



AGENDA

Redevelopment Successor Agency Oversight Board Meeting

Board Chambers, Chowchilla City Hall
130 S. Second Street, Chowchilla, CA 93610

January 28, 2016

9:00 a.m.

CALL TO ORDER:

ROLL CALL

Board Chair: Manfredi

Vice Chair: Haworth

Board Members: Allison, Farinelli, Green, Cox

City staff and contract employees present at the meeting will be noted in the minutes

PUBLIC ADDRESS

This time is reserved for members of the audience to address the Agency Board on items of interest that are not on the Agenda and that are within the subject matter jurisdiction of the Agency Board.

It is recommended that speakers limit their comments to no more than 3 minutes each and it is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Agency Board on items on the Agenda should notify the Chairman when that Agenda item is called.

The Agency Board is prohibited by law from taking any action on matters discussed that are not on the Agenda. No adverse conclusions should be drawn if the Agency Board does not respond to public comment at this time.

Speakers are asked to please use the microphone, and provide their name for the record. Prior to addressing the Agency Board, any handouts are to be provided to Board Clerk who will distribute them to the Agency Board and the appropriate staff.

BOARD AND STAFF REPORTS – Section 1

1.1 BOARD REPORTS

Legislative Items

Oral / Written Reports

1.2 STAFF REPORTS

Written/Oral Reports

CONSENT CALENDAR – Section 2

All items listed under Consent Calendar are considered to be routine and will be enacted by one motion. For discussion of any Consent Item, it will be made a part of the Regular Agenda at the request of any member of the Agency Board or any person in the audience.

2.1 Approval of the November 19, 2015 Special Redevelopment Successor Agency Oversight Board Meeting Minutes (McClendon)

PUBLIC HEARINGS – Section 3

None

DEFERRED BUSINESS – Section 4

None

NEW BUSINESS – Section 5

- 5.1 Agency Resolution # -16, Approving the Annual Recognized Obligation Payment Schedule for the Period from July 1, 2016 – June 30, 2017 (Pruett)**
- 5.2 Agency Resolution # -16, Approving the Purchase and Sale Agreement with Madera Industrial Development Partnership for 26.28 Acres of Vacant Real Property Located at Highway 99 and Chowchilla Boulevard (Pruett)**

ANNOUNCEMENTS – Section 6

February 25 Redevelopment Successor Agency Oversight Board Meeting

ADJOURNMENT

PUBLIC NOTIFICATION

I, Joann McClendon, CMC, Board Clerk, do hereby declare under penalty of perjury that the foregoing agenda was posted at the Chowchilla City Hall, 130 S Second Street, Chowchilla, CA and made available for public review on this 21st day of January 2016 at or before 5:30 p.m.

Joann McClendon, CMC
Board Clerk



**MINUTES
SPECIAL MEETING**

Redevelopment Successor Agency Oversight Board

Board Chambers, Chowchilla City Hall
130 S. Second Street, Chowchilla, CA 93610

November 19, 2015

10:00 a.m.

CALL TO ORDER: 10:02 a.m.

ROLL CALL

Board Chair: Manfredi

Vice Chair: Haworth (absent)

Board Members: Allison, Farinelli, Green, Cox

City staff and contract employees present: Executive Brian Haddix, Finance Director Rod Pruett, Engineer/Public Works Director Craig Locke, Board Clerk Joann McClendon

PUBLIC ADDRESS

None.

Pledge of Allegiance directed by Board Member Farinelli.

BOARD AND STAFF REPORTS – Section 1

1.1 BOARD REPORTS

Legislative Items

Oral / Written Reports

1.2 STAFF REPORTS

Written/Oral Reports

CONSENT CALENDAR – Section 2

2.1 Approval of the September 10, 2015 Special Redevelopment Successor Agency Oversight Board Meeting Minutes (McClendon)

Motion by Board Member Cox, seconded by Board Member Farinelli to approve the September 10, 2015 Special Redevelopment Successor Agency Oversight Board Meeting Minutes as Presented. Motion passed unanimously by voice vote with Vice Chair Haworth absent.

PUBLIC HEARINGS – Section 3

None

DEFERRED BUSINESS – Section 4

None

NEW BUSINESS – Section 5**5.1 Agency Resolution # 07-15, Authorizing the Board Chair to Execute the Revised Settlement Agreement Between Greenhills Holdings and the City of Chowchilla, and the Chowchilla Successor Agency, Thereby Resolving the Litigation in Case Number MCV-058019 (Pruett)**

Spoke:

Larry Pistorosi, Jr.

Motion by Board Member Farinelli, seconded by Board Member Cox to Approve Agency Resolution #07-15, Authorizing the Board Chair to Execute the Revised Settlement Agreement Between Greenhills Holdings and the City of Chowchilla, and the Chowchilla Successor Agency, Thereby Resolving the Litigation in Case Number MCV-058019. Motion passed by voice vote with Vice Chair Haworth absent.

5.2 Agency Resolution # 08-15, Approving the Amendment to the Loan Repayment Agreement between the City of Chowchilla and the City of Chowchilla Successor Agency for Advanced Funding from the General Fund to the Successor Agency to meet Debt Obligations due to Redevelopment Property Tax Trust Fund Shortfall (RPTTF) (Pruett)

Motion by Board Member Allison, seconded by Board Member Green to Approve Agency Resolution #08-15, Approving the Amendment to the Loan Repayment Agreement between the City of Chowchilla and the City of Chowchilla Successor Agency for Advanced Funding from the General Fund to the Successor Agency to meet Debt Obligations due to Redevelopment Property Tax Trust Fund Shortfall (RPTTF). Motion passed by voice vote with Vice Chair Haworth absent.

ANNOUNCEMENTS – Section 6

December 22 Redevelopment Successor Agency Oversight Board Meeting

ADJOURNMENT

Motion by Board Chair Manfredi, seconded by Board Member Farinelli to adjourn the November 19, 2015 Special Redevelopment Successor Agency Oversight Board meeting at 10:21 a.m. Motion passed by voice vote with Vice Chair Haworth absent.

ATTEST:

APPROVED:

Joann McClendon, CMC
Board Secretary

Stell Manfredi, Board Chair



REPORT TO THE SUCCESSOR AGENCY OVERSIGHT BOARD

Meeting for January 28, 2016

Agenda Section:	<u>New Business</u>
SUBJECT:	Consideration of a Resolution Approving the Annual Recognized Obligation Payment Schedule 16/17 for the period from July 2016 – June 30, 2017 for the Successor Agency of the Chowchilla Redevelopment Agency
Prepared By:	<u>Sherri Dueker, Accounting Manager</u>
Authorized By:	<u>Rod Pruett, Finance Director</u>
Approved By:	<u>Brian Haddix, City Administrator</u>

RECOMMENDATION:

Adopt the resolution(s) for Recognized Obligation Payment Schedule (ROPS) for period of July 1, 2016 thru June 30, 2017.

HISTORY / BACKGROUND:

In accordance with AB 1484 which was enacted to clarify the intent of ABx1 26, the law that dissolved all redevelopment agencies, the Successor Agency (City of Chowchilla) was required to adopt a Recognized Obligation Payment Schedule (ROPS) for each 6 month period of the Agency's future operations. As the winding down process of the RDA/ Successor Agency continues, the Department of Finance has reduced the number of ROPS submissions from twice a fiscal year to one annual ROPS from this day forward. The Department of Finance allows for one amendment of the annual ROPS which is due no later than October 1 of every year. Submission and Oversight Board approval processes remain the same.

The ROPS packet, designated as ROPS 16/17, includes the estimated obligations and expenditures spreadsheet, the report of cash balances and a summary page. The deadline for submitting this form to the California State Department of Finance is February 1, 2016. Upon submitting to the Department of Finance, the information is subject to a review period to a maximum of 45 days.

FINANCIAL IMPACT:

None

ATTACHMENTS

Resolution

SUCCESSOR AGENCY OVERSIGHT BOARD RESOLUTION # -16

RESOLUTION OF THE SUCCESSOR AGENCY OVERSIGHT BOARD OF THE CITY OF CHOWCHILLA, CALIFORNIA, APPROVING THE ANNUAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JULY 1, 2016 – JUNE 30, 2017, ON BEHALF OF THE SUCCESSOR AGENCY OF THE CHOWCHILLA REDEVELOPMENT AGENCY

WHEREAS, the City of Chowchilla designated itself to be the Successor Agency of the Chowchilla Redevelopment Agency in accordance with AB x1 26; and,

WHEREAS, the legislation enacted under AB x1 26 and clarified under AB 1484 requires the Successor Agency to adopt the Annual Recognized Obligation Payment Schedule (ROPS 16/17) covering the 12 month period from July , 2016 – June 30, 2017; and,

WHEREAS, the City Council, as the Successor Agency, has considered the proposed ROPS for the period of July, 2016 – June 30, 2017.

NOW THEREFORE, THE SUCCESSOR AGENCY OF THE CITY OF CHOWCHILLA does hereby resolve, find and order as follows:

1. The above recitals are true and correct.
2. The Recognized Obligation Payment Schedule (ROPS 16/17) for the period of July, 2016 – June 30, 2017, is hereby approved and accepted.
3. This resolution is effective immediately upon adoption.

PASSED AND ADOPTED by the Successor Agency Oversight Board of the City of Chowchilla at a regular meeting held on the 28th day of January 2016, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Stell Manfredi, Chair

ATTEST:

Joann McClendon, CMC
Board Clerk

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Chowchilla
County: Madera

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding			
A Sources (B+C+D):	\$ 500,367	\$ 197,167	\$ 697,534
B Bond Proceeds Funding	197,167	197,167	394,334
C Reserve Balance Funding	-	-	-
D Other Funding	303,200	-	303,200
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 840,325	\$ 302,038	\$ 1,142,363
F Non-Administrative Costs	715,325	177,038	892,363
G Administrative Costs	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 1,340,692	\$ 499,205	\$ 1,839,897

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Chowchilla Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L				M				Q	R				W				
											16-17A									16-17B								
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)				RPTTF					Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF			
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Bond Proceeds	Reserve Balance	Other Funds		Non-Admin	Admin	Bond Proceeds	Reserve Balance		Other Funds	Non-Admin	Admin	
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total																		
1	2005 TAX ANTICIPATION NOTES	Bonds Issued On or Before	10/4/2005	12/31/2039	US BANK	ANNUAL P&I PAYMENTS		\$ 6,625,000	N	\$ 1,839,897	\$ 197,167	\$ -	\$ 303,200	\$ 715,325	\$ 125,000	\$ 1,340,692	\$ 197,167	\$ -	\$ -	\$ 177,038	\$ 125,000	\$ 499,205						
3	PROPERTY TAX ADMIN FEES	Professional Services	1/1/2013	12/31/2039	MADERA COUNTY	PROPERTY TAX ADMIN FEES		\$ 6,625,000	N	\$ 512,601						\$ 350,813					\$ 161,788							
4	LEGAL FEES	Legal	9/28/2010	12/31/2039	COTA COLE	LEGAL FEES FOR ADMINISTRATION OF AGENCY			N	\$ 10,000					5,000	\$ 5,000					5,000	\$ 5,000						
5	LEGAL FEES - GREENHILLS/KWAN	Litigation	9/28/2010	12/31/2015	GOLDFARB, LIPMAN/COTA COLE	DEFENSE FROM PROPERTY OWNER SUIT			N	\$ -						\$ -						\$ -						
6	LEGAL FEES - HIGH SPEED RAIL	Litigation	9/28/2010	12/31/2015	WULFSBERG, REESE/COTA COLE	SUIT TO STOP PROPERTY VALUE LOSS			N	10,000				5,000		5,000				5,000		5,000						
7	LEGAL FEES - CDCR	Litigation	9/28/2010	12/31/2014	WULFSBERG, REESE/COTA COLE	SUIT TO STOP PRISON CONVERSION/BLIGHT			N																			
8	LEGAL FEES -ANTENUCCI'S	Litigation	9/28/2010	12/31/2014	COTA COLE	SUIT TO COLLECT ON LOAN OWED TO AGENCY			N	\$ -						\$ -						\$ -						
9	PROPERTY TAX	Miscellaneous	1/1/2010	12/31/2039	MADERA COUNTY	PARCEL TAX ON PROPERTY OPERATED BY AGENCY			N	\$ -						\$ -						\$ -						
11	PROPERTY DEVELOP/SALE FEES	Property Dispositions	1/1/2010	1/1/2020	CITY OF CHOWCHILLA	COSTS FOR PREPPING FOR SALE BY AGENCY			N	\$ -						\$ -						\$ -						
12	LIABILITY INSURANCE PREMIUM	Miscellaneous	1/1/2010	12/31/2039	CENTRAL SAN JOAQUIN VALLEY RMA	ANNUAL, PRORATED PREMIUM			N	\$ -						\$ -						\$ -						
13	BOND TRUSTEE FEES	Fees	12/1/2005	2/28/2038	US BANK	ANNUAL BOND TRUST ACCOUNT MTCE FEES			N	\$ 5,500				2,750		\$ 2,750				2,750		\$ 2,750						
14	ANNUAL BOND DISCLOSURE REPORTING	Fees	3/1/2007	1/15/2039	NBS	ANNUAL BOND DISCLOSURE REPORTING FEES			N	\$ -						\$ -						\$ -						
15	ANNUAL HOUSING REPORT FOR HCD	Fees	1/1/2007	12/31/2016	CITY OF CHOWCHILLA	TIME/MATERIALS FOR PREPARING REPORT			N																			
17	ANNUAL FINANCIAL AUDITS	Miscellaneous	2/8/2010	3/31/2013	PRICE, PAIGE / OTHERS	FEE FOR ON-GOING AUDIT OF SUCCESSOR AGY			N	\$ 8,000						\$ -						8,000	\$ 8,000					
18	ENVIRONMENTAL STUDY OF PARCEL	Improvement/Infrastructure	12/1/1996	6/30/2013	TECHNICON	EIR REPORT ON PARCEL TO BE SOLD			N	\$ -						\$ -						\$ -						
20	SETTLEMENT AGREEMENT FOR CFD	Litigation	3/27/2012	6/30/2013	COMMUNITY FACILITY DISTRICT	PYMT TO SETTLE OUTSTANDING OBLIGATION FOR PR YR ASSESS.			N	\$ -						\$ -						\$ -						
22	LOW/MOD HOUSING SUPPORT CONTRACT	Professional Services	7/25/2011	7/25/2014	SELF HELP ENTERPRISES	LOAN PORTFOLIO MANAGEMENT FEES AS GRANT MATCH			N																			
23	PARKING LOT IMPROVEMENTS	Improvement/Infrastructure	6/6/2008	12/31/2020	CITY OF CHOWCHILLA	FORMER RDA OBLIGATION TO CONSTRUCT PARKING SPACES			N																			
24	CURB/GUTTER/SIDEWALK PROJECT	Improvement/Infrastructure	10/21/2009	12/31/2016	VARIOUS VENDORS	1001 ROBERTSON BOULEVARD REPAIRS			N	\$ -						\$ -						\$ -						
25	STORMWATER PROJECT PAYMENT	Improvement/Infrastructure	1/1/2010	12/31/2020	VARIOUS VENDORS	COMMERCE AVENUE PROJECT			N																			
27	DOWNTOWN STREETSCAPE	Professional Services	1/1/2010	12/31/2020	VARIOUS VENDORS	PROJECT DESIGN WORK			N																			
29	SA ADMIN ALLOWANCE	Admin Costs	1/1/2010	12/31/2039	SA left payee empty	SA EMPLOYEE & ADMINISTRATIVE COST			N	\$ 232,000					120,000	\$ 120,000					112,000	\$ 112,000						
30	INFRASTRUCURE IMPROVEMENT	Improvement/Infrastructure	4/26/2013	12/31/2039	VARIOUS VENDORS	WELL#14 / METERS			N	\$ 394,334	197,167					\$ 197,167	197,167					\$ 197,167						
31	LONG TERM PROPERTY MANAGEMENT PLAN	Property Dispositions	10/26/2013	12/31/2039	VARIOUS VENDORS	PROPERTY MANAGEMENT			N	\$ 15,000				7,500		\$ 7,500				7,500		\$ 7,500						
32	LOAN REPAY TO GF	RPTTF Shortfall	5/15/2015	12/31/2030	CITY OF CHOWCHILLA	Reimbursement of Expense to GF			N	\$ 349,262						\$ 349,262						\$ -						
33	GREENHILLS HOLDINGS	Litigation	11/29/2013	9/8/2016	GREENHILLS HOLDINGS	PAYMENT TO SETTLE OUTSTANDING OBLIGATION			N	\$ 303,200			303,200			\$ 303,200						\$ -						
34									N	\$ -						\$ -						\$ -						
35									N	\$ -						\$ -						\$ -						
36									N	\$ -						\$ -						\$ -						
38									N	\$ -						\$ -						\$ -						
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71									N	\$ -						\$ -						\$ -						
72									N	\$ -						\$ -						\$ -						
73									N	\$ -						\$ -						\$ -						

Chowchilla Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	16-17A					16-17A Total	16-17B					16-17B Total	
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
74									N	\$ -						\$ -							\$ -
75									N	\$ -						\$ -							\$ -
76									N	\$ -						\$ -							\$ -
77									N	\$ -						\$ -							\$ -
78									N	\$ -						\$ -							\$ -
79									N	\$ -						\$ -							\$ -
80									N	\$ -						\$ -							\$ -
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82									N	\$ -						\$ -							\$ -
83									N	\$ -						\$ -							\$ -
84									N	\$ -						\$ -							\$ -
85									N	\$ -						\$ -							\$ -
86									N	\$ -						\$ -							\$ -
87									N	\$ -						\$ -							\$ -
88									N	\$ -						\$ -							\$ -

**Chowchilla Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [CASH BALANCE TIPS SHEET](#)

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)	191,224					385,936	This includes prepaid revenue rcvd in 14/15 FY for 15-16A period	
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015					109		Interest	
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)						404,882		
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 15-16A RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 191,224	\$ -	\$ -	\$ -	\$ 109	\$ (18,946)		
ROPS 15-16B Estimate (01/01/16 - 06/30/16)									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 191,224	\$ -	\$ -	\$ -	\$ 109	\$ (18,946)		
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016							- Have not received from CAC yet	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)					303,200	662,074		
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 -10)	\$ 191,224	\$ -	\$ -	\$ -	\$ (303,091)	\$ (681,020)	\$349,262.00 of \$662,074.00 is loan from GF	



REPORT TO THE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

Meeting of January 28, 2016

Agenda Section: New Business

SUBJECT: **Approval of Resolution of the Successor Agency Approving a Purchase and Sale Agreement with Madera Industrial Development Partnership for 26.28 acres of vacant real property located at Hwy. 99 and Chowchilla Boulevard**

Prepared By: Craig Locke, Engineer/Public Works Director

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

Authorize the Mayor to execute the Purchase and Sale Agreement and further authorize the City Administrator to take the steps necessary to implement the purchase and sale through escrow.

HISTORY / BACKGROUND:

The property, APN 022-250-053, is owned by the Successor Agency after it was re-acquired from Greenhills as part of a settlement. The property has been appraised at \$395,000, and on January 12 2016 the Successor Agency and the Board of Supervisors, approved the sale of parcel 022-250-053 to Madera Industrial Partnership (composed of Robert Sullivan and Steve Sagouspe). They have been negotiating with the City to acquire the property for well over a year. Through approval of the Successor Agency's Long Range Property Management Plan on December 30, 2015 (one of the required steps in the dissolution of RDA's throughout California), the Department of Finance has approved the sale of the property with the consent of the Oversight Board and without further Department of Finance review.

The Property has been vacant for some time.

SITUATION / ANALYSIS:

Staff believes this is an opportunity for development of a significant piece of property within the City, resulting in increased property taxes and other revenue.

Madera Industrial Partnership will acquire the property for commercial/industrial development. The terms of the sale are as follows: Purchase price - \$395,000 (appraised value) to be paid with 24 months upon successful development of the property. The full amount of development impact fees owing will be added to the final purchase prices. The Partnership will provide a Note and Deed of Trust securing payment on the property and with guaranties from each general partner for property taxes. The Buyer will pay all escrow costs. In the event no building permit has issued within a year, the deal will terminate, the property will be re-conveyed to the City at the Partnership's costs and the Partnership will be responsible for any accrued property taxes or liens.

FINANCIAL IMPACT:

The \$395,000 payment to the Successor Agency will be subject to disposition under the Dissolution Law

ATTACHMENTS:

Purchase Agreement

Oversight Board Resolution

**AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is made as of January 13, 2016 ("**Effective Date**"), by and between the CITY OF CHOWCHILLA for itself and as the SUCCESSOR AGENCY TO THE CHOWCHILLA REDEVELOPMENT AGENCY (collectively "**Seller**"), and the MADERA INDUSTRIAL DEVELOPMENT PARTNERSHIP, a California general partnership ("**Buyer**").

1. Property.

1.1 Seller is the owner of vacant land located on Chowchilla Blvd. in the City of Chowchilla also known as APN 022-250-053, and more particularly described on **Exhibit "A"** attached hereto, including all rights, easements, and privileges appurtenant to the real property (collectively, "**Real Property**" or "Property").

1.2 Seller is the City of Chowchilla/Successor Agency to the former Chowchilla Redevelopment Agency and pursuant to the requirements for dissolution of California Redevelopment Agencies (Health & Safety Code Sections 34171 et seq), Seller is required to transfer and dispose of real property, which sale has been approved by the Department of Finance as required by state law.

2. Sale of Property; Purchase Price.

2.1 Sale of Property. Seller shall sell the Property to Buyer, and Buyer shall purchase the Property from Seller, AS IS, WHERE IS, for the Purchase Price and on the terms and conditions of this Agreement.

2.2 Purchase Price. "Purchase Price" means the sum of Three Hundred Ninety Four Thousand, Two Hundred Dollars (\$395,000) plus any accrued and unpaid development fees. The Purchase Price shall be payable as follows:

2.2.1 Deposit. Within five (5) days of the opening of Escrow, Buyer shall deposit with Escrow Holder \$100. If Buyer fails to deliver the Deposit as required by this Agreement, this Agreement shall terminate. The Deposit shall be placed in an interest-bearing account. The Deposit together with any interest shall be credited toward the Purchase Price.

2.2.2 Promissory Note and Deed of Trust. Within 10 days after the execution of this Agreement, Seller shall deposit into Escrow the following documents in a form approved by Buyer: (i) a Promissory Note for the Purchase Price minus the Deposit and any interest on the Deposit, generally in the form attached as **Exhibit "B"** hereto (the "Note"); (ii) a long-form commercial Deed of Trust in the form to be provided by Escrow Holder and generally attached as **Exhibit "C"** hereto; (iii) a Personal Guaranty for any unpaid real property taxes and costs of reconveyance of the deed generally in the form attached as **Exhibit "D"** hereto. Seller may, in its sole and absolute discretion, assign any such documents.

2.3 Deposit for Escrow Costs. In addition, Buyer shall deposit into escrow the amount necessary to cover any and all escrow costs, as determined by Escrow Holder, in sufficient time for payment on or before the Closing Date.

3. Escrow. Within five (5) business days after both parties' execution of this Agreement (the "Effective Date"), Buyer shall open an escrow at Chicago Title Insurance Company, 1653 N Schnoor St, Madera, CA 93637 ("Escrow Holder") to consummate this transaction, which escrow shall have 120 calendar days to close after the Effective Date, or sooner ("Escrow"). This Agreement shall constitute escrow instructions. Additional Escrow instructions signed by Buyer and Seller shall be delivered to the Escrow Holder within five (5) business days from receipt thereof and shall provide for the requirements for closing.

4. Due Diligence:

4.1 Title. As soon as reasonably possible following the opening of Escrow, Buyer shall pay for a Preliminary Title Report on the subject property, together with full copies of all Exceptions set forth therein, including but not limited to covenants, conditions, restrictions, reservations, easements, rights and rights of way of record, liens, leases and other matters of record. Buyer shall provide a copy of the Preliminary Title Report to Seller. Buyer shall have fifteen (15) days after receipt of said Preliminary Title Report within which to notify Seller and Escrow in writing of Buyer's disapproval of any such Exceptions. In the event of such disapproval, Seller shall have until the time limit of closing of Escrow within which to attempt to eliminate any disapproved Exceptions from the Policy of Title Insurance to be issued in favor of Buyer. Failure of Buyer to disapprove any Exceptions within the above time limit shall be deemed an approval of said Preliminary Title Report. The Policy of Title Insurance shall be a California Land Title Association Standard Coverage Policy with a liability not exceeding the total purchase price and shall be paid for by Buyer.

4.2 Buyer's Due Diligence Inspections and Testing. The Due Diligence Period shall commence 10 days after the Effective Date and shall terminate 60 days later, unless otherwise extended by mutual agreement of the parties. For Escrow to close, before the expiration of the Due Diligence Period, Buyer in its sole and absolute discretion, must approve the physical, environmental and all other conditions of and matters relating to the Property, including but not limited to the suitability of the Property for Buyer's intended use, and all such other matters as Buyer may determine.

4.3 Entry on Property. Buyer shall have the right to enter upon the Property and perform physical inspections, testing, evaluations, studies, analyses and investigations, during normal business hours after providing Seller with reasonable advance notice. Buyer may conduct invasive testing of the Property. Buyer shall use care and consideration in connection with any of its inspections or tests and Seller shall have the right to be present during any inspection and testing of the Property.

Buyer shall indemnify, defend and hold harmless Seller and Seller's officers, directors, employees and agents from any and all claims, damages, liens, stop notices, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs, caused by Buyer's inspection and testing of the Property.

4.4 Due Diligence Materials. By the beginning of the Due Diligence Period, Seller shall make available to Buyer copies of all non-confidential documents and information

that Seller has in its possession regarding the Property ("Due Diligence Materials"). Such materials are provided without any warranty as to accuracy and Buyer must make an independent verification of their contents.

4.5 Natural and Environmental Disclosures: Seller shall deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet and disclose if property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and disclose any other zone as required by Law and provide any other information required for those zones.

4.6 As Is, Where Is. Buyer acknowledges and agrees that it is purchasing the Property based solely upon Buyer's inspection and investigation of the Property and all documents related thereto or, its opportunity to do so, and Buyer is purchasing the Property in an "AS IS, WHERE IS" condition without relying upon any representations or warranties, express, implied or statutory of any kind.

Without limiting the generality of the foregoing, except as expressly provided in this Agreement, Buyer hereby expressly waives, releases and relinquishes any and all claims, causes of action, rights and remedies Buyer may now or hereafter have against Seller and the officers, attorneys, employees, and agents of Seller, whether known or unknown under any environmental law, common law, in equity or otherwise with respect to (1) any past, present or future presences or existence of Hazardous Materials on, under or about the Property (including, without limitation, in the groundwater underlying the Property) or (2) any past, present or future violations of any environmental laws. The waivers and releases by Buyer herein contained shall survive the Close of Escrow and the recordation of the Grant deed and shall not be deemed merged into the Grant deed upon its recordation.

5.0 Close of Escrow: Escrow shall close upon the satisfaction of all conditions required by the escrow instructions.

5.1 Disclosures. Buyer and Seller shall provide the necessary disclosures under The Foreign Investment in Real Property Tax Act of 1984 and any other forms requested by Escrow Holder.

5.2 Prorations. Taxes, if any, shall be prorated as of the date of recordation of the deed to Buyer. Buyer shall pay the costs of Revenue Stamps and Buyer shall pay all of the Escrow Fees and Title Insurance.

5.3 Grant deed. Upon Close of Escrow, Seller shall convey title to the Property to Buyer by Grant deed in the form set out on **Exhibit "E"** attached hereto and incorporated herein by this reference ("Grant deed"), subject to the certain conditions of title. The deed shall include the transfer of any and all mineral rights on the Property that are owned by Seller.

5.4 Vesting. Seller shall deliver Property to Buyer on close of escrow.

5.5 Agency. Robert Sullivan Real Estate Advisors, Inc. and Sagouspé Real Estate, Inc. are the agents exclusively of Buyer. No commission is owed.

6.0 Remedies/Liquidated Damages. If Buyer fails to complete said purchase as herein provided by reason of any default of Buyer, Seller shall be released from his obligation to sell the property to Buyer and may proceed against Buyer upon any claim or remedy which he may have in law or equity; provided, however, that by placing their initials here. Buyer: () Seller: ().

Buyer and Seller agree that it would be impractical or extremely difficult to fix actual damages in case of Buyer's default, that the amount of the deposit is a reasonable estimate of the damages, and that Seller shall retain the Deposit as its sole right to damages.

7. Notices. All notices provided for in this Agreement shall be in writing and shall be effective when delivered to the recipient by personal delivery or by a commercial delivery service, or three (3) business days after deposit in a sealed envelope in the United States mail, postage prepaid, by registered or certified mail, return receipt requested sent to the addresses set out below. All notices to Escrow Holder shall be sent to Escrow Holder's Address.

Buyer: Madera Industrial Development Partnership
Robert Sullivan

Seller: City of Chowchilla/Successor Agency
130 South Second Street
Chowchilla, CA 93610

8. Amendment. This Agreement along with any exhibits or addenda attached hereto shall constitute the entire Agreement between Seller and Buyer and supersedes any and all prior written or oral agreements between and among the parties and their agents, all of which are merged into or revoked by this Agreement. No waiver by Buyer or Seller of any of the terms or conditions of this Agreement shall be a continuing waiver thereof.

9. Third Parties. This Agreement is entered into for the sole benefit of Buyer and Seller and their respective permitted successors and assigns. No party other than Buyer and Seller and such permitted successors and assigns shall have any right of action under or rights or remedies by reason of this Agreement.

10. Additional Documents. Each party agrees to perform any further acts and to execute and deliver such further documents that may be reasonably necessary to carry out the terms of this Agreement. Any Addendum attached hereto and either signed or initialed by both the Buyer and Seller shall be deemed a part hereof.

11. Assignment. Buyer may assign this Agreement or any interest therein or a controlling interest in Buyer only with Seller's prior written consent, which consent will not unreasonably withheld. Without being relieved of any liability under the contract resulting from Seller's acceptance of this offer, Buyer reserves the right to take title to the subject property in a name other than as shown above.

12. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

13. Attorneys' Fees. In any action or proceeding arising out of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs as determined by the Court. This provision shall survive termination of this Agreement.

IN WITNESS WHEREOF, Buyer and Seller do hereby execute this Agreement as of the date first written above.

SELLER: CITY/SUCCESSOR AGENCY

By: _____
Printed Name: _____
Title: _____

BUYER:

**MADERA INDUSTRIAL DEVELOPMENT
PARTNERSHIP**

By: _____
Printed Name: _____
Title: _____

APPROVED AS TO FORM:

COTA COLE LLC

By: _____
David Ritchie, City Attorney

Acceptance by Escrow Holder

Escrow Holder acknowledges receipt of the foregoing Agreement and accepts the instructions contained therein.

Dated: _____

Chicago Title Insurance Company

By: _____

Name: _____

Title: _____

EXHIBIT LIST

EXHIBIT "A"	Real Property Legal Description
EXHIBIT "B"	Promissory Note
EXHIBIT "C"	Deed of Trust – long form commercial provided by Escrow
EXHIBIT "D"	Personal Guaranty
EXHIBIT "E"	Grant Deed

Grant

EXHIBIT "A"

REAL PROPERTY LEGAL DESCRIPTION

Real property located in the County of Madera, State of California, described as follows:

(To Be Inserted)

Grant

EXHIBIT "B"

PROMISSORY NOTE

PROMISSORY NOTE

Madera Industrial Development Partnership

RATE OF INTEREST	MATURITY DATE	ISSUE DATE
3%	, 2018	

HOLDER: **CITY OF CHOWCHILLA/CHOWCHILLA SUCCESSOR AGENCY**

PRINCIPAL AMOUNT: **\$395,000 as may be increased herein**

Madera Industrial Development Partnership, a California, a California general partnership (the “Borrower”), for value received, hereby promises to pay to the City of Chowchilla/Successor Agency to the Chowchilla Redevelopment Agency, duly organized and existing pursuant to Health & Safety Code Section 31473 (“Lender”) or order (the “Holder”), the principal amount of Three Hundred Ninety Five Thousand Dollars (\$395,000), as that may be increased over time pursuant to this note, plus interest as set out herein, pursuant to the Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, by and between Borrower and Lender. This Note shall be paid in full on the Maturity Date, as that may be extended from time to time as set out herein, except to the extent prepayment in whole or in part has been sooner made.

1. Borrower shall pay the principal plus interest in accordance with the terms hereinafter set forth:

- (a) In the event that on the one year anniversary date of the Note, Buyer has not obtained any valid and current building permit and commenced construction of a minimum 124,800 sq. ft. commercial building on the Property, the Note shall be cancelled. Buyer shall reconvey the Property to Seller. Seller shall retain the Property and Deposit, and Buyer shall have no further obligation except for the payment of any Property Taxes, reconveyance costs and the amount to remove any other liens against the Property, which shall become a personal obligation of Robert Sullivan and Steve Sagouspe.
- (b) Payment in full under the Note shall be due at the earlier of (i) 24 months after its execution on the Closing Date as defined in the Purchase and Sale Agreement; or (ii) six months after the date of any occupancy in a commercial building of at least 124,800 sq. ft. constructed on the Property.
- (c) The principal balance of the Note shall not bear interest except as provided below.

- (d) In addition to the initial principal balance of the Note, the following additional amounts shall be added to such principal amount: all City commercial development fees pursuant to the adopted City fee schedule in effect on the date on which they are due pursuant to City ordinance, policy or state law.
- (e) The payment date may be extended for two extensions of four (4) months each with prior written agreement of Holder at least 90 days in advance of the due date for payment. The date after the final day of any extension period shall be the "Maturity Date."
- (f) On the Maturity Date, Borrower shall pay to the Holder at the Payment Address the outstanding principal amount of this Note, all accrued and unpaid interest and all other amounts due and payable by Borrower to the Holder.
- (g) All payments shall be made in lawful money of the United States of, to the Holder, or order, at Madera, California, or to such other address or to such account and in such manner as the Holder shall direct in writing to Borrower (the "Payment Address").
- (h) Borrower may, without penalty, prepay all or any portion of this Note. Any payment made shall be credited first to the payment of any late charges or interest owing, then to accrued interest and thereafter to the payment of principal.

2. If full payment is not made on the Maturity Date, without further notice or demand by the Holder, Borrower shall pay a late charge in an amount equal to 10 % of the delinquent payment due and owed to Holder (the "Late Charge"). In addition, the Note shall bear interest at the rate of 3% per year, compounded monthly, until such amount is paid in full to the Holder (the "Default Interest Rate.") Borrower and Holder agree that this late charge and Default Interest Rate represent a reasonable sums considering all of the circumstances existing on the date hereof and represents a fair and reasonable estimate of the costs that Lender will incur by reason of late payment. Borrower and Holder further agree that proof of actual damages would be costly and inconvenient. Acceptance of any payments of the late charge or Default Interest Rate shall not constitute a waiver of a default with respect to the overdue payment and shall not prevent Lender from exercising any of the other rights available hereunder or any other Loan Document. Such Default Interest Rate shall be paid without prejudice to any rights of Holder.

3. After the Maturity Date, if full payment has not been made, the Holder may accelerate payment of the outstanding principal amount of the Note, all accrued and unpaid interest and all other amounts due and payable by Borrower to the Holder under this Note and thereafter immediately may declare an Event of Default under this Note and the Deed of Trust.

4. This Note is secured by a first Deed of Trust of the same date as this Note, executed by Borrower as trustor, in favor of Holder, as beneficiary the "Deed of Trust", and encumbering the real property described in the Deed of Trust ("Property"). The Holder of this Note will be entitled to the benefits of the security provided by the Deed of Trust and will have the right to enforce the covenants and agreements of Borrower contained in the Deed of Trust.

5. Borrower will pay to Holder all sums owing under this Note without deduction, offset, or counterclaim of any kind. The relationship of Borrower and Holder under this Note is solely that of borrower and lender or holder, and the loan evidenced by this Note and secured by the Deed of Trust will in no manner make Lender the partner or joint venturer of Borrower.

6. No previous waiver or failure or delay by Lender or Holder in acting with respect to the terms of this Note or the Deed of Trust will constitute a waiver of any breach, default, or failure of condition under this Note or the Deed of Trust. A waiver of any term of this Note or the Deed of Trust must be made in writing and will be limited to the express written terms of the waiver. If there are any inconsistencies between the terms of this Note and the terms of the Agreement for Purchase and Sale, the terms of this Note will prevail.

7. This Note, when delivered, shall constitute a legal, valid and binding obligation of Borrower, enforceable in accordance with its terms.

8. This Note and the Deed of Trust constitute the entire understanding and agreement of the parties as to the matters set forth herein and therein. No alteration of or amendment to this Note shall be effective unless given in writing and signed by the Holder and Borrower.

9. If a court of competent jurisdiction finds any provision of this Note to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed modified to be within the limits of enforceability or validity; provided, however, in the event that the offending provision cannot be so modified, it shall be stricken and all other provisions of this Note in all respects shall remain valid and enforceable.

10. Should an Event of Default occur, with or without the filing of any legal action or proceeding, Borrower will immediately pay to Lender on demand all attorneys' fees and other costs incurred by Lender, together with interest from the date of the demand until paid at the Default Interest Rate.

IN WITNESS WHEREOF, Borrower has caused the Note to be executed as of this ____ day of _____, 20__.

MADERA INDUSTRIAL DEVELOPMENT
PARTNERSHIP

By: _____

Robert Sullivan, its General Partner

By: _____

Steve Sagouspe, its General Partner

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Madera Industrial Development Partnership
2801 Airport Drive, Suite 1
Madera, CA 93637

MAIL TAX STATEMENTS TO

Same as above

Recorded fee exempt pursuant to Govt. Code Section 6103

(Space Above For Recorder's Use)

GRANT DEED

COUNTY OF MADERA,

STATE OF CALIFORNIA

ANY DOCUMENTARY TRANSFER TAX IS SHOWN BY SEPARATE AFFIDAVIT NOT OF RECORD.

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the Successor Agency to the City of Chowchilla Redevelopment Agency, a California public agency organized and operated pursuant to Health & Safety Code Section 34177, ("Grantor") hereby GRANTS to MADERA INDUSTRIAL DEVELOPMENT PARTNERSHIP, ("Grantee") the real property in the County of Madera , State of California, described on **Exhibit "1"** attached hereto and incorporated herein by this reference (the "Property").

SUBJECT TO all defects, exceptions, restrictions, easements, rights of way and encumbrances set forth on **Exhibit "2"** attached hereto (collectively, the "**Permitted Exceptions**").

Dated: _____

SUCCESSOR AGENCY

By: _____

ATTACH NOTARY JURAT

Grant

EXHIBIT "1" TO EXHIBIT "E"

Real property located in the County of Madera, State of California, described as follows:

(To Be Inserted)

EXHIBIT "2" TO EXHIBIT "E"

AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

By and Between

THE SUCCESSOR AGENCY TO THE
CITY OF CHOWCHILLA REDEVELOPMENT AGENCY

as Seller

and

MADERA INDUSTRIAL DEVELOPMENT PARTNERSHIP

as Buyer

Dated as of _____, 201_

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REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD RESOLUTION # -16

A RESOLUTION OF THE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD OF THE CITY OF CHOWCHILLA, CALIFORNIA APPROVING A PURCHASE AND SALE AGREEMENT WITH MADERA INDUSTRIAL DEVELOPMENT PARTNERSHIP FOR THE PURCHASE OF APN 022-250-053 AND UPON OVERSIGHT BOARD APPROVAL, AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE SUCH DOCUMENTS AND TAKE ANY AND ALL OTHER NECESSARY ACTIONS TO CARRY OUT SUCH PURCHASE AND SALE AND CONFIRMING A CEQA EXEMPTION

WHEREAS, the City of Chowchilla acting as the Successor Agency is the owner of a vacant 26.28 acre parcel, APN 022-250-053, located at Hwy. 99 and Chowchilla Boulevard (the "Property") that the Department of Finance has approved for sale through the Long Range Property Management Plan with the consent of the Oversight Board; and

WHEREAS, since 2014, the City has been negotiating with Madera Industrial Development Partnership for its acquisition and development of such property for commercial and/or industrial uses; and

WHEREAS, Madera Industrial Development Partnership is a general partnership composed of long-time local real estate professionals, Robert Sullivan and Steve Sagouspe; and

WHEREAS, the Successor Agency has obtained an appraisal of the Property made the Partnership (or "Buyer") has made an offer to purchase the Property for that appraised prices; and

WHEREAS, pursuant to the terms of such offer, the Successor Agency staff, working with the Buyer, has prepared the Purchase and Sale Agreement and Joint Escrow Instructions attached as Exhibit A to this Resolution as if fully set forth herein (the Purchase and Sale Agreement); and

WHEREAS, such Purchase and Sale Agreement has been reviewed by and is acceptable to Buyer, who will open escrow upon its execution by both parties; and

WHEREAS, this Agreement is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Guidelines Sections 15160 (c) and 15061(b)(3) because it is not likely to result in any direct or reasonably foreseeable indirect change in the physical environment.

NOW, THEREFORE, the City Council of the City of Chowchilla, acting as the Successor Agency to the City's Redevelopment Agency, does resolve and order as follows:

1. The Recitals set out above are true and correct.
2. The Successor Agency has reviewed and approves the Purchase and Sale Agreement and Joint Escrow instructions attached as Exhibit "A" to this Resolution.
3. The Successor Agency authorizes the Mayor as the Chair of the Successor Agency or the City Administrator as staff to the Successor Agency to execute the Agreement and further authorizes the City Administrator to take any and all necessary action to implement the provisions thereof and of this Resolution.

4. The Successor Agency confirms that this action is exempt from CEQA and directs the filing of a Notice of Exemption.

PASSED AND ADOPTED by the City of Chowchilla Redevelopment Successor Agency Oversight Board this 28th day of January, 2016 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Chair Stell Manfredi

ATTEST:

Joann McClendon, CMC
Board Clerk