislation Details (With Text)

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Title: Actions pertaining to the sale of APN 467-040-20ST & 467-040-22ST consisting of approximately a 216,493 square foot surface parking lot located on H Street between Kern and Mono to Fresno Sports & Events Partners LLC:
 1. Adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 of the California Environmental Quality Act (CEQA) Guidelines
 2. Approve the Purchase and Sale Agreement for approximately a 216,493 square foot surface parking lot located on H Street between Kern and Mono to Fresno Sports & Events Partners LLC for \$1,900,000 (District 3)

Sponsors: Office of Mayor & City Manager

Indexes:

Code sections:

Attachments: 1. H Lot Purchase & Sale Agreement 10.11.18.pdf

Date	Ver.	Action By	Action	Result
10/11/2018	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

October 11, 2018

FROM: WILMA QUAN-SCHECTER, City Manager
Office of the Mayor & City Manager

BY: LAURA GLORIA, Deputy City Manager
Office of the Mayor & City Manager

SUBJECT

Actions pertaining to the sale of APN 467-040-20ST & 467-040-22ST consisting of approximately a 216,493 square foot surface parking lot located on H Street between Kern and Mono to Fresno Sports & Events Partners LLC:

1. Adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 of the California Environmental Quality Act (CEQA) Guidelines
2. Approve the Purchase and Sale Agreement for approximately a 216,493 square foot surface parking lot located on H Street between Kern and Mono to Fresno Sports & Events Partners LLC for \$1,900,000 (District 3)

RECOMMENDATIONS

Staff recommends that the City Council adopt a finding of Categorical Exemption pursuant to Section 15301/Class 1 of the California Environmental Quality Act (CEQA) Guidelines and approve the

Purchase and Sale Agreement (PSA) for approximately a 216,493 square foot surface parking lot located on H Street between Kern and Mono to Fresno Sports & Events Partners LLC for \$1,900,000.

EXECUTIVE SUMMARY

The City of Fresno (City) owns property located on H Street between Kern and Mono consisting of a paved parking lot (Property). The Property is primarily used for event parking at Chukchansi Stadium, including but not limited to Fresno Grizzlies games. The City received a letter of interest to purchase the property from Fresno Sports & Events Partners LLC (Buyer); an affiliate company of Fresno Sports & Events LLC who currently owns the Fresno Grizzlies team and manages Chukchansi Stadium through a sublease agreement with the City. The City subsequently engaged its Asset Managers in the negotiations with the Buyer and proposes to sell the Property for \$1,900,000. The PSA sets the terms for the sale including various First Right of Refusal options for the City to purchase the property back if the Buyer decides to sell it in the future.

BACKGROUND

The Asset Management Act (the Act) establishes the organization and parameters for citywide assets managed by a selected real estate brokerage firm based on a competitive process. The purpose of the Act is to provide an independent, objective analysis of City assets. The City Manager's Office works directly with the Asset Managers, Cushman & Wakefield/Pacific Commercial Realty Advisors, to negotiate competitive leases, identify potential tenants, market properties, analyze and compare offers, and optimize opportunities.

The City received a letter of interest for the property located on H Street between Kern and Mono consisting of a paved parking lot (Property). The Property is primarily used for event parking at Chukchansi Stadium, including but not limited to Fresno Grizzlies games. The interested party, Fresno Sports & Events Partners, LLC (Buyer) is an affiliate company of Fresno Sports & Events LLC who currently owns the Fresno Grizzlies team and manages Chukchansi Stadium through a sublease agreement with the City. The City subsequently engaged its Asset Managers in the negotiations with the Buyer and negotiated a sales price of \$1,900,000 less customary escrow fees and a 6% broker commission for the Asset Managers consistent with the Council Approved Asset Management First Amendment (approved March 1, 2018). The PSA sets the terms for the sale including various First Right of Refusal options for the City to purchase the property back if the Buyer decides to sell it in the future. The Buyer will notify the City of its intent to sell the Property and the City will have an exclusive right for thirty days to repurchase the property at \$1,900,000 for the first three and one half years; fair market value after three and one half years and one day and within ten years, if the City does not exercise its option the City will receive a 5% profit on any sale above the \$1,900,000 to a third party; and fair market value after ten years.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment of this project and determined that it falls within the Categorical Exemption set forth in CEQA Guidelines Section 15301 which exempts projects for which there will be no change in existing use. Currently the property is primarily used for event parking at Chukchansi Stadium, including but not limited to Fresno Grizzlies games. Fresno Sports & Events Partners LLC intends to continue using the property as a paved parking lot. The edges of the parcels are sides of Kern and Mono Streets, and the easements will allow the public to

continue using the streets with no change in existing use.

LOCAL PREFERENCE

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

FISCAL IMPACT

Sale proceeds of \$1,900,000 less customary escrow fees and broker commission will be deposited into the Asset Sale Reserve Fund (10310) per the Reserve Management Act.

Attachment:
Purchase & Sale Agreement