

**RESOLUTION NO. OB 13-10**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5**

**WHEREAS**, the Oversight Board of the Successor Agency to the Firebaugh Redevelopment Agency (“Oversight Board”) has established to direct the Successor Agency to the former Firebaugh Redevelopment Agency (“Successor Agency”) pursuant to Assembly Bill x1 26 (“AB x1 26” or the “Dissolution Act”) as codified in the California Health & Safety Code; and

**WHEREAS**, among the duties of successor agencies under the Dissolution Act is the preparation of a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local oversight board and California Department of Finance (“DOF”) for purposes of administering the wind-down of financial obligations of the former Redevelopment Agency; and

**WHEREAS**, the Long-Range Property Management Plan shall be submitted to the Oversight Board and DOF within six months after receiving a Finding of Completion from DOF; and

**WHEREAS**, the Long-Range Property Management Plan shall include an inventory of all properties in the Community Redevelopment Property Trust Fund (“Trust”), which was established to serve as the repository of the former redevelopment agency’s real properties; and

**WHEREAS**, the proposed Long-Range Property Management Plan, attached hereto as Exhibit “A”, has been prepared by staff and consultants consistent with the provisions of the Dissolution Act, Health and Safety Code Section 34191.5, and the guidelines made available by DOF; and

**WHEREAS**, the Oversight Board desires to approve the Long-Range Property Management Plan and transmit to the DOF as required.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1. Recitals.** The Recitals set forth above are true and correct and incorporated herein by reference.

**Section 2. Approval of Long-Range Property Management Plan.** The Oversight Board to the Successor Agency hereby approves and adopts the Long-Range Property Management Plan, in substantially the form attached hereto as Exhibit A, as required by HSC Section 34191.5.

**Section 3. Transmittal to Appropriate Agencies.** The Successor Agency is hereby authorized and directed to transmit a copy to the Department of Finance for their approval and post a copy on the City's website and to the offices of the Fresno County Auditor-Controller, the Fresno County Executive Officer.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the Oversight Board, on the 19<sup>th</sup> day of September, 2013, by the following vote:

AYES: Knight, Lopez, McDonald, Freitas, Minnite

NOES:

ABSENT: Stoppenbrink, Cline

ABSTAIN:

APPROVED:

  
Chairperson Oversight Board

ATTEST:

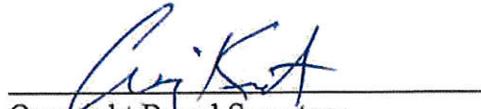
  
Oversight Board Secretary

EXHIBIT A

LONG-RANGE PROPERTY MANAGEMENT PLAN FOR THE FIREBAUGH SUCCESSOR  
AGENCY – SEPTEMBER 2013

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# LONG-RANGE PROPERTY MANAGEMENT PLAN

Successor Agency to the  
Firebaugh Redevelopment Agency

**September 10, 2013**

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**Successor Agency to the Firebaugh Redevelopment Agency**  
Long-Range Property Management Plan

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## INTRODUCTION

Assembly Bill (“AB”) 1484, enacted in June of 2012, allows all successor agencies to former redevelopment agencies to prepare a Long Range Property Management Plan (“PMP”). The PMP governs the disposition and use of property held by the former redevelopment agency at the time of dissolution in 2012, pursuant to legal requirements detailed in the next section.

This is the Long Range Property Management Plan for the Successor Agency to the Firebaugh Redevelopment Agency (“Successor Agency”).

## EXECUTIVE SUMMARY

The former Firebaugh Redevelopment Agency (“Agency”) is the owner of record on the title for 7 properties (comprised of 8 parcels) in Firebaugh.

- One of these properties is an existing governmental use property that is proposed to be transferred to the City to continue its exclusive and continued governmental use.
- The remaining 6 properties are to be sold by the Successor Agency, with the proceeds of the sale to be remitted to the Fresno County Auditor-Controller for distribution in accordance with the law.

## STATEMENT OF LEGAL REQUIREMENTS

Pursuant to Health and Safety Code section 34191.5 (part of AB 1484), each successor agency that holds property from a former redevelopment agency is allowed to submit a PMP to the State Department of Finance (“DOF”) within six months of receiving a “Finding of Completion” from DOF. Prior to the submittal of the PMP to DOF, the successor agency’s oversight board must approve the PMP.

In general, the PMP addresses the disposition and use of the former Agency’s real properties. AB 1484 requires that the PMP include all of the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund (“Trust Fund”), established to serve as the repository of the former redevelopment agency’s real properties. This inventory shall consist of all of the following information:
  - a. **Date of acquisition** of the property and the value of the property at that time, and an estimate of the current value of the property.
  - b. **Purpose** for which the property was acquired.
  - c. **Parcel data**, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.
  - d. **Estimate of the current value** of the parcel including, if available, any appraisal information.

Successor Agency to the Firebaugh Redevelopment Agency  
Long-Range Property Management Plan

- e. **Estimate of any lease, rental, or any other revenues** generated by the property, and a description of the contractual requirements for the disposition of those funds.
  - f. **History of environmental contamination**, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
  - g. Description of the **property's potential for transit-oriented development and the advancement of the planning objectives** of the successor agency
  - h. Brief history of **previous development proposals** and activity, including the rental or lease of property.
2. Address the use or disposition of all the properties in the Trust Fund. Permissible uses include:
- a. **Retention for governmental use** pursuant to subdivision (a) of Section 34181;
  - b. **Retention for future development;**
  - c. **Sale** of the property; or
  - d. **Use of property to fulfill an enforceable obligation.**
3. Separately identify and list properties in the Trust Fund dedicated to governmental use purposes, and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following shall apply:
- a. If the PMP directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
  - b. If the PMP directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subsection 3(a) above, the proceeds from the sale shall be distributed as property tax to the affected taxing entities.
  - c. Property shall not be transferred to a successor agency, city, county, or city and county, unless the PMP has been approved by the oversight board and DOF.

This PMP shall be adopted by the Successor Agency as well as its Oversight Board by resolution, and submitted to the DOF for approval. The submittal will include this summary document, as well as the DOF's property inventory form, included as Attachment 1. The DOF may then request any information it deems necessary to validate the PMP for review, and may request modifications to the PMP. Following DOF approval, the Successor Agency may proceed with its execution of the PMP. However, at this time, all actions to transfer properties must be individually approved by the Oversight Board, by resolution, and submitted for second approval to the DOF.

## **PROPERTY VALUATION ESTIMATES AND LIMITATIONS**

AB 1484 requires that a PMP include an estimate of the value of property, or, if available, recent appraisal information. DOF has stated they do not expect successor agencies to obtain appraisals on properties if none currently exist, so no such appraisals have been prepared for this PMP.

Instead, an estimate of property value was prepared by the Successor Agency's independent consultant based on a limited amount of analysis, short of what would normally be conducted for an appraisal – but at least useful for providing some information on property market values that are often difficult to assess, given the unique deficiencies (size, contamination, location, etc.) of many former redevelopment properties. Coming out of a real estate recession, it is still challenging to identify comparable properties in the area because recent sales volumes of small, infill parcels are limited.

The limitations of this methodology aside, the value estimates themselves (or even appraisal values) are not necessarily representative of what the properties could be worth when put on the open market for sale by the Successor Agency. Many redevelopment agencies had a number of blighted properties in their inventory that were not yet restored to a marketable condition at the time of dissolution. Additionally, the market's appetite for purchase of small parcels, in a time where commercial development standards generally require larger properties, may not justify the listing price equal to an appraised value.

## **PROPERTY INVENTORY - FORMER AGENCY PROPERTIES**

The former Agency owned 7 properties (consisting of 8 parcels) at dissolution. The properties are associated with property numbers shown in the DOF's Property Inventory Data table attached. The property sites are organized by "Permissible Uses" under AB 1484 and a detailed description of the properties is provided below.

The Property Inventory Data table (Attachment 1) utilizes the DOF-created database that provides a matrix of all of the information required pursuant to Health and Safety Code Section 34191.5(c) (part of AB 1484).

Estimates of current value of property were provided by RSG based on comparable property sales in the area and/or a residual land value analysis to determine warranted investment. As the DOF has provided to RSG in written communication, the DOF does not require a new appraisal report to be prepared for the purposes of a PMP, even if a recent appraisal does not exist. The ultimate value of the properties sold will be determined based on what the market bears and not what an appraisal estimates. Where a property is to be retained for governmental use, the value estimate is based on the value of the property at the current land use and Zoning; which in all cases yields a \$0 market value because the property in question is an existing public use and designated as such under the current Zoning Ordinance. A government use property holds no value to anyone other than the City. More details for each value estimate are provided in the individual property profiles.

## **Retention of Properties for Governmental Use**

The property listed below is proposed to be transferred to the City of Firebaugh ("City") pursuant to Health and Safety Code Section 34181 (a) that allows properties of a former redevelopment agency to be transferred to a public jurisdiction.

### **BIRCH DRIVE (PROPERTY 1)**

**Address:** Northeast Corner of Helm Canal Road and Birch Drive, (No situs address available)

**APN:** 007-100-25ST

**Lot Size:** 29.3 Acres

**Acquisition Date:** August 25, 1980

**Value at Time of Purchase:** \$193,000

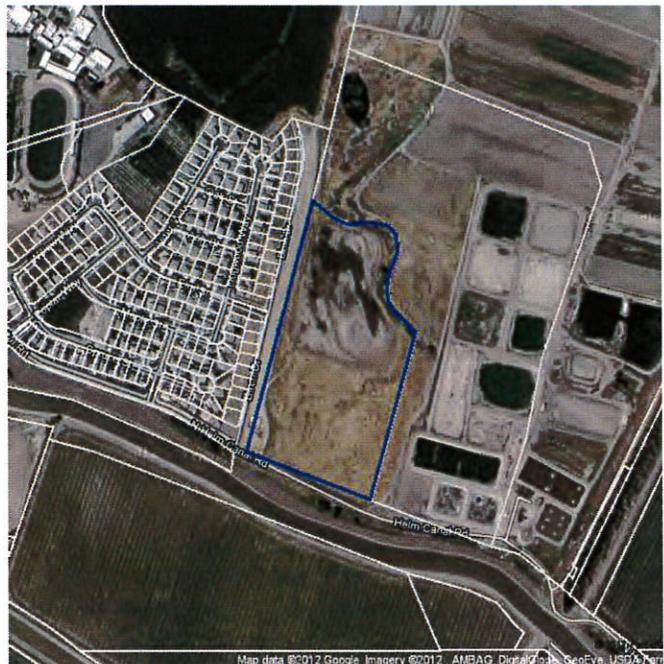
**Purpose of Acquisition:** Wastewater treatment facility

**Property Type (DOF Category):** Other

**Property Type (City Proposed):** Transfer to City for Public Purpose

**Current Zoning:** Governmental Zone

**Estimate of Income Revenue:** None



**Contractual Requirements for Use of Income/Revenue:** Not applicable

**History of Environmental Contamination, Studies, and/or Remediation, and Designation as Brownfield Site:** The site is located adjacent to the City's wastewater treatment plant. The site is part of a 160-acre block of land that is subject to an industrial wastewater discharge permit issued in 1994 by the California State Water Quality Control Board and granted jointly to the City of Firebaugh and the Toma-Tek tomato processing plant. The permit is referred to as Order No. 94-072 and is attached to this document as Attachment 2.

Order No 94-072 was issued in response to a City technical report from 1989 in support of the ongoing discharge of wastewater from the Toma-Tek plant onto the subject property. In addition, the City and Toma-Tek entered into an agreement on June 5, 1989 obligating the City to provide wastewater collection and disposal services to Toma-Tek for a 30 year period (Agreement attached as Attachment 3)

**Description of Property's Potential for Transit Oriented Development:** None

**History of Previous Development Proposals:** On July 16, 2009, Solar Gen USA Inc. signed a lease with the City to lease the subject property and 13 adjacent acres to construct and operate a solar farm. The lease included an early termination clause in which the lessee could terminate the lease at any point during the 45-year term with only a 30 day notice. In 2012, it was determined that the property was already pledged and needed for long term wastewater treatment and could not be leased to Solar Gen USA Inc. In November 2012, the lease was officially terminated and the proposed solar farm project was cancelled. It is not expected that a similar proposal for use of the property will be offered.

**Estimated Current Value:** In 2012, the City hired Peter S. Cooper to conduct an appraisal of the subject property. The appraisal was dated July 2, 2012 and has been included as Attachment 4. The appraiser concluded that the property would have a market value of \$30,000 as of May 25, 2012. This opinion was based largely on the site's potential as farmland. However, the appraisal clearly states that due to the history of wastewater discharge on the site, only non-human-edible crops could be farmed, such as cotton. The appraiser did not obtain any data on potential environmental contamination on the site, so it is reasonable to assume that even non-edible crops could not be farmed on the site. Therefore, the value of \$30,000 is generally unsubstantiated.

In addition, the appraisal assumes that if the subject property were to be converted to farmland, the agreement between the City and Toma-Tek would have to be terminated and the California State Water Quality Control Board order would have to be lifted. Both actions could be considered a breach of contract or serious violation of the law and either could result in penalties or legal action. This is unnecessarily burdensome for the City and cannot be considered a feasible option. Due to the reasons given above, it is not reasonable to expect that the subject property will ever realize any value as farmland and the appraised value of \$30,000 based on that use is erroneous. The property is devoid of value and should remain a public use.

**Advancement of Planning Objectives:** Not applicable - retain existing public use

**Retention of Properties for Future Development**

There are no properties proposed to be transferred to the City of Firebaugh pursuant to Health and Safety Code Section 34191.5(c)(2)(A) to use for a project identified in an approved redevelopment plan.

## **Properties to be Sold by Successor Agency**

The properties listed below are proposed for sale pursuant to Health and Safety Code Section 34191.5(c)(2)(B).

### **Gateway Project (PROPERTY 2)**

**Address:** 1264 and 1268 P Street

**APN:** 008-075-11 and 008-075-03

**Lot Size:** 0.83 Acres

**Acquisition Date:** March 18, 2010

**Value at Time of Purchase:** Both parcels purchased for a total of \$457,681

**Purpose of Acquisition:** This property was purchased to develop affordable housing

**Property Type (DOF Category):** Residential

**Property Type (City Proposed):** Sale of Property

**Current Zoning:** Residential

**Estimate of Income Revenue:** The property currently has two residential tenants. The combined income is \$775 per month.

**Contractual Requirements for Use of Income/Revenue:**  
None

**History of Environmental Contamination, Studies, and/or Remediation, and Designation as Brownfield Site:** None

**Description of Property's Potential for Transit Oriented Development:** None

**History of Previous Development Proposals:** On May 29, 2012, the Successor Agency entered into a Disposition and Development Agreement ("DDA") with the Fresno County Housing Authority ("Housing Authority") (included as Attachment 5). The Housing Authority intended to build 20 to 34 housing units for use as senior rental affordable housing. At that time in the dissolution process, the Successor Agency was not authorized to enter into any contracts pertaining to former Agency assets. As such, the DDA was invalidated, though intentions remained the same. The Successor Agency issued a letter to release it from the aforementioned DDA on April 4, 2013 (included as Attachment 6).



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**Estimated Current Value:** Included below are 4 comparable sales from 2010 to the present:

Comparable Analysis - Gateway Property

Residential Land - 10 Mile Radius	Property Type	Sale Date	Area (AC)	Price	Price/AC	Notes
1 SW Shaw Blvd Clovis	Land	12/17/2010	375.83	\$ 396,000	\$ 1,054	Much larger property; price per acre is low
2 W Behymer Ave Firebaugh	Land	3/23/2012	181.40	\$ 1,000,000	\$ 5,513	Much larger property; price per acre is low
3 7416 Road 7 Firebaugh	Multi-Family	9/16/2011	7.36	\$ 650,000	\$ 88,315	Larger property; similar location; developed
4 1050 7th St Mendota	Multi-Family	7/30/2010	0.48	\$ 135,000	\$ 281,250	Half the size; existing building in good condition
Subject Gateway Property Firebaugh	Multi-Family	Not Listed	0.83	\$ 129,480	\$ 156,000	Tear-down buildings; small size; location does not command top dollar

Source: CoStar, August 2013

Comparable properties 1 through 3 in the table above are much larger properties than the subject property. While a larger property may seem to have greater potential for development, the properties are located in remote locations, making development costs higher and the marketability lower. In addition, a larger property may sell for a lower price/acre because the buyer may receive a discount in price because the property is so large. Property 4 is similar to the subject property; however it is located in a different city and is already developed. The buyer would not have to spend money to develop the property. Therefore, it can be considered more valuable than the subject property.

The value of the subject property would be somewhere in the middle of Properties 1 through 3 and Property 4. The average price/acre for Properties 1 through 3 is \$31,000. The average of \$31,000 and \$281,000 is \$156,000. That results in an estimated value of about \$130,000.

Included below is a residual land value analysis for this site based on the proposed Housing Authority Gateway Project.

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**Land Residual Analysis**  
**Firebaugh Successor Agency PMP Sites**  
Firebaugh /August 2013

Development Costs		Property 2: Gateway			Total
Footprint	sf	MF Res 17,424	Surf Pk (R) 16,065	Landscaping 1,359	<b>34,848</b>
Building Area (Gross)	sf	34,848	-		<b>34,848</b>
Net Area	sf				
Units		34	51		
Type		Multiple Residences - Senior Citizen	Surface Parking		
Class		D			
Quality		Average	Average	Average	
Total Direct Cost		\$ 4,604,778	\$ 105,722	\$ 11,747	<b>\$ 4,710,500</b>
Total Indirect Costs		1,909,086	43,831	4,870	<b>1,952,917</b>
Total Development Cost		6,513,864	149,553	16,617	<b>6,700,000</b>
Unit Cost		187	2,932		<b>192</b>
		/sf	/stall		<b>SF</b>
<b>Development Value Estimate</b>					
ADR / Monthly Lease Rate					<b>\$ 922</b>
Annual Net Operating Income					<b>161,508</b>
Total Development Value					<b>2,307,263</b>
Per SF					<b>66</b>
Net Land Residual Value					<b>\$ (4,392,737)</b>

The Residual Land Value Analysis indicates that this property would not be attractive to a potential for-profit developer because the costs to develop the property outweigh the potential profit. Development costs of approximately \$6.7 million exceed by over \$4 million the value of the project (assuming market-rate rents) of about \$2.3 million. Because of this, the property has a value of \$0 on the open market.

**The estimated current value is between \$0 and \$130,000.**

**Date of Estimated Current Value:** August 22, 2013

**Proposed Sale:** The Fresno County Housing Authority has expressed continued interest in purchasing the property and fulfilling its plan to develop it as affordable housing. The Housing Authority has access to housing subsidies, tax credits, and other forms of financing to help offset the costs of development and low potential revenue.

**Proposed Sale Date:** The Housing Authority will seek to purchase of the property immediately following Oversight Board and DOF approval of the PMP.

Successor Agency to the Firebaugh Redevelopment Agency  
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**Advancement of Planning Objectives:** *Increasing the available stock of affordable housing is a planning objective stated in the Ten-Year Affordable Housing Compliance Plan for 2004-05 to 2013-14 (included as Attachment 7).*

**1284 N Street (PROPERTY 3)**

**Address:** 1284 N Street

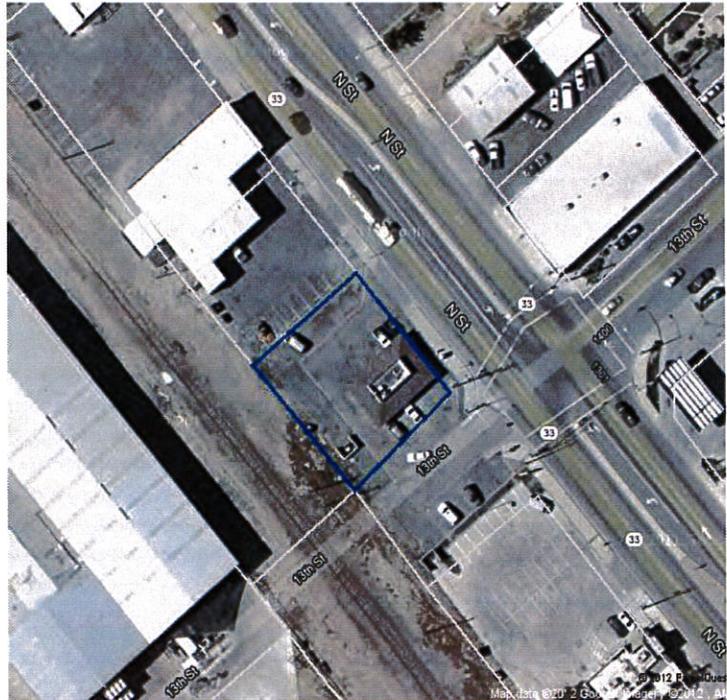
**APN:** 008-080-42

**Lot Size:** 0.44 Acres

**Acquisition Date:** March 28, 2011

**Value at Time of Purchase:** Property purchased for \$516,654

**Purpose of Acquisition:** The property was purchased, "for the purpose of establishing one or more retail outlets located on "N" street in the City of Firebaugh, for the purpose of creating jobs, enhancing economic development, enhancing sales tax growth, and eliminating blighting influences..." (Memorandum of Understanding, March 15, 2012; included as Attachment 8).



**Property Type (DOF Category):** Commercial

**Property Type (City Proposed):** Sale of Property

**Current Zoning:** Commercial

**Estimate of Income Revenue:** The subject property is currently being leased to Giant Burger for \$1,200 a month.

**Contractual Requirements for Use of Income/Revenue:** None

**History of Environmental Contamination, Studies, and/or Remediation, and Designation as Brownfield Site:** None known.

**Description of Property's Potential for Transit Oriented Development:** None

**History of Previous Development Proposals:** The former Agency purchased the property with the intention of developing more retail along the main commercial corridor of the City. There have not been any specific proposals submitted to develop the property since purchase. The Giant Burger restaurant has been a tenant of the subject property since the former Agency purchased the property.

# Successor Agency to the Firebaugh Redevelopment Agency

## Long-Range Property Management Plan

### **Estimated Current Value:** Four comparable sales are included below:

#### Comparable Analysis - Firebaugh Commercial Properties

Residential Land - 10 Mile Radius	Property Type	Secondary Type	Sale Date	Area (AC)	Price	Price/AC	Notes
1 2385 N Street Firebaugh	Land	Commercial	12/12/2011	11.72	\$ 245,000	\$ 20,904	Much larger property; price per acre is low
2 990 N Street Firebaugh	Land	Commercial	4/10/2012	0.69	\$ 450,000	\$ 652,174	14k square foot building planned; larger property
3 1067 P Street Firebaugh	Retail	Freestanding	4/19/2011	0.26	\$ 75,000	\$ 288,462	Half the size of subject property
4 988 O Street Firebaugh	Retail	Storefront Retail/Residential	9/28/2012	0.24	\$ 70,000	\$ 291,667	Half the size of subject property
Subject 1284 N Street Firebaugh	Retail	Commercial	Not Listed	0.44	\$ 154,000	\$ 350,000	Existing business; central location

Source: CoStar, August 2013

*The average price per acre for the properties listed above is about \$315,000. The properties that sold on P Street and O Street are smaller than the subject property and not as centrally located. The property on N Street was much larger and had a 14,000 square foot development planned for the property when it was purchased. Adjusting up from the average price/acre of \$315,000 because of the existing business and the central location of the subject property, it would be reasonable to place a value of \$350,000 per acre on the property. The estimated value of the subject property based on the Sales Comparable Analysis is about \$154,000.*

*As mentioned earlier, the subject property is currently being leased for \$1,200 per month. A simple Rental Income Analysis was conducted using the current lease rate and a capitalization rate of 7.25%. The capitalization rate was obtained from CoStar Group and is the average capitalization rate in the Fresno Market area. This analysis is shown below.*

Successor Agency to the Firebaugh Redevelopment Agency  
 Long-Range Property Management Plan

**Rental Income Analysis**

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<b>Income:</b>		
Rent	\$1,200.00 month	\$ 14,400
Vacancy & Collection	5.00%	(720)
<b>Gross Effective Income</b>		<b>13,680</b>
<b>Operating Expenses:</b>		
Management	5.00%	(684)
Reserves	2.00%	(274)
Non-reimbursables	2.00%	<u>(274)</u>
Subtotal - Operating Expenses		(1,231)
<b>Net Operating Income</b>		<b>12,449</b>
Capitalization Rate		7.25%
<b>Value</b>		<b>171,708</b>

Source: CoStar Group, RSG

The estimated value for the subject property based on the Residual Income Analysis is about \$172,000. **The average of the two estimated values based on the Sales Comparable Analysis and Residual Income Analysis is about \$163,000.**

**Date of Estimated Current Value:** August 22, 2013

**Advancement of Planning Objectives:** Eventual development of the property could bring in additional commercial or retail options. This could help to revitalize the City's downtown district and generate additional tax revenue.

**1320 N Street (PROPERTY 4)**

**Address:** 1320 N Street

**APN:** 008-140-35

**Lot Size:** 0.45 Acres

**Acquisition Date:** March 28, 2011

**Value at Time of Purchase:** Property purchased for \$391,961

**Purpose of Acquisition:** This property was purchased at the same time and for the same purpose as 1284 N Street. It was acquired; “for the purpose of establishing one or more retail outlets located on “N” street in the City of Firebaugh, for the purpose of creating jobs, enhancing economic development, enhancing sales tax growth, and eliminating blighting influences...” (Memorandum of Understanding, March 15, 2012; included as Attachment 8).



**Property Type (DOF Category):** Commercial

**Property Type (City Proposed):** Held for future commercial development

**Current Zoning:** Commercial

**Estimate of Income Revenue:** The subject property was being leased to Carnitas Ortega for \$1,100 a month. However, the tenant has not paid rent since Jan 2013. The Successor Agency is currently following lawful procedures and terminated the lease.

**Contractual Requirements for Use of Income/Revenue:** None

**History of Environmental Contamination, Studies, and/or Remediation, and Designation as Brownfield Site:** None known.

**Description of Property’s Potential for Transit Oriented Development:** None

**History of Previous Development Proposals:** The former Redevelopment Agency purchased the property along with 1284 N Street with the intention of developing more retail along the main commercial corridor of the City. There have not been any specific proposals submitted to develop

## Successor Agency to the Firebaugh Redevelopment Agency Long-Range Property Management Plan

the property since purchase. The Carnitas Ortega restaurant has been a tenant of the subject property since the former Agency purchased the property.

**Estimated Current Value:** The same analysis was conducted for this property as for the previous property. The same four comparable sales have been included below:

### Comparable Analysis - Firebaugh Commercial Properties

Residential Land - 10 Mile Radius	Property Type	Secondary Type	Sale Date	Area (AC)	Price	Price/AC	Notes
1 2385 N Street Firebaugh	Land	Commercial	12/12/2011	11.72	\$ 245,000	\$ 20,904	Much larger property; price per acre is low
2 990 N Street Firebaugh	Land	Commercial	4/10/2012	0.69	\$ 450,000	\$ 652,174	14k square foot building planned; larger property
3 1067 P Street Firebaugh	Retail	Freestanding	4/19/2011	0.26	\$ 75,000	\$ 288,462	Half the size of subject property
4 988 O Street Firebaugh	Retail	Storefront Retail/Residential	9/28/2012	0.24	\$ 70,000	\$ 291,667	Half the size of subject property
Subject 1320 N Street Firebaugh	Retail	Commercial	Not Listed	0.45	\$ 157,500	\$ 350,000	Existing business; central location

Source: CoStar, August 2013

The average price per acre for the properties listed above is about \$315,000. The properties that sold on P Street and O Street are smaller than the subject property and not as centrally located. The property on N Street was much larger and had a 14,000 square foot development planned for the property when it was purchased. Adjusting up from the average price/acre of \$315,000 because of the existing business and the central location of the subject property, it would be reasonable to place a value of \$350,000 per acre on the property. The estimated value of the subject property based on the Sales Comparable Analysis is \$157,500.

The subject property is currently being leased for \$1,100 per month. A simple Rental Income Analysis was conducting using the current lease rate and a capitalization rate of 7.25%. The capitalization rate was obtained from CoStar Group and is the average capitalization rate in the Fresno Market area. This analysis is shown below.

Successor Agency to the Firebaugh Redevelopment Agency  
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**Rental Income Analysis**

<b>Income:</b>		
Rent	\$1,100.00 month	\$ 13,200
Vacancy & Collection	5.00%	(660)
<b>Gross Effective Income</b>		<b>12,540</b>
<b>Operating Expenses:</b>		
Management	5.00%	(627)
Reserves	2.00%	(251)
Non-reimbursables	2.00%	<u>(251)</u>
Subtotal - Operating Expenses		(1,129)
<b>Net Operating Income</b>		<b>11,411</b>
Capitalization Rate		7.25%
<b>Value</b>		<b>157,399</b>

Source: CoStar Group, RSG

The estimated value for the subject property based on the Residual Income Analysis is also about \$157,500. **The estimated value of the subject property based on the Sales Comparable Analysis and Residual Income Analysis is \$157,500.**

**Date of Estimated Current Value:** August 22, 2013

**Advancement of Planning Objectives:** Eventual development of the property could bring in additional commercial or retail options. This could help to revitalize the City's downtown district and generate additional tax revenue.

**1415 14<sup>th</sup> Street (PROPERTY 5)**

**Address:** 1415 14<sup>th</sup> Street

**APN:** 008-132-07

**Lot Size:** 0.21 Acres

**Acquisition Date:** January 1, 2010

**Value at Time of Purchase:** Parcel was purchased for \$211,116

**Purpose of Acquisition:** This property was purchased in an effort to assemble commercial properties in the downtown district for economic and commercial development

**Property Type (DOF Category):** Vacant Lot/Land (aerial photo shows a structure that has since been demolished)

**Property Type (City Proposed):** Sale of Property

**Current Zoning:** Commercial

**Estimate of Income Revenue:** None

**Contractual Requirements for Use of Income/Revenue:** None

**History of Environmental Contamination, Studies, and/or Remediation, and Designation as Brownfield Site:** None known

**Description of Property's Potential for Transit Oriented Development:** None

**History of Previous Development Proposals:** There are no known previous development proposals

**Estimated Current Value:** Included below are the same 4 comparable commercial sales shown earlier in the report:



# Successor Agency to the Firebaugh Redevelopment Agency

## Long-Range Property Management Plan

### Comparable Analysis - Firebaugh Commercial Properties

Residential Land - 10 Mile Radius	Property Type	Secondary Type	Sale Date	Area (AC)	Price	Price/AC	Notes
1 2385 N Street Firebaugh	Land	Commercial	12/12/2011	11.72	\$ 245,000	\$ 20,904	Much larger property; price per acre is low
2 990 N Street Firebaugh	Land	Commercial	4/10/2012	0.69	\$ 450,000	\$ 652,174	14k square foot building planned; larger property
3 1067 P Street Firebaugh	Retail	Freestanding	4/19/2011	0.26	\$ 75,000	\$ 288,462	Similar size; developed property
4 988 O Street Firebaugh	Retail	Storefront Retail/Residential	9/28/2012	0.24	\$ 70,000	\$ 291,667	Similar size; developed property
Subject 1415 14th Street Firebaugh	Vacant Land	Commercial	Not Listed	0.21	\$ 42,000	\$ 200,000	Central location; no existing structure

Source: CoStar, August 2013

*The aerial photo of the subject property shows an existing structure, however, that structure no longer exists; the property is vacant. Properties 3 and 4 above are similar in size and location to the subject property, but both have existing buildings. The buyers of Properties 3 and 4 would not have to spend money to develop the property, thus making Properties 3 and 4 more valuable than the subject property. Adjusting for that condition, it would be reasonable to apply a land value of \$250,000 per acre to the subject property. **That would result in an estimated value of \$42,000.***

**Date of Estimated Current Value:** August 22, 2013

**Proposed Sale:** The property will be sold on the open market or at auction as necessary

**Proposed Sale Date:** The property will be put up for sale after Oversight Board and DOF approval of the PMP.

**Advancement of Planning Objectives:** Eventual development of the property could bring in additional commercial or retail options. This could help to revitalize the City's downtown district and generate additional tax revenue.

**1185 N Street (PROPERTY 6)**

**Address:** 1185 N Street

**APN:** 008-074-10

**Lot Size:** 0.23 Acres

**Acquisition Date:** March 28, 2011

**Value at Time of Purchase:** Parcel was purchased for \$181,017

**Purpose of Acquisition:** This property was purchased in an effort to assemble commercial properties in the downtown district for economic and commercial development



**Property Type (DOF Category):** Vacant Lot/Land

**Property Type (City Proposed):** Sale of Property

**Current Zoning:** Commercial

**Estimate of Income Revenue:** None

**Contractual Requirements for Use of Income/Revenue:** None

**History of Environmental Contamination, Studies, and/or Remediation, and Designation as Brownfield Site:** None known

**Description of Property's Potential for Transit Oriented Development:** None

**History of Previous Development Proposals:** There are no known previous development proposals

**Estimated Current Value:** Included below are the same 4 comparable commercial sales shown earlier in the report:

# Successor Agency to the Firebaugh Redevelopment Agency

## Long-Range Property Management Plan

### Comparable Analysis - Firebaugh Commercial Properties

Residential Land - 10 Mile Radius	Property Type	Secondary Type	Sale Date	Area (AC)	Price	Price/AC	Notes
1 2385 N Street Firebaugh	Land	Commercial	12/12/2011	11.72	\$ 245,000	\$ 20,904	Large property
2 990 N Street Firebaugh	Land	Commercial	4/10/2012	0.69	\$ 450,000	\$ 652,174	14k square foot building planned; larger property
3 1067 P Street Firebaugh	Retail	Freestanding	4/19/2011	0.26	\$ 75,000	\$ 288,462	Larger property; developed
4 988 O Street Firebaugh	Retail	Storefront Retail/Residential	9/28/2012	0.24	\$ 70,000	\$ 291,667	Larger property; developed
Subject 1185 N Street Firebaugh	Vacant Land	Commercial	Not Listed	0.23	\$ 46,000	\$ 200,000	Central location; no existing structure

Source: CoStar, August 2013

*The subject property is a vacant commercial lot. Properties 3 and 4 above are similar in size and location to the subject property, but both have existing buildings. The buyers of Properties 3 and 4 would not have to spend money to develop the property and could generate revenue immediately. Adjusting for that condition, it would be reasonable to apply a land value of \$200,000 per acre to the subject property. **That would result in an estimated value of \$46,000.***

**Date of Estimated Current Value:** August 22, 2013

**Proposed Sale:** The property will be sold on the open market or at auction as necessary.

**Proposed Sale Date:** The property will be put up for sale after Oversight Board and DOF approval of the PMP.

**Advancement of Planning Objectives:** Eventual development of the property could bring in additional commercial or retail options. This could help to revitalize the City's downtown district and generate additional tax revenue.

**1458 11<sup>TH</sup> STREET (PROPERTY 7)**

**Address:** 1458 11<sup>th</sup> Street

**APN:** 008-074-01

**Lot Size:** 0.12 Acres

**Acquisition Date:** March 15, 2010

**Value at Time of Purchase:** Parcel was purchased for \$75,220

**Purpose of Acquisition:** This property was purchased in an effort to assemble commercial properties in the downtown district for economic and commercial development

**Property Type (DOF Category):** Commercial

**Property Type (City Proposed):** Sale of Property

**Current Zoning:** Commercial

**Estimate of Income Revenue:** None

**Contractual Requirements for Use of Income/Revenue:** None

**History of Environmental Contamination, Studies, and/or Remediation, and Designation as Brownfield Site:** None known

**Description of Property's Potential for Transit Oriented Development:** None

**History of Previous Development Proposals:** There are no known previous development proposals

**Estimated Current Value:** Included below are the same 4 comparable commercial sales shown earlier in the report:



# Successor Agency to the Firebaugh Redevelopment Agency

## Long-Range Property Management Plan

### Comparable Analysis - Firebaugh Commercial Properties

Residential Land - 10 Mile Radius	Property Type	Secondary Type	Sale Date	Area (AC)	Price	Price/AC	Notes
1 2385 N Street Firebaugh	Land	Commercial	12/12/2011	11.72	\$ 245,000	\$ 20,904	Large property
2 990 N Street Firebaugh	Land	Commercial	4/10/2012	0.69	\$ 450,000	\$ 652,174	14k square foot building planned; larger property
3 1067 P Street Firebaugh	Retail	Freestanding	4/19/2011	0.26	\$ 75,000	\$ 288,462	Larger property; developed
4 988 O Street Firebaugh	Retail	Storefront Retail/Residential	9/28/2012	0.24	\$ 70,000	\$ 291,667	Larger property; developed
Subject 1458 11th Street Firebaugh	Retail	Commercial	Not Listed	0.12	\$ 6,000	\$ 50,000	No parking to meet zoning code

Source: CoStar, August 2013

*The subject property has an unoccupied existing commercial structure that covers the entire property. With the existing structure, the property does not have sufficient room to meet the Citywide parking standards for commercial properties as dictated by the zoning code (1 square foot of parking for every square foot of commercial space). This is a significant drawback that greatly devalues the property. Anyone wishing to purchase the property would have to purchase additional parcels within 500 feet to provide parking to the subject property. Given these challenges and potential costs, it would be reasonable to apply a land value of \$50,000/acre to the subject property. **This would result in an estimated current value of \$6,000.***

**Date of Estimated Current Value:** August 22, 2013

**Proposed Sale:** The property will be sold on the open market or at auction as necessary

**Proposed Sale Date:** The property will be put up for sale after Oversight Board and DOF approval of the PMP.

**Advancement of Planning Objectives:** Eventual development of the property could bring in additional commercial or retail options. This could help to revitalize the City's downtown district and generate additional tax revenue.

**Properties Retained For Purposes Of Fulfilling An Enforceable Obligation**

There are no properties to be retained for the purpose of fulfilling an Enforceable Obligation, as defined in AB x1 26.

## **ATTACHMENTS**

1. Property Inventory Data (DOF Form)
2. Order No. 94-072
3. Wastewater Collection and Disposal Services Agreement between City and Toma-Tek
4. Birch Drive Property Appraisal
5. Disposition and Development Agreement (“DDA”) with the Fresno County Housing Authority for the Gateway Project
6. The Successor Agency letter to release it from Gateway DDA
7. Ten-Year Affordable Housing Compliance Plan - 2004-05 through 2013-14
8. Memorandum of Understanding, March 15, 2012