

RESOLUTION NO. 2019-210

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE RATIFYING THE AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS FOR PROPERTY LOCATED AT 9362 STUDIO COURT [APN: 116-0860-026]; AUTHORIZING THE CLOSE OF ESCROW; AND AMENDING THE FISCAL YEAR 2019-20 BUDGET AND 2019-2024 CAPITAL IMPROVEMENT PROGRAM BY \$2,133,900 (CEQA EXEMPT)

WHEREAS, in 2010, eImage Secured Solutions, LLC (a.k.a. Sytech Solutions, LLC) (together, "Owner") acquired 9362 Studio Court [Assessor Parcel Number 116-0860-026] (the "Property"), a .59-net acre property improved with an 8,923± square foot building; and

WHEREAS, the City's draft City Facilities Assessment & Master Plan identified the Property as a preferred site for expansion of City facilities; and

WHEREAS, staff approached Owner and proposed a replacement property within the City of Elk Grove to relocate their business and Owner agreed to begin negotiations on the proposed replacement property as the relocation provides an opportunity to expand and grow their current operations in the City of Elk Grove; and

WHEREAS, on June 12, 2019, City Council authorized staff to negotiate for and enter into a purchase and sale agreement with Owner for the purchase of the Property; and

WHEREAS, consistent with the authority provided by City Council, staff negotiated an all-inclusive settlement in the amount of \$1,900,000, which includes the purchase price of the Property and settlement relocation costs; and

WHEREAS, staff completed due diligence activities including roof, HVAC, electrical and plumbing; and

WHEREAS, staff has negotiated with Owner to make minor property repairs and roofing repairs prior to the close of escrow; if Owner fails to complete the agreed upon roofing repairs by close of escrow, Owner shall credit \$17,500 to city towards the purchase price of the Property in lieu of completing roof repairs; and

WHEREAS, the proposed purchase of the Property is consistent with the City's General Plan pursuant to California Government Code Section 65402(a), and in compliance with Elk Grove Municipal Code Section 3.42.300(B), as determined by the Planning Commission on August 1, 2019, by its Resolution No. 2019-31; and

WHEREAS, staff recommends the purchase of the Property pursuant to the Purchase and Sale Agreement and Joint Escrow Instructions and the First Amendment to the Purchase and Sale Agreement and Joint Escrow Instructions, which includes a short-term leaseback agreement with the Owner to allow sufficient time for relocation to the replacement property; and

WHEREAS, the purchase of the Property and initial design will be funded by the City's Capital Facilities Fee (CFF) – Police Fund (79.93%) and the Capital Reserve Fund (20.07%) and sufficient fund balance is available for project budgeting; and

WHEREAS, the design will need to be advanced to a 35% design or schematic design level prior to programing the remaining funds for final design, construction, construction engineering, fixtures, furnishing, and equipment; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby:

- 1) Finds the purchase of the Property exempt from CEQA review pursuant to CEQA Guidelines section 15061(b)(3) (Common Sense Exemption); and
- 2) Ratifies the Purchase and Sale Agreement and Joint Escrow Instructions, including the First Amendment to the Purchase and Sale Agreement and Joint Escrow Instructions, in substantially the form presented, including all associated documents, necessary to complete the purchase of the property located at 9362 Studio Court, Sacramento County Assessor Parcel Number 116-0860-026, in the amount of \$1,900,000, together with associated costs, not to exceed \$5,000, all in a total amount not to exceed \$1,905,000; and
- 3) Authorizes the City Manager to take all actions and execute all documents reasonably necessary to close escrow on the purchase of the Property including, without limitation, execution of any necessary amendments to the Purchase and Sale Agreement to accommodate the aforementioned repairs to the roof and/or other appropriate and agreed upon repairs prior to close of escrow; and
- 4) Amends the Fiscal Year 2019-20 Budget and 2019-2024 Capital Improvement Program as follows:
 - a. Creates a new capital project titled 9362 Studio Court Acquisition and Remodel (WFC037);
 - b. Establishes the budget of WFC037 by adding \$382,073.73 from the Capital Reserve Fund (Fund 106) and \$1,572,926.27 from CFF - Police Fund (Fund 312);
 - c. Authorizes the transfer of WFC037 project expenses and budget that were charged to the City Facilities Assessment Master Plan Project (WFC031) in the amount of \$178,900.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 25th day of September 2019.



STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JENNIFER ALVES,
ASSISTANT CITY ATTORNEY

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2019-210

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO)
CITY OF ELK GROVE)

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I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on September 25, 2019 by the following vote:

AYES: COUNCILMEMBERS: *Ly, Hume, Detrick, Nguyen, Suen*

NOES: COUNCILMEMBERS: *None*

ABSTAIN: COUNCILMEMBERS: *None*

ABSENT: COUNCILMEMBERS: *None*



**Jason Lindgren, City Clerk
City of Elk Grove, California**