

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-15

Urgent Routine

AGENDA DATE June 30, 2015

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Execute an Assignment for the Purchase Agreement for the Former Medical Arts Building Located at 700 17th Street, Modesto, California

STAFF RECOMMENDATIONS:

Authorize the Chief Operations Officer to execute an Assignment for the Purchase Agreement for the former Medical Arts Building located at 700 17th Street in downtown Modesto.

FISCAL IMPACT:

On March 15, 2015, in closed session, the Board of Supervisors authorized sale of the Former Medical Arts Building located at 700 17th Street in downtown Modesto to Dr. Gurpreet Singh for \$1 million, pending completion of conditions of sale contained in Purchase and Sales Agreement. At that time, the Board of Supervisors also authorized the Chief Operations Officer to take all actions necessary to complete the sale of the property. Since that time, the County's team has continued to work with the Real Estate Broker to close escrow on the property. The sales price of \$1 million remains unchanged, however, there is one technical action associated with the sale of the property which is being recommended to be approved by the Board of Supervisors which is fully outlined in the Discussion section of this agenda item below.

BOARD ACTION AS FOLLOWS:

No. 2015-308

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien, and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, De Martini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: Monteith

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST: Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

Background

The County acquired the property at 700 17th Street in downtown Modesto, California in 1992 and was used by the County's Health Services Agency as an outpatient clinic. When the County's Clinic system was redesigned, the building was no longer needed, and the building has remained vacant since 2006.

On May 6, 2014, the Board of Supervisors declared the County-owned property located at 700 17th Street, Modesto, California as surplus, and adopted a Resolution by a two-thirds vote declaring the County's intent to sell the County-owned facility and property, and set the minimum sales prices at \$1.3 million; with sealed proposals to purchase the property due on June 11, 2014 at 2:00 p.m. At that time, the Board of Supervisors also directed staff to hire licensed real estate broker Randy Brekke to assist in the transaction of the property.

On June 17, 2014, in closed session, the Board of Supervisors rejected all bids received for purchase of the MAB due to the failure to meet the established minimum price, and authorized the Agency negotiators to continue to develop and negotiate options for the disposition of the property with any and all interested potential purchasers.

On March 31, 2015, in closed session, the Board of Supervisors approved the purchase and sale of the Medical Arts Building for \$1 million to Dr. Gurprett Singh, doing business as, Ek-Onkar, LLC (Purchaser).

Assignment Agreement

Since that time, the Chief Operations Officer has been working with the County's real estate broker to close escrow. Recently, the Purchaser has asked the County to approve the Assignment of the Purchase Agreement to another business entity to facilitate financing of the purchase.

Paragraph 6.2 of the Purchase Agreement requires the prior written consent of the Seller before the Purchaser may assign or pledge any of its rights and Paragraph 6.10 requires that all modifications to the Purchase Agreement be in writing.

At this time, to facilitate the successful completion of this transaction, the Board of Supervisors is requested to authorize the Chief Operations Officer to execute an Assignment for the Purchase Agreement for the former Medical Arts Building located at 700 17th Street in downtown Modesto with Ek-Onkar, LLC to MGrand, LLC.

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POLICY ISSUE:

This action supports Efficient Government Operations which will result in the sale of a surplus property owned by the County to private ownership and use.

STAFFING IMPACT:

Existing Staff is dedicated to the successful real estate transaction for the surplus of the former Medical Arts Building.

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer. Telephone: (209) 525-6333