

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 6-7, 2006

Reference No.: 2.4d.(4)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

Prepared by: Bimla G. Rhinehart  
Division Chief  
Right of Way and Land Surveys

Subject: **DIRECTOR'S DEEDS**

## **RECOMMENDATION:**

The Department of Transportation (Department) is requesting conceptual approval from the California Transportation Commission (Commission) authorizing the Department to enter into negotiations with the Redevelopment Agency of the City of Fairfield (Agency) for the functional replacement of a maintenance station.

## **BACKGROUND:**

The Department and the Agency have entered into a non-binding Letter of Intent (attached) to facilitate the development of the Allan Witt Park Master Plan. The parties plan to enter into an Exchange Agreement where the Agency will provide, at no cost to the Department, a turnkey functional replacement of the Department's existing facility located at 2019 West Texas Street in Fairfield.

The value of the existing facility and replacement site will be determined in accordance with accepted industry appraisal principles and practice. In the event the value of the existing facility exceeds the value of the replacement site, the Department will direct all excess proceeds to the State Highway account at close of escrow. If the value of the replacement site exceeds the value of the existing facility, the Department shall not reimburse the Agency for the excess value.

The Exchange Agreement, acceptable to the Department and Agency, will address all costs and expenses related to the relocation of the existing facility to the replacement site, construction of the replacement facility and closing costs.

This proposal was submitted to the Real Estate Advisory Panel for review at its August 10, 2006 meeting. At this time, the Department is seeking approval to proceed with negotiations with the Agency regarding the terms and conditions of the Exchange Agreement.

Attachments



# CITY OF FAIRFIELD

Founded 1856

Incorporated December 12, 1903

## DEPARTMENT OF PLANNING AND DEVELOPMENT

Home of  
Travis Air Force Base

June 1, 2005

### COUNCIL

Mayor  
Karin MacMillan  
707.428.7395

Vice-Mayor  
Harry T. Price  
707.429.6298

Councilmembers  
707.429.6298

Jack Batson

John English

Marilyn Farley

•••

City Manager  
Kevin O'Rourke  
707.428.7400

•••

City Attorney  
Greg Stepanicich  
707.428.7419

•••

City Clerk  
Arletta K. Cortright  
707.428.7384

•••

City Treasurer  
Oscar G. Reyes, Jr.  
707.428.7496

Mr. Bob Macpherson  
Deputy District Director, Right of Way  
Department of Transportation  
District 4, MS 1-H  
111 Grand Avenue, P.O. Box 23440  
Oakland, CA 94623

Re: Letter of Intent in Connection With the Proposed Exchange of Properties

Dear Bob:

Attached please find an executed Letter of Intent for your files. We have maintained the other copy for our files. We are looking forward to the opportunity to work with you on this exciting project. Thank you very much.

Sincerely,

David A. White  
Senior Project Manager

DAW:ajh

### DEPARTMENTS

Community Services  
707.428.7465

•••

Finance  
707.428.7496

•••

Fire  
707.428.7375

•••

Human Resources  
707.428.7394

•••

Planning &  
Development  
707.428.7461

•••

Police  
707.428.7551

•••

Public Works  
707.428.7485

DEPARTMENT OF TRANSPORTATION  
DISTRICT 4  
111 GRAND AVENUE  
P. O. BOX 23660  
OAKLAND, CA 94623-0660  
PHONE (510) 286-5900  
FAX (510) 286-6301



*Flex your power.  
Be energy efficient.*

May 23, 2005

Mr. Kevin O'Rourke  
Executive Director  
Redevelopment Agency of the City of Fairfield  
1000 Webster Street  
Fairfield, CA 94533-4883

Re: Letter of Intent in Connection With the Proposed Exchange of Properties

Dear Mr. O'Rourke:

This letter of intent will memorialize the cooperative efforts of the State of California, acting by and through its Department of Transportation, hereinafter referred to as STATE, and the Redevelopment Agency of the City of Fairfield, hereinafter referred to as AGENCY, to facilitate the development of the Allan Witt Park Master Plan.

The parties have reached an understanding regarding the exchange of certain land and the improvements to be constructed thereon owned by the City of Fairfield, hereinafter referred to as CITY, for certain land and the existing improvements thereon owned by STATE. The land and the improvements to be constructed thereon owned by CITY are located in Fairfield and are hereinafter referred to as the REPLACEMENT SITE and the REPLACEMENT FACILITY. The land and improvements owned by STATE are located at 2019 West Texas Street in Fairfield, commonly known as the Fairfield Maintenance Station, and hereinafter referred to as EXISTING FACILITY.

This letter of intent is non-binding on the parties hereto. The parties intend to enter into an exchange agreement which will set forth their specific, detailed agreement and which will include other matters related to this exchange which are not stated herein. The purpose of this letter of intent is to set forth the objective of STATE and AGENCY to enter into an exchange agreement and to open an escrow account to carry out the various elements set forth in the exchange agreement. In this regard, the parties intend to agree on the following:

1. Subject to funding availability and pursuant to the terms of the exchange agreement, AGENCY will provide, at no cost to STATE, a turn-key functional replacement of STATE'S EXISTING FACILITY, ready for occupancy, in exchange for title to STATE'S EXISTING FACILITY, which will be conveyed on an "as is" basis.

2. Functional replacement is defined as a fully functional, ready to occupy, replacement of the EXISTING FACILITY on a square foot for square foot basis for both land and improvements with equal or better functionality. Functional replacement includes, but is not limited to, acquisition of the REPLACEMENT SITE with title and encumbrances acceptable to STATE, appropriate zoning to permit construction of the REPLACEMENT FACILITY as proposed, all necessary environmental approvals, hazardous waste clearances, building permits, preparation of architectural drawings and building plans and construction completed in compliance with current safety and building codes and applicable STATE standard specifications.
3. STATE will provide timely approval of site layout plans and review of design plans, drawings and specifications sufficient to provide quality assurance of the acceptability and functional utility of the REPLACEMENT FACILITY.
4. The primary proposed REPLACEMENT SITE is that portion of the parcel located at Red Top Road known as Assessor's Parcel No. 0180-010-120. If the primary proposed REPLACEMENT SITE is not satisfactory to either STATE or AGENCY, an alternative site will be mutually identified.
5. The actual execution of the Director's Deed by STATE conveying the EXISTING FACILITY to AGENCY is subject to California Transportation Commission approval.
6. Valuation of the EXISTING FACILITY and the REPLACEMENT SITE will be determined by two appraisals each independently prepared by an American Institute of Real Estate Appraisers certified appraiser with significant experience appraising real property in the Fairfield area, whose selection shall be mutually agreed upon by STATE and AGENCY. Each appraiser shall establish a separate value for both the EXISTING FACILITY and the REPLACEMENT SITE based upon the highest and best use for the respective properties as defined in Code of Civil Procedure, Section 1263.320. If the values established by the two appraisers for either or both sites are less than fifteen percent (15%) apart, the final value will be determined by averaging the two appraisers' respective values. If the values established by the two appraisers for either or both sites are fifteen percent (15%) or more apart, STATE and AGENCY will choose a mutually acceptable Judicial Arbitration and Mediation Service (JAMS) arbitrator who will determine the fair market value of the site or sites in question based on the two appraisals. The arbitrator's decision must be within the range of the two appraisals and, if so, will be accepted as the value of the site in question.

Mr. Kevin O'Rourke  
City of Fairfield Redevelopment Agency  
May 23, 2005  
Page 3

7. In the event the value of the EXISTING FACILITY is in excess of the value of the REPLACEMENT SITE, STATE, at its option, will either receive the excess value as a payment at close of escrow or may otherwise direct the payment of all or a portion of such excess value during escrow. Notwithstanding the foregoing, and subject to funding availability, AGENCY will construct the turnkey functional REPLACEMENT FACILITY solely at its own cost and expense. Any betterment, including any additional improvements, elected by STATE shall be at STATE'S expense. In the event the value of the REPLACEMENT SITE exceeds the value of the EXISTING FACILITY, STATE shall not reimburse AGENCY for the excess value.
8. STATE will expeditiously undertake to provide AGENCY with rough plans and specifications sufficient to prepare architectural drawings and construction plans, specifications and bid documents for construction of the REPLACEMENT FACILITY, which plans, specifications and bid documents will be subject to STATE'S review and approval as to sufficiency.
9. AGENCY will bid the project and award and administer the construction contract for the REPLACEMENT FACILITY.
10. AGENCY may assign the purchase rights to the EXISTING FACILITY to another party for the purpose of completing a redevelopment of the site.
11. The exchange agreement will address all costs and expenses related to the relocation of the EXISTING FACILITY to the REPLACEMENT SITE, the construction of the REPLACEMENT FACILITY and identify those costs that are the responsibility of STATE and those costs that are the responsibility of AGENCY. In addition to the foregoing obligations, AGENCY will assume all costs and expense related to relocation of STATE and STATE'S personal property from the EXISTING FACILITY to the REPLACEMENT SITE and the REPLACEMENT FACILITY including payment of all benefits STATE is entitled to under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR 24) as amended.
12. An exchange agreement acceptable to STATE and AGENCY shall be prepared.
13. AGENCY will assume all closing costs. Except as stated herein, all taxes and assessments, if any, will be prorated. STATE, however, will not be responsible for any taxes and/or assessments in excess of any taxes and/or assessments, if any, currently payable at the EXISTING FACILITY. No commissions will be charged to STATE.

Mr. Kevin O'Rourke  
City of Fairfield Redevelopment Agency  
May 23, 2005  
Page 4

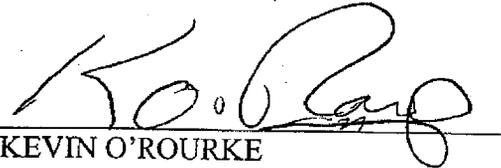
If this letter of intent correctly states your understanding of the intent of the parties, please sign this letter below my signature and return one original to the undersigned, keeping the duplicate original for your records.

Sincerely,



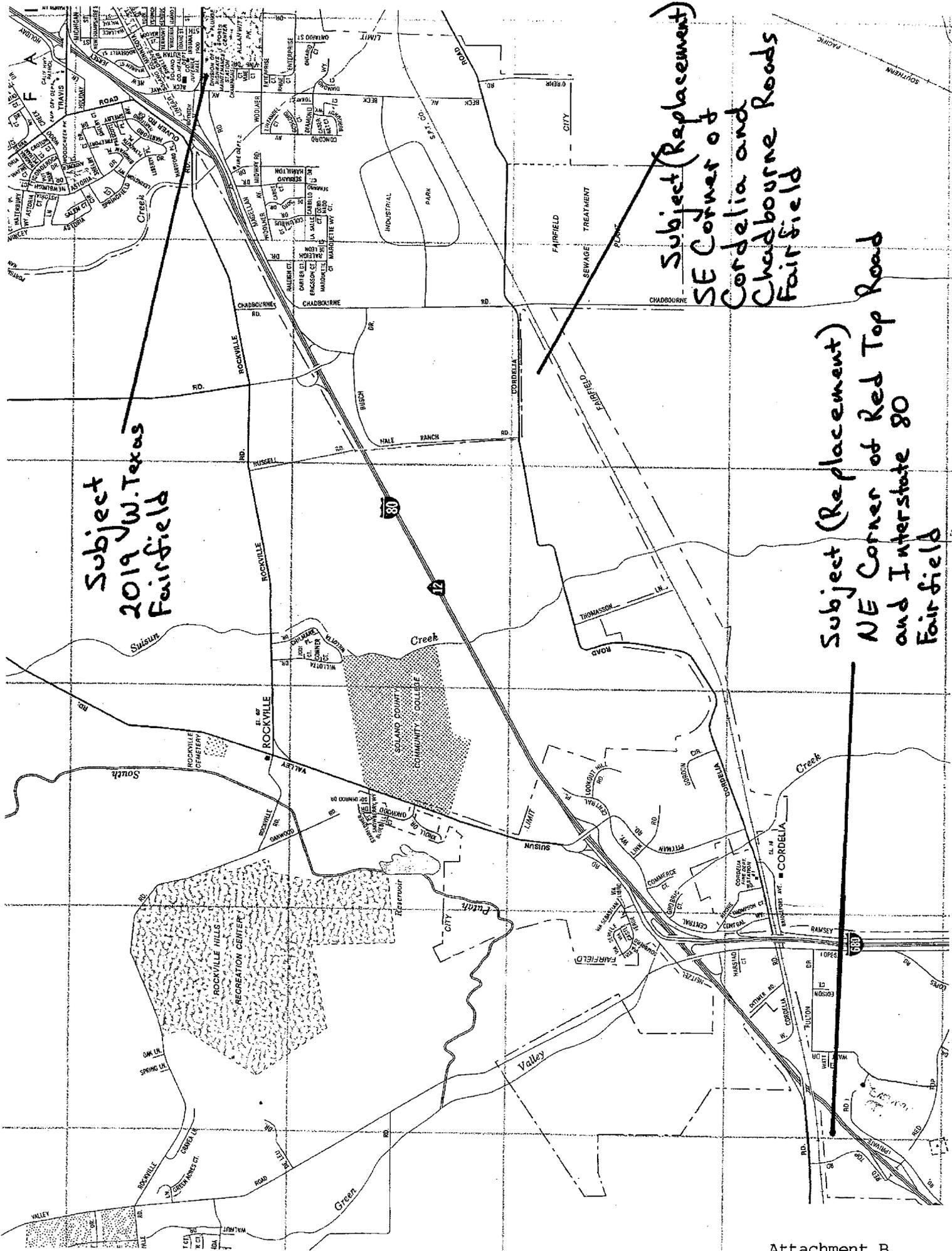
BIJAN SARTIPI  
District Director  
District 4

The above letter of intent correctly states my understanding of the intent of the parties.



KEVIN O'ROURKE  
Executive Director  
Redevelopment Agency of the City of Fairfield

Dated: 5-27, 2005



Subject  
2019 W. Texas  
Fairfield

Subject (Replacement)  
SE Corner of  
Cordelia and  
Chadbourne Roads  
Fairfield

Subject (Replacement)  
NE Corner of Red Top Road  
and Interstate 80  
Fairfield

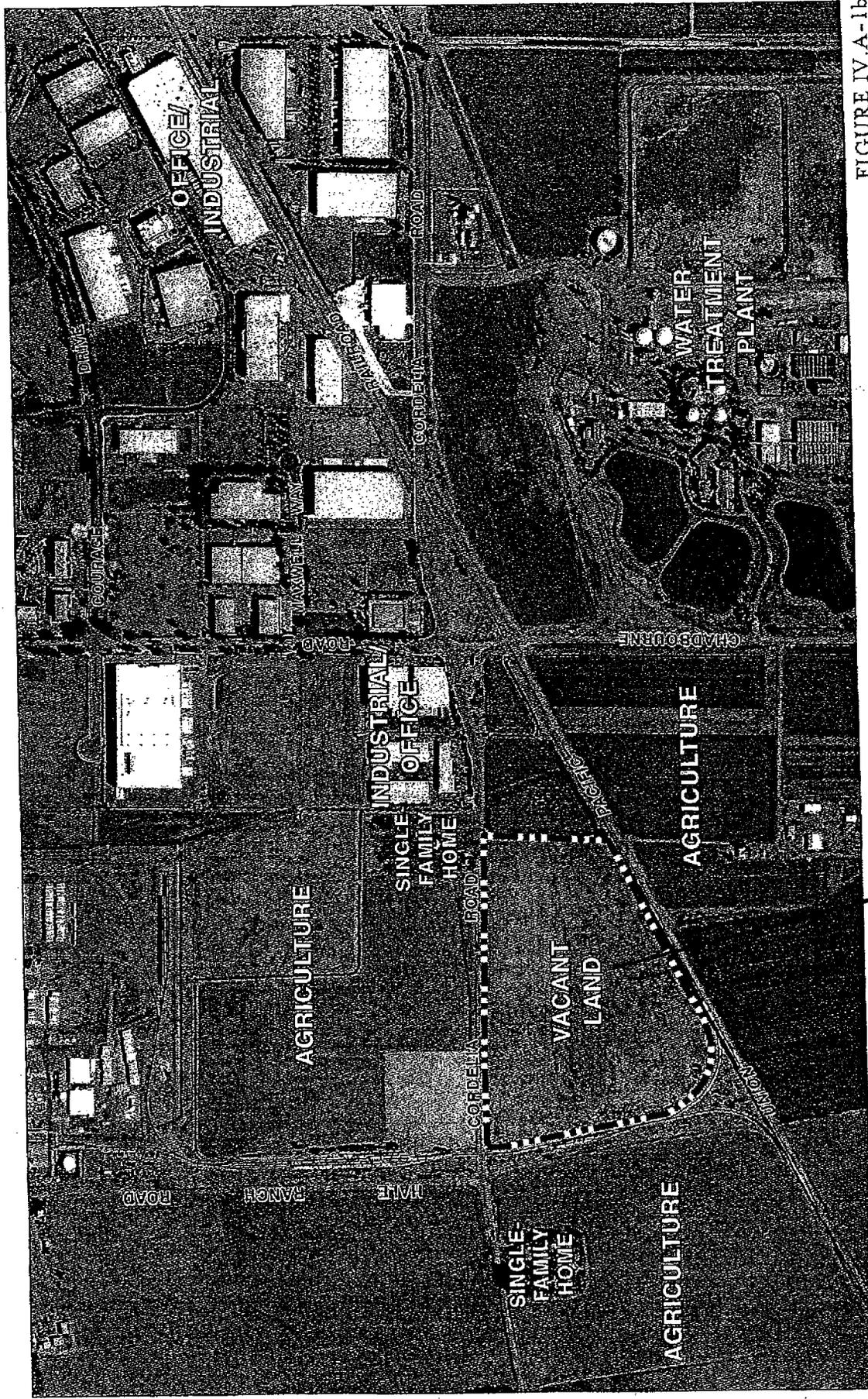


FIGURE IV.A-1b

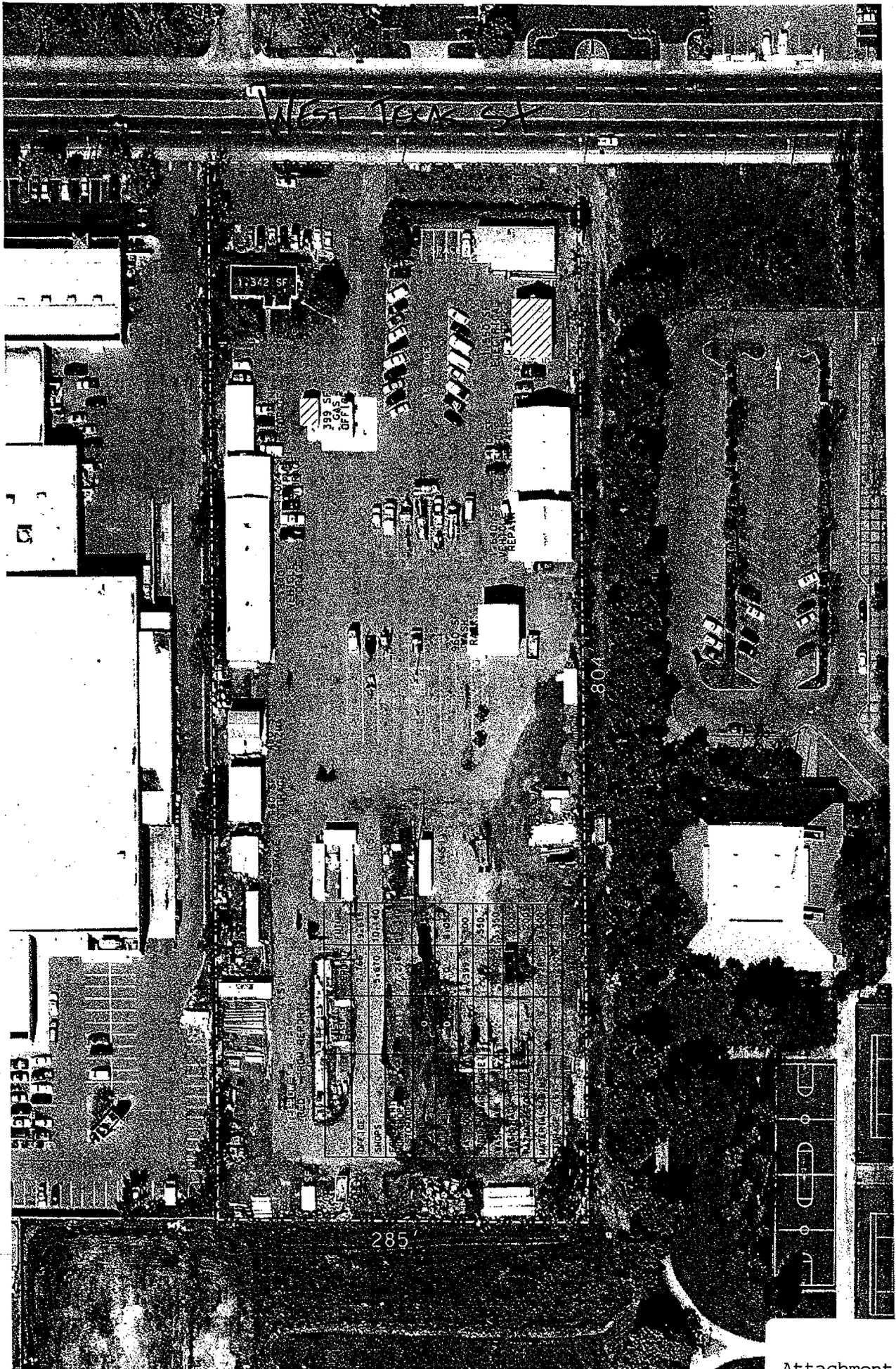
Allan Witt Park Revitalization Project EIR  
 Existing Land Uses  
 Multi-Sports Complex Component

Chadbourne Site

PROJECT SITE

LSA





WEST YORK ST

399 S  
GAS  
OFFICE

399 S  
GAS  
OFFICE

REPAIR

804

285

DEPT	AREA	SQ FT	CUBIC FT
...	...	19,450	...
...	...	10,840	...
...	...	1,550	...
...	...	2,370	...
...	...	1,740	...

Existing Fairfield Station