

CITY OF YUBA CITY
STAFF REPORT

Date: November 18, 2008
To: Honorable Chairperson & Directors of the Redevelopment Agency
From: Administration
Presentation By: Steven C. Kroeger, Assistant City Manager

Summary

Subject: Purchase of Real Property (APN 52-401-014)
Recommendation: Adopt a resolution authorizing the Executive Director to execute a Purchase and Sale Agreement and accept a Grant Deed for Real Property located at 454 Stevens Avenue (APN 52-401-014) in Yuba City, and approving a related supplemental appropriation of \$123,000 in Redevelopment Agency Funds
Fiscal Impact: \$121,173 plus estimated closing costs of \$1,800 - Redevelopment Agency Land Account 6011-69101

Background:

The property is a single family residence located in the Town Center region of the Redevelopment Project Area across the street from Gauche Park and the Yuba-Sutter Fairgrounds and adjacent to property that is currently owned by the Agency. The opportunity to purchase the property arose when the current owner approached staff regarding the desire to sell. At their Closed Session held on November 4, 2008, Council directed staff to proceed in securing the purchase of the property for future development.

Analysis:

The Redevelopment Agency Project Implementation Plan Goals and Objectives reflect the direction of the redevelopment program and include the following:

- Elimination and prevention of conditions of economic blight and deterioration in the Project Area.
- Remove or encourage the removal of structurally substandard or deficient buildings to return affected areas to productive use.
- Continue to market Agency-owned sites in the greater Town Center area to potential users who will have the most positive impact on the economic development of Yuba City.

As this property is located in the Town Center and the current condition of the residence is of low quality, it is in the best interest of the Agency to purchase the property and prepare it for possible future development that may assist in the continued revitalization of Town Center.

Fiscal Impact:

\$121,173 plus estimated closing costs of \$1,800 - Redevelopment Agency Land Account 6011-69101.

Recommendation:

Adopt a resolution authorizing the Executive Director to execute a Purchase and Sale Agreement and accept a Grant Deed for Real Property located at 454 Stevens Avenue (APN 52-401-014) in Yuba City, and approving a related appropriation of \$121,173.00 in Redevelopment Agency Funds

Attachment:

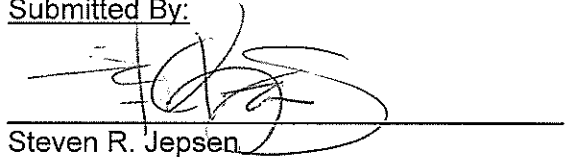
- Purchase and Sale Agreement

Prepared By:



Terrel Locke
Administrative Analyst

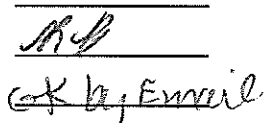
Submitted By:



Steven R. Jepsen
City Manager

Reviewed By:

Assistant City Manager
Finance
City Attorney



RESOLUTION NO. 08-____

**RESOLUTION OF REDEVELOPMENT AGENCY OF THE CITY OF YUBA CITY
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A PURCHASE AND SALE
AGREEMENT AND ACCEPT A GRANT DEED FOR REAL PROPERTY LOCATED AT 454
STEVENS AVENUE (APN 52-401-014) IN YUBA CITY, AND APPROVING A RELATED
SUPPLEMENTAL APPROPRIATION OF \$123,000 IN REDEVELOPMENT AGENCY FUNDS**

WHEREAS, William B. Ramsaur ("Seller") is the owner of the property located at 454 Stevens Avenue, Yuba City ("Property") and is willing to convey said property to the Redevelopment Agency of the City of Yuba City; and

WHEREAS, the Redevelopment Agency of the City of Yuba City desires to purchase the Property from the Seller; and

WHEREAS, the Redevelopment Agency of the City of Yuba City hereby authorized the Executive Director to execute a Purchase and Sale Agreement between William B. Ramsaur and the Redevelopment Agency; and

WHEREAS, the Redevelopment Agency of the City of Yuba City hereby finds and declares that it is in the best interest that said Grant Deed be accepted by the Redevelopment Agency of the City of Yuba City.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE REDEVELOPMENT AGENCY OF THE CITY OF YUBA CITY that it hereby authorizes the Executive Director to take all necessary and appropriate steps to acquire the property from the Seller and authorizes the execution of the Certificate of Acceptance for the Grant Deed in the form and manner prescribed by Government Code Section 27281.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the Redevelopment Agency of the City of Yuba City at a regular meeting thereof held on the 18th day of November, 2008.

AYES:

NOES:

ABSENT:

Chairperson

ATTEST:

Secretary

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is entered into this 18th day of November, 2008, by and between the Redevelopment Agency of the City of Yuba City (the "Agency") and William B. Ramsaur ("Seller").

Recitals

A. The Agency is a redevelopment agency organized in accordance with the provisions of California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.).

B. Seller is the owner of certain real property (the "Property") located at 454 Stevens Avenue, Yuba City, California, and described in the legal description attached hereto as Exhibit A and incorporated herein by reference. The Property contains an unoccupied single-family residence.

C. The Agency desires to purchase the Property from Seller and to hold it for redevelopment in accordance with the Redevelopment Plan for the Agency.

Agreements

NOW, THEREFORE, THE AGENCY AND SELLER HEREBY AGREE AS FOLLOWS:

1. Agreement to Sell and Purchase. Seller agrees to sell to the Agency, and the Agency agrees to purchase from Seller, the Property, upon the terms and for the consideration set forth in this Agreement.

2. Purchase Price. The total purchase price for the Property (the "Purchase Price") is One Hundred Twenty-One Thousand One Hundred Seventy-Three (\$121,173). The Purchase Price shall be paid by cash or certified check upon the close of escrow.

3. Escrow.

3.01 General.

A. Opening. The purchase and sale of the Property shall be consummated by means of an escrow to be opened by the Agency at First Interstate Title Company, 415 Century Park Drive, Yuba City, California 95991 (the "Escrow Holder"). The escrow shall be opened on the date of signature of the second party to sign this Agreement (the "Effective Date"). The Effective Date shall be immediately communicated and a fully executed copy of this Agreement shall be delivered to the other party.

B. Instructions. The escrow instructions given to Escrow Holder shall be consistent with the terms of this Agreement. As between the parties, the terms of this

Agreement shall prevail if there is any inconsistency, unless any instruction specifically states that it is intended to supersede a provision of this Agreement.

C. Close of Escrow. "Close of escrow," "close," or "closing" shall mean the date when the deed conveying the Purchase Property to the Agency is recorded in the official records of Sutter County, California. Escrow shall close on or before the date 45 days after the Effective Date (the "Closing Date").

D. Costs and Expenses. Seller shall pay the premium for a CLTA policy of title insurance. Agency shall pay the cost of any additional cost attributable to the title policy being an ALTA policy and any special endorsements to the title policy requested by Agency. Seller and Agency shall each pay one-half of all other costs associated with the escrow including, but not limited to, the cost and expense of preparing, executing, acknowledging and delivering the grant deed, transfer taxes, recording fees and document preparation costs of the Escrow Holder.

E. Prorations. Real property taxes imposed upon the Purchase Property by Sutter County or any governmental or special district, organization or body shall be prorated as of the Close of Escrow, on the basis of 30-day months.

3.02 Delivery of Documents and Funds.

A. By the Seller. Prior to and as a condition to Close of Escrow, Seller shall:

(1) Deposit with Escrow Holder the grant deed for the Purchase Property, fully executed and notarized;

(2) Deposit with Escrow Holder a Transferor's Certificate of Non-foreign Status pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, certifying that Seller is not a foreign person;

(3) Deposit with Escrow Holder California Form 590-RE, Withholding Exemption Certificate for Real Estate Sales; and

(4) Execute and deliver to Escrow Holder such other instructions and documents as may be required by Escrow Holder to close escrow in accordance with this Agreement.

B. By the Agency. Prior to and as a condition to Close of Escrow, the Agency shall:

(1) Deposit with Escrow Holder the Purchase Price and any other funds required from the Agency for prorations and closing costs; and

(2) Execute and deliver to Escrow Holder such other instructions, documents and funds as may be required by Escrow Holder to close escrow in accordance with this Agreement.

C. By Escrow Holder. When all other conditions for the Close of Escrow have been met, Escrow Holder shall promptly:

(1) Disburse to Seller the Purchase Price, after deducting therefrom all items chargeable to the account of Seller pursuant to this Agreement;

(2) Cause the grant deed to the Agency to be recorded in the official records of Sutter County; and

(3) Deliver to the Agency a CLTA owner's policy of title insurance (or ALTA policy if the Agency so requests), insuring title in the Agency subject only to exceptions consistent with the terms of this Agreement.

3.03 Additional Conditions to Close of Escrow.

A. General. The provisions of this Section 3.03 are conditions to the Close of Escrow and, unless otherwise provided expressly or by context, are covenants of the party responsible for causing the condition to be satisfied. If any of such conditions is not fulfilled by either the date stated, or, where no specific date is stated, five days before the Closing Date, then, except as otherwise provided in this Agreement, the party benefited by the condition shall have the right to cancel and terminate this Agreement and the escrow, in which event all rights and obligations of the Agency and Seller hereunder shall be terminated and be of no further force and effect and all funds and instruments deposited into escrow shall be returned to the party who deposited the same.

B. Title. Taxes shall be apportioned and cleared in the manner required by Sections 5081, et seq. of the California Revenue and Taxation Code; the date of apportionment shall be the same as the time of Close of Escrow. Seller shall cause title to the Purchase Property to be conveyed to the Agency by grant deed, subject only to current taxes and other exceptions and all other matters disclosed by the Preliminary Report, as defined below, other than monetary liens. Escrow Holder must be ready and able to issue its CLTA policy of title insurance, or ALTA policy if the Agency so requests, insuring title in the Agency with liability in the amount of the Purchase Price. The policy shall list only the foregoing taxes and exceptions in addition to the printed exceptions common to the form of policy required by the Agency.

C. Approval of Exceptions to Title. Seller shall order from Escrow Holder and cause to be delivered to the Agency within five days after the Effective Date a copy of a Preliminary Report covering the Purchase Property (the "Preliminary Report") and legible copies of all documents referred to in the Preliminary Report. The Agency shall have fifteen (15) days within which to, approve or disapprove the exceptions listed in the Preliminary Report. Notice shall be given as provided in Section 5.01. Failure to give written notice of approval or disapproval to Seller of some or all of the exceptions shall be deemed to be approval of all exceptions, except for monetary liens other than current

taxes, bonds and assessments. If the Agency disapproves any exceptions, Seller shall have five days within which to agree to attempt to remove the exception. Notice shall be given as provided in Section 5.01. Failure to give written notice of such agreement to the Agency shall be deemed to be refusal, except that Seller shall automatically be deemed to agree to remove monetary liens other than current taxes, bonds and assessments. If Seller does not agree to attempt to remove any exceptions properly and timely disapproved by the Agency, this Agreement shall terminate without further liability to either party unless the Agency waives its objection within a second five-day period. If Seller shall agree to remove any exception objected to by the Agency, Seller shall then have until the Closing Date within which to attempt to remove such exception. If Seller is unable to remove any exception objected to by the Agency by the Closing Date, the Agency may elect to: (a) terminate this Agreement; or (b) waive the Agency's objection and close escrow.

D. The Agency's Due Diligence Conditions.

(1) The Agency's obligation to purchase is subject to the satisfaction on or before the date 30 calendar days after the Effective Date (the "Approval Date") of the following conditions which are for the Agency's benefit only:

(a) The Agency's approval of inspections, tests, surveys and other studies as the Agency may deem necessary. The Agency and the Agency's contractors and agents shall have reasonable access to the Purchase Property in order to conduct inspections, tests, surveys and other studies, including soils testing, to be conducted by or on behalf of the Agency, provided that the Agency shall repair any damage caused by such activities and shall indemnify and hold Seller harmless from and against any loss, damage or liability (including attorneys' fees) resulting from the activities of the Agency on the Purchase Property.

(b) The Agency's approval of Seller's Documents, as defined in Section 3.03(E).

(2) The Agency shall give notice to Seller and Escrow Holder of the Agency's approval or disapproval of the conditions set forth above (the "Agency's Notice") on or before the Approval Date. A failure to deliver the Agency's Notice shall be deemed disapproval. On disapproval by the Agency or failure of any of the conditions set forth above, on or before the Approval Date, the Agency's obligations under this Agreement shall terminate with no further liability to Seller.

E. Seller's Documents. Within five days after the Effective Date, Seller shall deliver copies of the following documents ("Seller's Documents") to the Agency:

(1) Documents evidencing any easements or other similar rights affecting the Purchase Property not disclosed by the Preliminary Report;

(2) Copies of any leases or licenses affecting the Purchase Property;

(3) All existing soil and substrata studies, engineering plans and studies, environmental assessments and other similar plans, diagrams or studies with respect to the Purchase Property that are in the possession of Seller or Seller's contractors or consultants; and

(4) All contracts, warranties and other agreements affecting the ownership, development or use of the Purchase Property that are in Seller's possession.

4. Representations and Warranties by Seller.

4.01 Representations and Warranties in General. Seller acknowledges that the execution of this Agreement by the Agency is made in material reliance by the Agency on the following representations and warranties:

A. Execution and Delivery. The execution and delivery by Seller of, and Seller's performance under this Agreement, are within Seller's powers and have been duly authorized by all requisite actions. This Agreement constitutes the legal, valid, binding and enforceable obligation of Seller.

B. Breach of Other Agreements. Neither the execution of this Agreement nor the consummation of the transaction contemplated herein will constitute a breach under any contract or agreement to which Seller is a party or by which Seller is bound or affected which affects the Purchase Property or any part thereof.

C. No Other Parties. There are no parties other than Seller with any interest in the Purchase Property (marital, homestead or otherwise), and no other signatures are required to make this Agreement fully enforceable by the Agency.

D. Rights of Others. Seller represents and warrants that to the best of Seller's knowledge, but without independent investigation, there are no parties in possession of any portion of the Purchase Property as tenants, tenants at sufferance, or trespassers, and no party has been granted any license, lease or other right relating to use or possession of the Purchase Property.

E. No Grant of Other Rights. Seller has not granted to any party, other than the Agency, any option, contract or other agreement with respect to a purchase or sale of the Purchase Property or any portion thereof or any interest therein.

F. No Bankruptcy or Litigation. Seller represents and warrants that to the best of Seller's knowledge, but without independent investigation, there are no attachments, executions, assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy, or under any applicable debtor relief laws, or any other litigation contemplated by, pending or threatened against Seller or the Purchase Property.

G. Seller Not Foreign Person. Seller is not a "foreign person" as such term is defined in Section 1445(1)(3) of the Internal Revenue Code of 1986, as amended.

H. Compliance with Laws. To the best of Seller's knowledge, but without independent investigation, the Purchase Property is in compliance in all material respects (both as to condition and use) with all applicable federal, state and local statutes, ordinances and codes, including, but not limited to, pollution, environmental protection and the rules and regulations of any governmental authority having jurisdiction over the Purchase Property. Seller is not aware of any outstanding violations of any of the foregoing.

I. Environmental Compliance. Seller represents and warrants that to the best of Seller's knowledge, but without independent investigation, there has been no disposal, discharge or release of Hazardous Materials on the Purchase Property. Except as disclosed in this Agreement, neither Seller nor, to the best of Seller's knowledge, any third party has used or installed any underground tank or used, generated, manufactured, produced, stored or disposed of on, under or about the Purchase Property or transported to or from the Purchase Property any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "Hazardous Materials"). To the best of Seller's knowledge and except as disclosed in this Agreement, there are no storage or treatment tanks, gas or oil wells, and there has been no disposal, discharge or release of any polychlorinated biphenyls, asbestos or other Hazardous Materials into or upon the Purchase Property, including, but not limited to, soils and ground or surface water in and around the Purchase Property. Seller is not aware of any present proceeding or inquiry by any governmental authority (including, without limitation, the California State Department of Toxic Substance Control) with respect to the presence of such Hazardous Materials on the Purchase Property or the migration thereof from or to other property.

4.02 Survival of Warranties. Seller agrees that each representation and warranty in Section 4.01 shall survive the Closing Date and shall not merge with the delivery to the Agency of the grant deed.

4.03 Notice of Changed Circumstances. If Seller becomes aware of any fact or circumstance which would render false or misleading a representation or warranty made by Seller, then Seller shall immediately give written notice of such fact or circumstance to the Agency, but such notice shall not relieve Seller of any liabilities or obligations with respect to any representation or warranty.

5. Miscellaneous.

5.01 Notices. Any notices or elections shall be made in writing and shall be deemed sufficiently given and served for all purposes: (a) upon delivery if given in person; (b) upon receipt if given by facsimile; (c) upon receipt if given by generally recognized overnight courier service; or (d) 72 hours after deposit with the United States Postal

Service, certified mail or registered mail, return receipt requested, postage prepaid. Notices shall be given to the respective addresses/fax number set forth below, or to such other addresses/fax numbers as the parties may designate from time to time.

If to Seller: William B. Ramsaur
1032 Kimberly Drive
Yuba City, CA 95993

If to Agency: City of Yuba City Redevelopment Agency
Executive Director
1201 Civic Center Boulevard
Yuba City, CA 95993
530.822.4694

5.02 Broker's Commission. Neither the Seller nor the Agency shall be liable for any real estate commissions or brokerage fees which may arise from this Agreement. The Seller and Agency each represent that it has engaged no broker, agent or finder in connection with this transaction.

5.03 Interpretation. This Agreement has been executed in Yuba City, California. The captions of paragraphs used in this Agreement are for convenience only. The provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of Seller and the Agency.

5.04 Time of Essence. Time is of the essence of this Agreement and of the escrow provided for herein.

5.05 Resolution of Disputes. Except for an action for specific performance by either party, which shall be venued in Sutter County Superior Court, all disputes pertaining to the Agreement, or any of its terms or provisions, shall be resolved by binding arbitration. The arbitrator shall be mutually agreed on by the parties. If there is no agreement, either party may petition the Superior Court of Sutter County to appoint an arbitrator from JAMS/Endispute of Sacramento, California. The person appointed shall be a retired Judge of the Superior Court or a retired Justice of the Court of Appeal or of the California Supreme Court. The parties shall share one-half (1/2) of the fees of the arbitrator; provided, however, that the arbitrator may award as costs to the prevailing party the entire arbitrator's fee.

5.06 Attorneys' Fees. If either Seller or the Agency shall commence legal proceedings for the purpose of enforcing any provision or condition hereof, or by reason of any breach arising under the provisions hereof, then the prevailing party shall be entitled to reasonable attorneys' fees which shall consist of the fees for services rendered by counsel, the fees for services of experts, and all other expenses incurred in connection with the action, including those expenses recoverable as allowable costs of suit under the applicable state or federal statute, and those attorneys' fees and costs incurred executing upon or appealing any judgment, as well as all other expenses incurred during the course of the action.

5.07 Integration. This Agreement contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter which are not fully expressed herein.

5.08 Additional Documents. From time to time prior to and after the Close of Escrow, each party shall execute and deliver such instruments of transfer and other documents as may be reasonably requested by the other party to carry out the purpose and intent of this Agreement.

5.09 Dependency and Survival of Provisions. The respective warranties, representations, covenants, agreements, obligations and undertakings of each party hereunder shall be construed as dependent upon and given in consideration of those of the other party, and shall survive the Close of Escrow and delivery of the deed.

5.10 California Law. This Agreement shall be governed by the laws of the State of California.

5.11 Entry. During the term of this Agreement, the Agency and its designated agents and independent contractors shall have the right to enter onto the Purchase Property to conduct reasonable tests, studies, inquiries and appraisals with respect thereto. The Agency agrees to repair all damages it or its agents or independent contractors shall cause to the Purchase Property and further agrees to indemnify and hold Seller harmless of all costs, expenses, losses, attorneys' fees and liabilities (including, but not limited to, claims of mechanics' liens) incurred or sustained by Seller as a result of any acts of the Agency, its agents or independent contractors, pursuant to the rights granted by this section.

5.12 Possession. Seller shall deliver exclusive possession of the Purchase Property to the Agency at Close of Escrow.

5.13 Reporting to Internal Revenue Service. The escrow instructions for this transaction shall obligate Escrow Holder to report this transaction to the Internal Revenue Service pursuant to Section 6045 of the Internal Revenue Code of 1986, as amended.

5.14 Calculation of Time Periods. If any date for performance under this Agreement falls on a Saturday, Sunday or bank holiday, then the date for performance shall be the next day which is not a Saturday, Sunday or bank holiday, and the next time period shall be calculated from and after the date of such actual performance.

5.15 Exhibits. All exhibits to which reference is made in this Agreement are incorporated in this Agreement by the respective references to them, whether or not they are actually attached, provided they have been signed or initialed by the parties.

Reference to "this Agreement" includes matters incorporated by reference.

Seller:

Dated: _____

William B. Ramsaur

Agency:

City of Yuba City Redevelopment Agency

Dated: _____

By: _____

Steven Jepsen
Executive Director

EXHIBIT A

All that certain real property situated in the City of Yuba City, County of Sutter, State of California, described as follows:

Being a portion of the lot or parcel of land conveyed by Julia A. Tankersley to Franklin R. Merrill and Margaret Merrill, his wife, dated August 13, 1936 in Book 92 of Official Records, page 141, Sutter County Records, more particularly described as follows:

Beginning at a point on the West line of Wilbur Avenue, South 12° East (Mag. Var. 15° 20' East) 5.90 chains distant from Southeast corner of the lot formerly owned by Sutter Packing and Canning Company; and run thence South $88\frac{3}{4}^{\circ}$ West 120 feet; thence Southerly in a direct line to a point in the Southerly line of the parcel of land so conveyed to Franklin R. Merrill and Margaret Merrill, his wife, as aforesaid, said last mentioned point being distant North $88\frac{3}{4}^{\circ}$ East along said Southerly line 10 feet from the Southwest corner of said parcel of land; thence North $88\frac{3}{4}^{\circ}$ East along Southerly line 140 feet to the West line of Wilbur Avenue; thence North 12° West along said last mentioned line 84.76 feet to the point of beginning.

Excepting therefrom all that certain real property as contained in Deed executed by John W. Ramsaur, et al. to the City of Yuba City, a municipal corporation, dated May 15, 1985 and recorded July 9, 1985 in Book 1141 of Official Records, page 619, Sutter County Records, more particularly described as follows:

Beginning at the intersection of the Westerly line of Wilbur Avenue with the Southerly line of Stevens Avenue as described in the deed to the City of Yuba City, recorded in Book 52 of Deeds, page 46, Sutter County Records; thence South 11° 26' 40" East along said Westerly line of Wilbur Avenue, a distance of 64.38 feet to the Southeast corner of the land described in the deed to John W. Ramsaur, Jane Ramsaur, and William B. Ramsaur, recorded in Book 961 of Official Records, page 575, Sutter County Records; thence South 89° 32' 20" West long the South line of said Ramsaur Parcel, a distance of 2.22 feet to a line parallel with, Westerly of, and 30 feet measured at right angles to the monumental center line of Wilbur Avenue; thence North 11° 24' 04" West along said line, a distance of 44.03 feet to the beginning of a tangent curve concave to the Southwest having a radius of 20 feet; thence along said curve through a central angle of 49° 44' 47", a distance of 17.36 feet; thence North 61° 08' 51" North, a distance of 13.39 feet to the said South line of Stevens Avenue; thence North 89° 32' 20" East along said South line of Stevens Avenue, a distance of 19.79 feet to the point of the beginning.