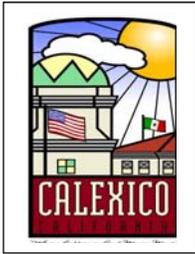


**REVISED**



# AGENDA STAFF REPORT (Successor Agency)

**DATE:** April 3, 2019

**TO:** Successor Agency Board Members

**APPROVED BY:** David B. Dale, City Manager/Executive Director

**PREPARED BY:** Miguel Figueroa, Assistant City Manager

**SUBJECT:** Approval of a Purchase and Sale Agreement between the Successor Agency and Ruben Tercero Ramirez Regarding 220 Avenida Campillo, Calexico, California 92231 (APN 058-061-009)

=====

**Recommendation:**

Adopt a resolution approving the Purchase and Sale Agreement and Joint Escrow Instructions between the Successor Agency to the Community Redevelopment Agency of the City of Calexico and Ruben Tercero Ramirez with respect to the real property located at 220 Avenida Campillo, Calexico, California 92231 (APN 058-061-009), and approving certain related actions.

**Background:**

Pursuant to Health and Safety Code (the "HSC") § 34172 (a) (1), the Community Redevelopment Agency of the City of Calexico was dissolved on February 1, 2012. Consistent with the provisions of the HSC, the City Council of the City of Calexico elected to serve in the capacity of the Successor Agency to the Community Redevelopment Agency of the City of Calexico (the "Successor Agency"). Pursuant to HSC § 34179, the Successor Agency previously established the Calexico Oversight Board to assist in the wind-down of the former redevelopment agency through June 30, 2018, at which time it was dissolved by operation of law. Consistent with HSC § 34179 (j), on July 1, 2018 the Imperial Countywide Oversight Board (the "CWOB") was established to assist in winding-down the dissolved redevelopment agencies within the County of Imperial.

**Discussion & Analysis:**

On May 7, 2015, the Calexico Oversight Board adopted its Resolution No. 2015-04-OB approving the Successor Agency's Amended Long-Range Property Management Plan (the "LRPMP"). On June 17, 2015, DOF formally approved the Successor Agency's LRPMP and notified the Successor Agency that pursuant to HSC § 34191.3, the approved LRPMP shall govern and supersede all other provisions of the HSC relating to the disposition and use of all the real property assets of the former redevelopment agency. The approved LRPMP, which addresses the disposition and use of the real property assets held by the Successor Agency, includes nine (9) parcels of land grouped into six (6) separate sites, of which three (3) sites have already been sold or transferred to the City, leaving three (3) sites (one site zoned

General Industrial and two sites zoned Commercial Highway) to be sold pursuant to the approved LRPMP (the "Successor Agency Properties")..

The Successor Agency is the owner of that certain real property located at 220 Avenida Campillo, Calexico, California (APN 058-061-009) (the "Property"). Within the LRPMP, the Property is: i) identified as Site No. 3; (ii) described as an approximately 1.0-acre vacant industrial lot zoned General Industrial; iii) designated for sale; and iv) more fully described in Exhibit "A" to the attached Resolution, which is an excerpt from the LRPMP.

On January 23, 2019, the Successor Agency Board approved a Listing Agreement with Faris Lee Investments, Inc. ("Faris Lee") to list for sale two (2) Successor Agency Properties. As a part of the Faris Lee Listing Agreement, Faris Lee is required to prepare a Broker's Opinion of Value (the "BOV") for each Successor Agency property that is to be sold. Based on past practice, the DOF has acknowledged that BOVs are an acceptable method and basis for confirming that the value of real property being sold is fair and reasonable.

In response to Faris Lee's listing of the Property, Faris Lee received, thoroughly reviewed, and vetted one (1) offer to purchase the Property. On March 6, 2019, Ruben Tercero Ramirez offered to purchase the Property for \$163,350 (the "Purchase Price"). A copy of the offer is attached to the Resolution as Exhibit "B". Faris Lee has confirmed that Mr. Ramirez is a credible buyer, capable of purchasing the Property, and has recommended that the Successor Agency consider Mr. Ramirez's purchase offer. On March 21, 2019, Faris Lee submitted its BOV, indicating its opinion that the market value of the Property is \$133,962 (the "BOV Market Value") and in consideration that the Purchase Price exceeds the BOV Market Value by \$29,388, or 18%, it may be concluded that the purchase price offered by Mr. Ramirez for the Property is fair and reasonable, as more fully described within the BOV, a copy of which is attached to the Resolution as Exhibit "C".

Approval of the attached Resolution will approve the Purchase and Sale Agreement and Joint Escrow Instructions (the "Purchase and Sale Agreement") between the Successor Agency and Mr. Ramirez with respect to the Property, a copy of which is attached to the Resolution as Exhibit "D", and authorize certain related actions. Consistent with the provisions of the HSC and the LRPMP, the effectiveness of the Purchase and Sale Agreement is subject to the approval of the CWOB and review by DOF.

The attached Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (the "CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, § 15000 *et seq.*, hereafter the "CEQA Guidelines"), and the City's environmental guidelines. This Resolution does not constitute a "project" for purposes of CEQA, as that term is defined by CEQA Guidelines § 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378 (b) (5) of the CEQA Guidelines.

**Fiscal Impact:**

Once the Property is sold, the Successor Agency will transfer the net Purchase Price sale proceeds to the Imperial County Auditor-Controller that will in turn divide and pay over the net Purchase Price sale proceeds to the affected taxing entities in proportion to their respective shares of the 1% general tax levy, which will include the City.

**Coordinated With:**

Steven H. Dukett, Managing Director, Urban Futures, Inc.

**AGENDA  
ITEM**

**Attachment:**

Resolution (including its Exhibits A, B, C, and D as referenced above)

## **RESOLUTION NO. 2019-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO ACTING AS THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO APPROVING THE PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BETWEEN THE SUCCESSOR AGENCY AND RUBEN TERCERO WITH RESPECT TO THE REAL PROPERTY LOCATED AT 220 AVENIDA CAMPILLO, CALEXICO, CALIFORNIA (APN 058-061-009), AND APPROVING CERTAIN RELATED ACTIONS**

**WHEREAS**, pursuant to Health and Safety Code (the “HSC”) § 34172 (a) (1), the Community Redevelopment Agency of the City of Calexico was dissolved February 1, 2012; and

**WHEREAS**, consistent with the provisions of the HSC, on January 10, 2012, the City Council of the City of Calexico elected to serve as the Successor Agency to the Community Redevelopment Agency of the City of Calexico (the “Successor Agency”); and

**WHEREAS**, pursuant to HSC § 34179, the Successor Agency previously established the Calexico Oversight Board to assist in the wind-down of the former redevelopment agency through June 30, 2018, at which time it was dissolved by operation of law; and

**WHEREAS**, consistent with HSC § 34179 (j), on July 1, 2018 the Imperial Countywide Oversight Board (the “CWOB”) was established to assist in winding-down the dissolved redevelopment agencies within the County of Imperial; and

**WHEREAS**, on May 7, 2015, the Calexico Oversight Board adopted its Resolution No. 2015-04-OB approving the Successor Agency’s Amended Long-Range Property Management Plan (the “LRPMP”); and

**WHEREAS**, On June 17, 2015, DOF formally approved the Successor Agency’s LRPMP and notified the Successor Agency that pursuant to HSC § 34191.3, the approved LRPMP shall govern and supersede all other provisions of the HSC relating to the disposition and use of all the real property assets of the former redevelopment agency; and

**WHEREAS**, the approved LRPMP, which addresses the disposition and use of the real property assets held by the Successor Agency, includes nine (9) parcels of land grouped into six (6) separate sites, of which three (3) sites have already been sold or transferred to the City, leaving three (3) sites (one site zoned General Industrial and two sites zoned Commercial Highway) to be sold pursuant to the approved LRPMP (the “Successor Agency Properties”); and

**WHEREAS**, the Successor Agency is the owner of that certain real property located at 220 Avenida Campillo, Calexico, California (APN 058-061-009) (the “Property”); and

**WHEREAS**, within the LRPMP, the Property is: i) identified as Site No. 3; (ii) described as an approximately 1.0-acre vacant industrial lot zoned General Industrial; iii) designated for sale; and iv) more fully described in Exhibit "A" attached hereto, which is an excerpt from the LRPMP; and

**WHEREAS,** on January 23, 2019, the Successor Agency Board approved a Listing Agreement with Faris Lee Investments, Inc. (“Faris Lee”) to list for sale two (2) of the Successor Agency Properties; and

**WHEREAS,** as a part of the Faris Lee Listing Agreement, Faris Lee is required to prepare a Broker’s Opinion of Value (the “BOV”) for each Successor Agency property that is to be sold; and

**WHEREAS,** based on past practice, the DOF has acknowledged that BOVs are an acceptable method and basis for confirming that the value of real property being sold is fair and reasonable; and

**WHEREAS,** in response to Faris Lee’s listing of the Property, Faris Lee received, thoroughly reviewed, and vetted one (1) offer to purchase the Property; and

**WHEREAS,** on March 6, 2019, Ruben Tercero Ramirez offered to purchase the Property for \$163,350 (the “Purchase Price”) (a copy of the offer is attached to this Resolution as Exhibit “B”); and

**WHEREAS,** Faris Lee has confirmed that Mr. Ramirez is a credible buyer, capable of purchasing the Property, and has recommended that the Successor Agency consider Mr. Ramirez’s purchase offer; and

**WHEREAS,** on March 21, 2019, Faris Lee submitted its BOV, indicating its opinion that the market value of the Property is \$133,962 (the “BOV Market Value”); and

**WHEREAS,** in consideration that the Purchase Price exceeds the BOV Market Value by \$29,388, or 18%, it may be concluded that the purchase price offered by Mr. Ramirez for the Property is fair and reasonable, as more fully described within the BOV, a copy of which is attached to this Resolution as Exhibit “C”; and

**WHEREAS,** this Resolution will approve the Purchase and Sale Agreement and Joint Escrow Instructions (the “Purchase and Sale Agreement”) between the Successor Agency and Mr. Ramirez with respect to the Property, a copy of which is attached to this Resolution as Exhibit “D”, and authorize certain related actions; and

**WHEREAS,** consistent with the provisions of the HSC and the LRPMP, the effectiveness of the Purchase and Sale Agreement is subject to the approval of the CWOB and review by DOF; and

**WHEREAS,** this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (the “CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, § 15000 *et seq.*, hereafter the “CEQA Guidelines”), and the City’s environmental guidelines; and

**WHEREAS,** this Resolution does not constitute a “project” for purposes of CEQA, as that term is defined by CEQA Guidelines § 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378 (b) (5) of the CEQA Guidelines; and

**WHEREAS,** all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF CALEXICO, AS FOLLOWS:**

- Section 1.** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The Purchase Price for the Property is determined to be fair and reasonable.
- Section 3.** The Purchase and Sale Agreement between the Successor Agency and Ruben Tercero Ramirez, for the purchase and sale of the Property, attached hereto as Exhibit “D”, is approved
- Section 4.** On behalf of the Successor Agency, the City Manager, in the capacity as Executive Director of the Successor Agency, or designee, is authorized and directed to execute the Purchase and Sale Agreement and the grand deed, the form of which is attached to the Purchase and Sale Agreement, and to take such other actions and execute such other documents as are necessary to effectuate and close the purchase and sale of the Property and as may otherwise be required to fulfill the intent of this Resolution.
- Section 5.** This Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines § 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378 (b)(5) of the Guidelines.
- Section 6.** This Resolution shall take effect upon the date of its adoption.

**[SIGNATURES FOLLOW ON NEXT PAGE]**

**PASSED AND ADOPTED** by the City Council of the City of Calexico at a regular meeting held on this 3<sup>rd</sup> day of April, 2019, by the following vote:

**AYES:**

**NAYS:**

**ABSENT:**

**RECUSED:**

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Gabriela T. Garcia, City Clerk

\_\_\_\_\_  
Lewis Pacheco, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Carlos Campos, City Attorney