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SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO

2344 Tulare Street, Suite 200 / Fresno, CA 93721
(559) 621-7600
(559) 498-1870 (Fax)

Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Fresno

Executive Director
Marlene Murphey

Chair
Alan Hofmann

Members
Jeff Becker
Larry Hodges
Debbie Poochigian
Doug Vagim
Rene Watahira
Larry Westerlund

AGENCY BRIEFING REPORT

Date:	November 16, 2016
To:	Oversight Board Members
From:	Andrew Sanchez
Through:	Marlene Murphey
Subject:	Agenda Item IV. – 1.

- PROPERTY: LRPMP #9 is approximately 3.7 acres located at 46 E. Florence Ave. (APN 477-161-16T). The property was previously appraised in September 2014 for $140,000. The updated recent appraisal values the property at $81,000. This is the third time this parcel has come before the Oversight Board. At the meeting of August 24, 2016, staff was directed to reduce the minimum bid price 25% to $60,750 and re-market the property.

- BACKGROUND: Updated appraisals were obtained for parcels with value above $30,000. Environmental Assessments were obtained pursuant to the Property Disposition Guidelines (PDG). On February 5, 2016 the property was listed on LoopNet.com, the leading online commercial real estate marketing website. The disposition method was changed to Auction (method C) in accordance with the direction given by the Board at the meeting of June 8, 2016. Also, by February 5, 2016 a freestanding highly visible billboard sign was placed on the site. The LoopNet

listing contained an excerpt from the PDG which describes the auction process. In addition, each LoopNet listing contains attachments that include the PDG, draft PSA, environmental documents, and location map.

- Sealed Bids for the subject property were due by 5:00 PM November 15, 2016. As of that date, the property had been listed on LoopNet and had highly visible on-site signage for approximately 284 days. The Successor Agency's website also provided information including the PDG and Long Range Property Management Plan (LRPMP). The properties were posted in the local newspaper once a week for six successive weeks prior to the November auction date. The notice (see attached) identified bid submission time and place and the time and place of the auction. As of November 10, 2016, the Agency had responded to over four hundred inquiries on all properties including those in the current group of properties slated for the auction of November 16, 2016. On November 4, 2016 an email was sent to area commercial real estate brokers that provided the newspaper auction listing including a link to the Agency website, the LoopNet listing of all Agency property for sale and links to the individual properties to be auctioned on November 16, 2016. In addition, on November 4, 2016 the Agency sent to all interested parties a courtesy email notice identical to that sent to area brokers. Subsequently, on November 10, 2016 a courtesy reminder was sent to all area brokers and all interested parties.

Attachments: Summary Appraisal
LoopNet Listing
Newspaper Notice
Draft PSA
Draft Resolution
Bidders List Spreadsheet
Oral Bids Spreadsheet

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AGENCY BRIEFING REPORT

Date:	November 16, 2016
To:	Oversight Board Members
From:	Andrew Sanchez
Through:	Marlene Murphey
Subject:	Agenda Item IV. – 2.

- PROPERTY: LRPMP #19 is approximately 1.01 acres located at 4648 E. Kings Canyon Rd. (APNs 470-081-03T, -04T, -05T, and -06T). The property was previously appraised in August 2014 for $220,000. The updated recent appraisal values the property at $240,000. This is the second time this parcel has come before the Oversight Board.

- BACKGROUND: Updated appraisals were obtained for parcels with value above $30,000. Environmental Assessments were obtained pursuant to the Property Disposition Guidelines (PDG). On June 3, 2016 the property was listed on LoopNet.com, the leading online commercial real estate marketing website. The disposition method was changed to Auction (method C) in accordance with the direction given by the Board at the meeting of June 8, 2016. Also, by June 3, 2016 a freestanding highly visible billboard sign was placed on the site. The LoopNet listing contained an excerpt from the PDG which describes the auction process. In addition,

each LoopNet listing contains attachments that include the PDG, draft PSA, environmental documents, and location map.

- Sealed Bids for the subject property were due by 5:00 PM November 15, 2016. As of that date, the property had been listed on LoopNet and had highly visible on-site signage for approximately 165 days. The Successor Agency's website also provided information including the PDG and Long Range Property Management Plan (LRPMP). The properties were posted in the local newspaper once a week for six successive weeks prior to the November auction date. The notice (see attached) identified bid submission time and place and the time and place of the auction. As of November 10, 2016, the Agency had responded to over four hundred inquiries on all properties including those in the current group of properties slated for the auction of November 16, 2016. On November 4, 2016 an email was sent to area commercial real estate brokers that provided the newspaper auction listing including a link to the Agency website, the LoopNet listing of all Agency property for sale and links to the individual properties to be auctioned on November 16, 2016. In addition, on November 4, 2016 the Agency sent to all interested parties a courtesy email notice identical to that sent to area brokers. Subsequently, on November 10, 2016 a courtesy reminder was sent to all area brokers and all interested parties.

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Date:	November 16, 2016
To:	Oversight Board Members
From:	Andrew Sanchez
Through:	Marlene Murphey
Subject:	Agenda Item IV. – 3.

- PROPERTY: LRPMP #37 is approximately 2.81 acres located at 1903 Mariposa (APN 466-215-20T). The property was previously appraised in August 2014 for $1,650,000. The updated recent appraisal values the property at $1,800,000.

- BACKGROUND: Updated appraisals were obtained for parcels with value above $30,000. Environmental Assessments were obtained pursuant to the Property Disposition Guidelines (PDG). On June 30, 2016 the property was listed on LoopNet.com, the leading online commercial real estate marketing website. The Auction method C was used in accordance with the direction given by the Board at the meeting of June 8, 2016. Also, by June 30, 2016 a freestanding highly visible billboard sign was placed on the site. The LoopNet listing contained an excerpt from the PDG which describes the auction process. In addition, each LoopNet listing contains attachments that include the PDG, draft PSA, environmental documents, and location map.

- Sealed Bids for the subject property were due by 5:00 PM November 15, 2016. As of that date, the property had been listed on LoopNet and had highly visible on-site signage for approximately 138 days. The Successor Agency's website also provided information including the PDG and Long Range Property Management Plan (LRPMP). The properties were posted in the local newspaper once a week for six successive weeks prior to the November auction date. The notice (see attached) identified bid submission time and place and the time and place of the auction. As of November 10, 2016, the Agency had responded to over four hundred inquiries on all properties including those in the current group of properties slated for the auction of November 16, 2016. On November 4, 2016 an email was sent to area commercial real estate brokers that provided the newspaper auction listing including a link to the Agency website, the LoopNet listing of all Agency property for sale and links to the individual properties to be auctioned on November 16, 2016. In addition, on November 4, 2016 the Agency sent to all interested parties a courtesy email notice identical to that sent to area brokers. Subsequently, on November 10, 2016 a courtesy reminder was sent to all area brokers and all interested parties.

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Subject:	Agenda Item V.

Pursuant to the Board's action on October 19th 2016, the Agenda provides for action regarding the method of disposition to be used for Parking Lot 2 with the actual disposition of the property to come back at a later date. The range of options include:

1. Property Disposition Guideline (PDG) methods:
   A. Open Market Solicitation;
   B. Request for Offer to Purchase including Proposed Development;
   C. Auction; or

2. Waive the Property Disposition Guidelines and bring back a Purchase and Sale Agreement for direct sale to Tutelian INC for $521,000 with terms to be approved.

On November 3, 2016 the Successor Agency approved resolution SA-35 (attached) recommending that the Oversight Board sell Parking Lot 2 to Tutelian and Company.

Should the Board act to directly sell Lot 2 to Mr. Tutelian, direction is needed regarding the

terms of sale. The Purchase and Sale Agreements (PSA) for both "Auction" and "Non-Auction" methods of sale have been updated over time consistent with Department of Finance (DOF) direction, and, DOF and Board policies to reduce the Successor Agency's liability and costs and to expedite the sale of property and closing periods. The current Purchase and Sale Agreements for both auction and non-auction are posted on the Agency website.

Upon inquiry from Mr. Tutelian's attorney Successor Agency staff advised that the current Non Auction PSA could be found on the Agency's website and a copy was emailed on October 11, 2016. A copy of the Tutelian offer executed October 19th was later received by the Successor Agency staff on October 28th.

The terms of Mr. Tutelian's offer differ from the current Non-Auction PSA. The primary differences are charted below:

Tutelian Offer	**Successor Agency Standard PSA – Non-Auction**
Seller to pay costs of clearing and conveying title	Buyer to pay costs of clearing and conveying title
Escrow to close within 180 days of execution of agreement	Escrow to close within 60 days of execution of agreement
Buyer has right to extend for 2 extension periods of 45 days each upon payment of $2500 per extension, applicable to purchase price	No right of Buyer to extend
Seller must transfer property to Buyer free and clear of all title defects, liens, encumbrances, conditions, covenants, restrictions, leases or agreements, except those agreed to in writing by buyer	Property transferred AS IS
Seller warrants it has no knowledge of hazardous materials	Hazardous materials warranty removed

Attachments: Resolution SA-35
PSA Non-Auction