



Agenda Item: L-15

Meeting Date: 03-01-10

ATTACHMENT 4

ADMINISTRATIVE REPORT

TO: John M. Bramble, City Manager

FROM: Floyd E. Higdon, Police Commander

DATE: March 1, 2010

SUBJECT: Merced Police Department Headquarters Building Project

REPORT IN BRIEF

Approve Purchase and Sale Agreement for property located at the Northwest Corner of Yosemite Avenue and Mansionette Drive for the purpose of acquiring a site for the Police Department Headquarters Building.

RECOMMENDATION:

Adopt a motion:

- A. Approving transfers from Public Facilities Financing Fees-Police in the amount of \$556,194 from Fund 047 and \$556,194 from Fund 057 to the General Fund; and
- B. Appropriating \$1,112,388 in the General Fund-001 to Project #108090-New Police Facility for the purchase and fees associated with the property acquisition; and
- C. Approving the "Purchase and Sale Agreement" between the City of Merced and Della Wathen, individually, and Della Wathen and Paul E. Quinn, Co-Administrators of the Estate of Spalding Wathen; and
- D. Authorizing payment to the property owners who have signed and accepted the terms of the "Purchase and Sales Agreement"; and

- E. Authorizing payment of all fees associated with the property acquisition, i.e., document recording, survey fees, escrow fees, deposit, parcel reconveyance, bank fees; and
- F. Authorizing the City Manager to execute all necessary documents.

ALTERNATIVES:

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to amended conditions to be addressed in City Council motion; or,
- 3. Deny; or,
- 4. Refer back to staff for reconsideration of specific items as requested by Council; or,
- 5. Continue item to a future City Council meeting (date and time to be specified in City Council motion).

AUTHORITY:

Charter of the City of Merced, Section 200.

DISCUSSION:

History:

The current Merced Police Department Headquarters building, located at 611 West 22nd Street, was initially constructed in 1959, and re-modeled with a second story in 1981. The remodeled building no longer meets the space, operational, security or technological needs of the Police Department.

As part of the City Council priorities in 2007, the Council authorized staff to start evaluating sites for the purpose of locating a new Police Headquarters Building. In July 2008, the City Council approved funding to complete a Needs Assessment for a new Police Headquarters Building. Under the direction of Project Champion

Floyd Higdon (Police Commander) and City Senior Architect John Sagin, Jr., a Needs Assessment was developed and completed in-house to determine critical site criteria and potential sites that met the site criteria.

Included in the Needs Assessment is the minimum acreage necessary for a new Police Headquarters Building, including parking, outbuildings and future expansion. A search began to identify existing buildings and/or sites to be considered for the facility. Twenty-six (26) building sites were identified by the committee. Each site was then reviewed and scored as to its adequacy against site criteria standards. The Project Committee was able to reduce the initial list to three sites that met all of the site criteria.

Needs Assessment:

The current Police Headquarters Building is a two-story building sitting on 1.03 acres, with approximately 20,000 square feet of building space and 67 parking spaces within the property. The building currently houses the Police Administration, the Administrative Division, the Investigations Division, and the Operations Division. Approximately 65 employees work at this facility. The site lacks on-site parking for both visitors and employees.

Other units not currently housed at the Central Station include the four patrol shifts, the Community Aides, the Gang Violence Suppression Unit (GVSU), the long-term Evidence / Property facility, and the Traffic Unit. These units are currently housed at either the North or South Area Stations, the Shannon Parade Facility, or the Grogan Facility. This accounts for approximately 70 additional employees. Two of these facilities are rental units with monthly rent (North Area Station and the Grogan Facility), and a third utilizes property owned by the City that could be rented to commercial entities (Shannon Parade Facility).

With a projected workforce of 189 sworn personnel and 80 civilian personnel by the year 2035 (25-year build out period), the projected building size would need to be approximately 50,000 square feet, with a total of 196 parking spaces. This would require an approximate 2.5-acre site. The four patrol shifts would be housed at the new facility. This site would allow the Department personnel to vacate the Shannon Parade Facility.

A larger site would enable the Department to move the long-term Evidence / Property Facility (Grogan Facility) to the new site, and still have additional room for building and parking expansion necessary for the future growth of the

Department. Additionally, there would be room for a Community Meeting Room which could also be used as the Emergency Operations Center.

Site Criteria Utilized:

The Project Committee identified 21 points as criteria to be utilized on each location that was identified to determine the value, both positive and negative, of that location. A point value was given to each criteria point, and each location received a total score. The criteria used included:

Criteria

- Access (ingress, egress) points for both vehicular and pedestrian traffic
- Central location within City
- Cost to purchase
- Demolition of current unusable structures (additional costs)
- Environmental issues related to the site
- Historic building which would have to be moved
- Located on major arterial roadway
- Property size – Minimum 2.5 acre site
- Proximity to Civic Center
- Site visibility
- Traffic congestion of adjoining roadways

City Council Presentation and Past Action:

On October 5, 2009, Commander Floyd Higdon and Senior City Architect John Sagin presented three recommended sites to the City Council requesting direction to the Project Committee regarding which property to focus our efforts. The information presented included the current recommended site, along with two other sites that met the site criteria (southeast corner of Loughborough Drive and Meadows Avenue, and the southwest corner of Main and 'O' Streets).

During the Council discussion, Council Member Spriggs recommended the Yosemite Avenue and Mansionette Drive location, as it also provided for a possible fifty-year build out with substantial room for growth. Following discussion on the information presented, the Council, on a motion by Council Member Gabriault-Acosta and second by Council Member Carlisle, directed the Project Committee to explore the purchase of the property located at the northwest

corner of Yosemite Avenue and Mansionette Drive for the proposed Police Headquarters Building. The motion carried by a unanimous 7-0 vote.

Negotiations:

Following direction by the City Council, Commander Floyd Higdon and Senior City Architect John Sagin started a process to open negotiations with the property owner, Della Wathen.

The City of Merced hired Real Property Analysts (RPA) on November 3, 2009 to appraise and provide professional advice on the property. A detailed report was prepared by RPA on November 20, 2009 and forwarded to the City.

City staff has been in negotiation with Mrs. Della Wathen, and her representatives, beginning on December 3, 2009, to purchase approximately 4.55 acres of property located at the northwest corner of Yosemite Avenue and Mansionette Drive (Assessor's Parcel Number 231-040-006). This property would be on the southern end of the parcel. Staff originally offered to purchase the discussed property at the appraised value of \$892,350, or \$4.50 per square foot (s.f.), for the 4.55 acres (198,300 s.f.) of land.

During the negotiations, the configuration of the property site was enlarged to approximately 5.16 acres. The new proposed lot is bordered by Mansionette Drive on the east, Yosemite Avenue on the south, a planned street, Sandpiper Avenue on the east, and a new connector road on the north.

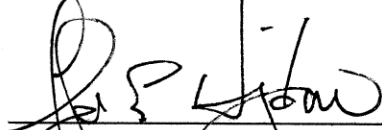
Staff rejected Mrs. Wathen's counter offer, and presented a second, City offer of \$1,090,135, or \$4.85 s.f., for the proposed larger lot site of 224,747 s.f. There are no conditions relating to any other property included. This offer is approximately 7.78% above the appraised value. Mrs. Wathen indicated her acceptance of this verbal offer.

Following consultation the City Attorney's Office prepared a Purchase and Sale Agreement for the property, which was forwarded to Mrs. Wathen, and returned with her signature (copy attached). Staff is recommending that the City of Merced acquire the property for \$1,090,135, pending final Council approval.

Budget / Appropriation Action:


Funding for this purchase is available from Public Facilities Finance Fees- Police in Fund 047 and Fund 057. This report recommends transfers in the amount of \$556,194 from Fund 047 and \$556,194 from Fund 057 to the General Fund and appropriating \$1,112,388 in the General Fund-001 to Project #108090-New Police Facility for the purchase and fees associated with the property acquisition.

Respectfully Submitted:



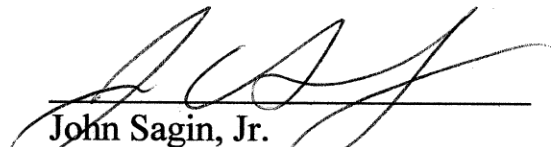
Floyd E. Higdon
Police Commander

Reviewed and Approved:



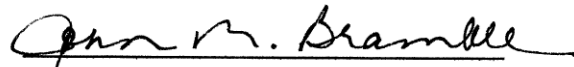
Norman B. Andrade
Chief of Police

Reviewed By:



John Sagin, Jr.
Senior City Architect

Approved By:



John M. Bramble
City Manager

Attachment(s):

1. Purchase and Sale Agreement – signed by property owners and approved by City Attorney's Office

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2010, by and between Della Wathen, individually, and Della Wathen and Paul E. Quinn, as co-administrators of the Estate of Spaulding Wathen ("Seller), and the City of Merced, a California Charter Municipal Corporation ("Buyer").

W I T N E S S E T H

WHEREAS, Seller owns a parcel of real property in the County of Merced, State of California, more commonly identified as 3752 "G" Street, Merced, California and Assessor's Parcel Number 231-040-006 (the "Parcel"); and,

WHEREAS, Buyer desires to acquire land necessary for the construction of a new police station in the City of Merced (the "Project"); and,

WHEREAS, Buyer agrees to cooperate with Seller on a 1031 Exchange at no cost to Buyer; and,

WHEREAS, The area necessary for the Project is located within the Parcel, consisting of approximately 224,747 square feet and more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property free from all liens and encumbrances.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be One Million Ninety Thousand One Hundred

Thirty-Five Dollars (\$1,090,135.00) for approximately 224,747 square feet based upon a survey to be prepared pursuant to Section 4 hereof, without any liens or encumbrances.

a. Deposit: Buyer will deposit the sum of Five Thousand Dollars (\$5,000.00) into escrow within ten (10) business days following the mutual execution of this Agreement.

b. Balance of Purchase Price: Buyer shall have until close of escrow ("Final Payment Date") to pay to Seller the balance of the purchase price minus the amount of the security deposit for a total amount of One Million Eighty-Five Thousand One Hundred Thirty-Five Dollars (\$1,085,135.00) to be deposited with the escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Subject Property within ten (10) days at a title company in Merced, California selected by Buyer, and shall close within thirty (30) days thereafter, subject to the terms and conditions of this Agreement. All escrow costs shall be shared by the Buyer and Seller, including the transfer and documentary taxes, if any, upon recordation of the Deed. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. SURVEY, PARCEL MERGER, OR PROPERTY LINE ADJUSTMENT. The Subject Property might be the subject of a survey and/or a parcel split or a lot line adjustment upon the determination of the Buyer. All costs incurred in connection with the survey, parcel split and/or property line adjustment shall be borne by the Buyer. Upon conveyance of the Subject Property to Buyer, the Subject Property shall be deemed a legal parcel separate and apart from the remainder of Parcel.

SECTION 5. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not

executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void. Notwithstanding the foregoing, the parties acknowledge that there is pending a petition for final distribution of the Estate of Spaulding Wathen, and if such petition is granted before the close of escrow, then the Seller shall be Della Wathen, individually, and Della Wathen, as trustee of the Spaulding G. Wathen Q-Tip Trust. Any distribution of an interest in the Parcel from the Estate of Spaulding Wathen shall be subject to this Agreement. This Agreement and sale are subject to Probate Court approval if necessary. If Probate Court approval is required, such approval must be obtained within sixty (60) days from the date of this Agreement or the Buyer shall have the right to terminate this Agreement. All costs of obtaining approval from the Probate Court shall be borne solely by the Seller.

SECTION 6. ENVIRONMENTAL REVIEW OF PROPERTY.

(a) Seller hereby authorizes the Buyer to enter the Subject Property and conduct a Phase I environmental site assessment of the Subject Property (the "Phase I"). Buyer agrees to indemnify and hold Seller harmless from any and all claims arising out of the entry of Buyer and its consultants onto the Subject Property to conduct the Phase I testing. Upon completion of the Phase I, Buyer's consultant shall provide written notice to Buyer and Seller that the Phase I has been completed so that the time period specified in Section 6(c) will start.

(b) Upon the completion of the Phase I and submittal of the document to the Buyer, the Buyer shall have twenty (20) days thereafter to inform Seller in writing if the Buyer shall purchase the Subject Property. Failure by Buyer to inform Seller of its decision in writing regarding the purchase of the Subject Project shall be deemed a decision by Buyer to acquire the Subject Property.

(c) Seller shall have the right to terminate this Agreement upon written notice to Buyer if the Phase I testing is not completed within forty-five (45) days from the effective date of this Agreement.

SECTION 7. REAL ESTATE COMMISSIONS. Buyer and Seller both represent and warrant to each other that they are not, and have not

been, represented by any real estate broker or agent in this transaction, and that there are no real estate or similar commissions due or owed for this transaction. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 8. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with all deeds and agreements (whether recorded or unrecorded) relating to the Subject Property and each document shown as an exception or encumbrance. This shall be done at the expense of Seller. Within fifteen (15) days after the delivery of the related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement. Buyer agrees to indemnify and hold Seller harmless from any and all claims arising out of the entry of Buyer and Buyer's agents and representatives onto the Subject Property.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 9. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals

designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: c/o Della Wathen
575 East Locust, Suite 201
Fresno, California 93720

BUYER: City of Merced
City Clerk's Office
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 10. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 11. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 12. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement

regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 14. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 15. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 16. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 17. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on

behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 18. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 19. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 20. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 21. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 22. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or

business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:

DELLA WATHEN, Individually and as
Co-Administrator of the Estate of
Spaulding Wathen

By: 
Della Wathen

PAUL E. QUINN, as Co-Administrator of
the Estate of Spaulding Wathen

By: 
Paul E. Quinn

{Signatures continued on next page}

BUYER:
CITY OF MERCED, a California Charter
Municipal Corporation

By: _____
City Manager

ATTEST:
JOHN M. BRAMBLE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: Ken D. Ngell 2/23/10
City Attorney Date

v-1000
201378 PO#: 90501
ACCOUNT DATA:

BY: _____
Verified by Finance Officer

Funds Available. M&N 2/23/10
001-1001-627-6500 108090

Purch Price \$1,090,135.00
Est Escrow 21,803.00
Title Ins. 450.00

\$1,112,388.00

0.*
1,090,135.*
2.*
21,803.00*
21,803.00+
1,111,937.70*
1,111,937.70+
450.00+
002
1,112,388.00*

January 28, 2010

W00209A

EXHIBIT "A"

DESCRIPTION

All that portion of Remainder D as shown on "Final Map for Mansionette Estates Unit 2", recorded in Volume 55 of Official Plats at pages 12, 13 and 14, Merced County Records, being more particularly described as follows:

COMMENCING at the northwest corner of said Remainder D;

Thence South 00°42'36" West, 283.54 feet along the west line of said Remainder D to **TRUE POINT OF BEGINNING**;

- (1) thence North 89° 56' 09" East, 612.97 feet parallel with the north line of said Remainder D to the east line of said Remainder D;
- (2) thence South 00° 42' 17" West, 352.11 feet along the said east line of Remainder D;
- (3) thence along a curve concave to the northwest through a central angle of 89° 13' 31", having a radius of 15.00 feet, and whose long chord bears South 45° 19' 03" West, 21.07 feet to the south line of said Remainder D;
- (4) thence South 89° 55' 48" West, 583.00 feet along the said south line of Remainder D;
- (5) thence North 44° 40' 48" West, 21.36 feet along the southwest line of said Remainder D;
- (6) thence North 00° 42' 36" East, 351.77 feet along the west line of Remainder D to the **TRUE POINT OF BEGINNING**.

Containing 224747 square feet, more or less.



David D. Heinrichs

1-28-2010

AVENUE

NIGHTINGALE

COURT

21

20

19

18

17

16

15

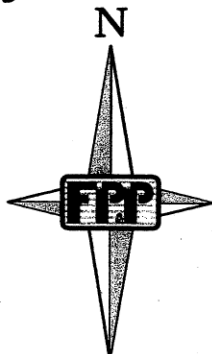
N89°56'09"E

NORTH LINE OF REMAINDER D

POINT OF COMMENCING
N.W. CORNER OF REMAINDER D

S00°42'36"W 283.54'

REMAINDER D
55 O.P. 12
M.C.R.



SCALE 1" = 100'



2-1-2010

N89°56'09"E 612.97'

TRUE POINT OF BEGINNING

N00°42'36"E 351.77'

SANDPIPER

PARCEL ACQUIRED BY CITY

224,747± SQUARE FEET

S00°42'17"W 352.11'

DRIVE

MANSIONETTE

32'

N44°40'48"W 21.36'

S89°55'48"W 583.00'

R=15.00
L=23.36
Tan=14.80
Δ=89°13'31"

47'

Y O S E M I T E

A V E N U E

EXHIBIT "B"

January 22, 2009

MERCED CENTRAL POLICE STATION

City of Merced
Project No. 108090

SITE CRITERIA

	Description	Property Size	Demo Structures	Environmental	Relocations	Loss of Income	Historic Building	Existing Building Used	Existing Parking Used	Existing Utilities	Access Points	Located on a Major Arterial	Existing Signal	Central Location	Adjacent to Railroad	Adjacent to Residential	Multi/Commercial Zone	Proximity to Civic Center	Better Recommended Usage	Cost	Site Visibility	Traffic Congestion	Net Total Score
Site Location	Max Value	10	-5	-5	5	5	-10	5	5	5	10	5	5	10	-5	-5	5	5	-5	10	10	-5	

RECOMMENDED SITES	
Yosemite Avenue & Mansionette	
Meadows Avenue & Loughborough Drive	
"N" Street & Main St. Bank Of America	

10	5	4	0	0	0	0	0	0	3	10	5	5	8	0	-1	5	0	0	10	10	-1
10	5	4	0	0	0	0	0	0	3	7	4	2	5	0	-2	5	1	0	9	5	-2
7	-5	0	-2	-2	0	1	5	5	5	10	4	1	8	0	0	5	4	0	4	8	0

73

56

53