



**CITY OF HUGHSON
SPECIAL
CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA**

**AGENDA
THURSDAY, MAY 15, 2014 – 6:30 P.M.**

CALL TO ORDER: Mayor Matt Beekman

ROLL CALL: Mayor Matt Beekman
Mayor Pro Tem Jeramy Young
Councilmember Jill Silva
Councilmember George Carr
Councilmember Harold Hill

FLAG SALUTE: Mayor Matt Beekman

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Members of the audience may address the City Council on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the City Council cannot take action on matters not on the Agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

2. UNFINISHED BUSINESS:

2.1: Authorize the City Manager to Execute a Memorandum of Understanding with the Hughson Unified School District For the Purchase of Real Property Located at the Corner of 7th Street and Whitmore Avenue in the City of Hughson, Stanislaus County, California.

ADJOURNMENT:

**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

AFFIDAVIT OF POSTING

DATE: May 14, 2014 **TIME:** 3:00pm
NAME: Dominique Spinale **TITLE:** Deputy City Clerk

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Hughson City Council meets in the Council Chambers on the second and fourth Mondays of each month at 7:00 p.m., unless otherwise noticed.

Council Agendas: The City Council Agenda is now available for public review at the City's website at www.hughson.org and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Questions: Contact the City Clerk at (209) 883-4054



CITY OF HUGHSON AGENDA ITEM NO. 4.1

SECTION 4: UNFINISHED BUSINESS

Meeting Date: May 15, 2014
Subject: Approval to Authorize the City Manager to Execute the Memorandum of Understanding with the Hughson Unified School District for the Purchase of Real Property Located at the Corner of 7th Street and Whitmore Avenue in the City of Hughson, Stanislaus County, California
Presented By: Raul L. Mendez, City Manager
Approved By: _____

Staff Recommendations:

Authorize the City Manager to Execute the Memorandum of Understanding with the Hughson Unified School District for the Purchase of Real Property Located at the Corner of 7th Street and Whitmore Avenue in the City of Hughson, Stanislaus County, California

Background and Overview:

On January 27, 2014, the Hughson City Council approved submitting a grant application to the Federal Land and Water Conservation Fund for a park acquisition project. The Land and Water Conservation Fund (LWCF) was established back on September 3, 1964 to assist states in planning, acquisition and development of recreation lands.

General parameters of the LWCF program include:

- Eligible Agencies – cities, counties, federally recognized Native American tribes, public joint powers authorities, and non-state agency recreation and parks districts and special districts with certain authorizes.
- Maximum Grant Amount for Application – \$2,000,000 is the maximum grant request mount although applicants are encouraged to establish a grant request range.
- Amount of Funds Available – based on annual apportionment to the State of California (recent years have been approximately \$3 million to \$4 million). There are three potential funding sources: annual apportionment, unobligated funds from previous apportionments and State reapportionment account funds from previous apportionments.

- Match Requirement – the maximum grant request amount cannot exceed 50% of the total project cost.
- Eligible Projects – acquisition or development projects are consistent with the Statewide Comprehensive Outdoor Recreation Plan.

The grant funding opportunity through the Land and Water Conservation Fund was discussed with the 2+2 City of Hughson/Hughson Unified School District Committee during both its December 2013 and January 2014 meeting. The City Manager and District Superintendent discussed the desire to submit an application during the current funding cycle to present the acquisition project as envisioned by the City of Hughson back in 2010 for potential funding.

In order to begin to formulate the grant request, an appraisal was necessary and initiated by the City Manager and District Superintendent at an estimated cost of \$5,000—to be equally shared by both entities. The 2+2 Committee was supportive of the City and School District working together to submit an application for consideration by the deadline of February 3, 2014. The City Manager indicated that the grant application would be prepared by existing staff—consistent with the goal to bring the grant writing expertise in-house rather than rely on a grant writing firm like in the past that would come at an additional cost.

City staff submitted a grant application for consideration by the Department of Parks and Recreation Office of Grants and Local Services for acquisition of the 29.05 acres of Hughson Unified School District property made up of two legal parcels at the corner of Seventh Street and Whitmore Avenue. The Land and Water Conservation Fund program requires that an appraisal and independent review be conducted for any property acquisition projects. The appraisal must meet “Yellow Book” uniform appraisal standards. The City hired Cogdill and Giomi (Modesto, CA) and Way and Associates (Hughson, CA) to perform the required appraisal. The appraisal provided the City and School District with valuable information for the park acquisition project grant application. The preliminary value of the property was estimated at \$1.1 million for the two legal parcels and was the basis for the grant submission. Since the grant would provide 50% funding or \$550,000, the City identified the match requirement from its Park Project In Lieu and Park Development Impact Fees.

At submission of the grant application by the required deadline, there were two elements that would be submitted at a later date—the environmental clearance for the project and the property appraisal per the grant requirement. Both items have been completed and submitted to the State Department of Parks and Recreation. Representatives from the State Department of Parks and Recreation have been very helpful in working with City staff to ensure the application is complete. State representatives have visited the property proposed for acquisition and have indicated that only an agreed upon purchase price agreement is necessary in order to finalize the City of Hughson’s application for consideration of funding. This was shared with the Hughson Unified School District and discussed at both the joint meeting with the City of Hughson and their regular meeting on April 14, 2014.

The final appraisal made minor modification to the preliminary value provided in the City's grant application submission. Essentially, the proposed property is valued at \$1,090,000 or \$405,000 for Legal Parcel 1 (9.4 acres) and \$685,000 for Legal Parcel 2 (19.65). The Hughson Unified School District expressed a desire to keep a portion of the proposed property for its Agricultural Program. The District has an agricultural lease with a local farmer that generates revenue for that purpose. Furthermore, the local farmer recently planted almond trees on a portion of Legal Parcel 1.

During its regular meeting on April 14, 2014, City Council provided staff direction to revise the LWCF grant application for only the 19.65 acres based on the recent discussion with the School District. The revised project scope was shared with the California Department of Parks and Recreation through a joint letter prepared by the City Manager and School District Superintendent. The grant would provide 50% of the cost for property acquisition based on the appraised value and not require the City to deplete a majority of its Parks Project In Lieu and Park Development Impact Fees funds and instead make them available for use during future development of the park site. If successful in the property acquisition, City staff will focus future grant writing efforts on its development. The first step in the process will be preparing a conceptual design by revisiting the work done back in 2010 with local residents and partners and then the corresponding professional plans that will later be required. City staff plans to reconvene the Hughson Parks and Recreation Commission to facilitate this process as discussed with the City Council during its May 12, 2014 regular meeting.

On April 18, 2014, the California Department of Parks and Recreation sent a letter to the City of Hughson indicating that the Seventh Street Park Acquisition Project was being recommended for funding to the National Park Service (NPS) at the requested amount of \$550,000. In a subsequent phone call and email, the State parks agency indicated that the project scope would be reduced as requested and that 50% funding would still be recommended for award. The revised project scope is based on the 19.65 acres and appraised value of \$685,000 of which \$342,500 would be available as grant funding. At the time, the State expressed that the City needed to submit a purchase price agreement or other document showing the agreed upon price before they could forward the funding recommendation to NPS. The State indicated that a delay in the receipt of this agreement could potentially jeopardize the availability of the funding in the current cycle. The City Attorney was asked to work with the District's legal counsel to develop the legal document that would satisfy the State's requirement.

The attached Memorandum of Understanding (MOU) formalizes the agreement between the City of Hughson and Hughson Unified School District regarding the property located at the corner of 7th Street and Whitmore Avenue for purposes of the Seventh Street Park Acquisition Project and Land and Water Conservation Fund grant award. The MOU identifies the subject property, confirms the agreed purchase price amount, details the District's property disposition process and outlines the steps that the City would need to take to acquire the property. The Hughson Unified School District will be discussing this item during their May 15, 2014 regular meeting. Specifically, the District Board intends to accept the recommendation for disposition of the property and adopt a resolution regarding

their intent to dispose of the property. The District anticipates making the offer to public entities by mid June.

Upon authorizing the City Manager to execute the MOU, the document will be signed and then forwarded to the District Superintendent for signature. The original document will be forwarded to the California Department of Parks and Recreation shortly thereafter electronically and in hard copy thereby completing the City's Seventh Street Park Acquisition Project and allowing it to be forwarded to the National Parks Service for final funding approval and award.

Fiscal Impact:

The City of Hughson has two capital project funds that can be utilized as the source for the match and cash flow requirements (Park Project In Lieu and Park Development Impact Fees) and for future development. As indicated in the City's Final Adopted Budget for Fiscal Year 2013-2014, it is anticipated that the City will have a combined fund balance of nearly \$800,000 at year end. Costs associated with the preparation of the grant application including staffing and the appraisal, environmental filing and surveying are being covered within the City's existing adopted budget. Excluding staffing, the costs incurred thus far are approximately \$5,000.



DEPARTMENT OF PARKS AND RECREATION
P.O. Box 942896 • Sacramento, CA 94296-0001
(916) 653-7423

Major General Anthony L. Jackson, USMC (Ret), Director

April 18, 2014

Dominique Spinale, Management Analyst
City of Hughson
7018 Pine Street
Hughson, CA 95326

Re: LW-50-022, Seventh Street Park Acquisition, \$550,000

Dear Dominique Spinale:

Thank you for your interest in the Land and Water Conservation Fund (LWCF) Program. The Office of Grants and Local Services (OGALS) is pleased to inform you that the above project is recommended for funding to the National Park Service (NPS).

OGALS will forward the application to NPS for its consideration. NPS will make a funding decision or may request additional information within approximately two months from the date the application is forwarded to NPS from OGALS.

Your agency is not a grantee and LWCF funding is not guaranteed until your agency's representative and a State of California representative signs the grant contract after NPS approves the application. **This means that project construction costs or acquisition costs are not eligible for reimbursement until NPS approves the application or until NPS approves a "Waiver of Retroactivity"**. Do not start construction (for development projects) or close escrow (for acquisition projects) until you have a fully executed contract signed by the State of California, or until NPS approves a "Waiver of Retroactivity" and OGALS verifies that the costs will become eligible for reimbursement.

Again, congratulations on your grant award recommendation. If you have any questions, please call your Project Officer, Natalie Bee, at (916) 651-0564, or e-mail Natalie.Bee@parks.ca.gov.

Sincerely,

Sedrick V. Mitchell, Deputy Director
External Affairs

cc: Jean Lacher, Chief, Office of Grants and Local Services
Viktor Patiño, Manager, Office of Grants and Local Services
Richard Rendón, Supervisor, Office of Grants and Local Services

MEMORANDUM OF UNDERSTANDING BETWEEN
THE HUGHSON UNIFIED SCHOOL DISTRICT AND THE CITY OF HUGHSON
REGARDING THE PURCHASE OF REAL PROPERTY LOCATED AT THE CORNER OF
7th STREET AND WHITMORE AVENUE IN THE CITY OF HUGHSON, STANISLAUS COUNTY, CALIFORNIA

The Memorandum of Understanding (“MOU”), dated this ___ day of May, 2014, (“Effective Date”) is entered into by and between Hughson Unified School District, a California public school district located in the County of Stanislaus, California, (“District”), and the City of Hughson, a California municipal corporation (“City”). District and City may be individually referred to herein as a “Party” or collectively referred to as “Parties”.

RECITALS

1. District intends to sell certain real property and all easements and rights benefiting or appurtenant to the real property, which is comprised of approximately 19.65 acres, located at the southeast corner of 7th Street and Whitmore Avenue, in the City of Hughson, in the County of Stanislaus, California, Assessor’s Parcel Numbers 018-052-07, -027, and -037 (collectively “Property”).
2. City intends to acquire the Property for purposes of park acquisition and development, and related purposes thereto.
3. This MOU is intended to be a binding and enforceable agreement of the Parties, subject to the fulfillment and occurrence of the conditions precedent set forth herein and the approval of this MOU by the District’s Governing Board and the City’s authorized representatives. This MOU reflects the mutual understandings of the Parties regarding those actions, approvals and/or agreements lawful and necessary to accomplish a purchase and sale of the Property. The Parties intend to actively participate and to work together collaboratively, in good faith and with due diligence, to negotiate the terms of a Purchase and Sale Agreement.

UNDERSTANDINGS

1. **Purpose and Term of Agreement.** This MOU sets forth the basic terms of the purposed purchase and sale of the Property, which terms will be memorialized in a detailed future Purchase and Sale Agreement (the “Purchase Agreement”) in form and content agreeable to both the District and the City. This MOU will terminate on the earlier of the effective date of the Purchase Agreement or 90 days from the effective date of this MOU. If so terminated this MOU shall be canceled in all respects and neither District nor City will have any rights or obligations hereunder.
2. **Property.** The Property consists of approximately 19.65 acres of real property located at southeast corner of 7th Street and Whitmore Avenue, in the City of Hughson, California, in the County of Stanislaus, California, Assessor’s Parcel Numbers 018-052-07, -027, and -037.
3. **Purchase Price.** The purchase price of the Property is based on the appraisal of Way and Associates, which has been commissioned by both parties and made in conformity with and is subject to the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Uniform Appraisal Standards for Federal Land Acquisitions, the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Instituted. The appraised value of the Property, and the purchase price, is Six Hundred Eight Five Thousand Dollars (\$685,000).

4. **Conditions to District's Disposition of the Property.** District's disposition of the Property is subject to the fulfillment, and District's approval on or prior to the close of escrow, of each of the following conditions, each of which is for the benefit of District:
 - 4.1. Governing Board's acceptance of the District's advisory committee report and declaration of the Property as surplus real property;
 - 4.2. Governing Board's adoption of Declaration of Intent by 2/3rds vote of all board members;
 - 4.3. Governing Board's adoption of Resolution of Intent to Sell Property;
 - 4.4. District's fulfillment of statutory requirement to provide notice to public entities as required by Government Code section 65402, and Education Code sections 17485;
 - 4.5. District's fulfillment of statutory requirement to offer to dispose of the Property to the public entities enumerated in Education Code section 17464;
 - 4.6. District's fulfillment of statutory obligation to make publication of offer for sale of the Property by public notice in a newspaper of general circulation in the District once a week for three (3) successive weeks; and
 - 4.7. Expiration of time period for public entities and the previous Property owner to express intent to purchase Property.
 - 4.8. Final acceptance and approval of a Purchase and Sale Agreement by the District's Governing Board of Trustees.
 - 4.9. City shall have timely performed all of the obligations required by the terms of the Purchase and Sale Agreement to be performed by City.
5. **Conditions to City's Acquisition of the Property.** City's acquisition of the Property is subject to the fulfillment, and City's approval on or prior to the close of escrow, of each of the following conditions, each of which is for the benefit of City:
 - 5.1. City having entered into a Grant Agreement with the California Department of Parks and Recreation ("Cal DPR") with respect to the Property (the "Grant Agreement") and the Grant Monies, under and as defined therein, are unconditionally available to reimburse the City in an amount not less than the amount of the grant funds required by City in connection with its acquisition of the Property.
 - 5.2. Final acceptance and approval of a Purchase and Sale Agreement by the City, which shall contain, among other things, (i) covenants, including, ownership and environmental matters, (ii) representations and warranties by District and City, and (iii) conditions, including the following:
 - 5.2.1. City having approved the condition of the Property after a period of due diligence and inspection, and District's completed: **(1)** of any and all curative action that District may have committed to undertake pursuant to the Purchase Agreement; and **(2)** of any site work agreed to by District in the Purchase Agreement.
 - 5.2.2. City having approved the state of title to the Property after District's delivery to City of an extended coverage preliminary title report or commitment on the Property prepared by an agreed reputable title company ("Title Company").
 - 5.2.3. Title Company being irrevocably committed to issue a policy of title insurance, in form and content satisfactory to, and in favor of, City.

5.2.4. City having received written confirmation and certification from District, in form and content reasonably satisfactory to City, that District has complied in all respects with the Surplus Real Property Disposition laws of the State of California, thereby permitting it to dispose of the Property in favor of City.

5.2.5. A requirement that all other conditions in the Purchase Agreement that by their terms are purchaser conditions shall have been satisfied, completed or waived by City.

5.3. District shall have timely performed all of the obligations required by the terms of the Purchase Agreement to be performed by District.

6. **Board Approval.** This MOU and the Purchase Agreement must be approved by both the District School Board, and the City Council.

ACCEPTED AND AGREED on the date indicated below:

Dated: _____, 2014

Dated: _____, 2014

Hughson Unified School District

City of Hughson

By: _____

By: _____

Print Name: **Brian Beck**

Print Name: **Raul Mendez**

Print Title: **Superintendent**

Print Title: **City Manager**