



**NAPA-VALLEJO WASTE  
MANAGEMENT AUTHORITY**

Agenda Date: 6/8/2017

Agenda Placement: 8B

## Napa-Vallejo Waste Management Authority Board Agenda Letter

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**TO:** Board of Directors

**FROM:** Richard Luthy - Executive Director  
Napa-Vallejo Waste Management Authority

**REPORT BY:** Richard Luthy, Executive Director, Napa-Vallejo Waste Management - 707-299-1314

**SUBJECT:** Purchase and Sale Agreement

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### **RECOMMENDATION**

#### **PURCHASE AND SALE AGREEMENT**

**REQUESTED ACTION:** The Executive Director of the Authority requests approval and authorization of the following:

1. Approval of, and authorization for the Chair of the Board of Directors to execute Purchase and Sale Agreement 2018-03 ("Agreement") with NAPA AIRPORT CORPORATE CENTER I, LLC, a Delaware limited liability company ("Seller"), to purchase for \$5.9 million a 17-acre portion (the "Property") of an existing 34.05 acre parcel owned by Seller, identified as Napa County Assessor's Parcel No. 057-090-079, located in the City of American Canyon, California that is adjacent to, and to the south of, the Devlin Road Transfer Station ("DRTS"); and
2. Authorization and direction to the Executive Director to: (a) post an earnest money deposit of \$50,000 (to be fully refundable during the Authority's due diligence period) toward purchase of the Property; (b) take such steps (and to engage consultants within the limits of his delegated purchasing authority as necessary to assist him in taking such steps) as are necessary, to conduct the due diligence investigation allowed by the Agreement, and to satisfy any conditions required by the Agreement; (c) report back to the Board with the results of the due diligence investigation and the satisfaction of conditions to the Authority's obligation to close escrow, and (d) seek further direction from the Board at that time as to whether or not to close escrow on the purchase of the Property.

### **EXECUTIVE SUMMARY**

Pursuant to prior Board authorization, staff entered into negotiations for the possible purchase of additional property adjacent to the south property line of the DRTS. The subject 17-acre Property would serve as buffer between DRTS and surrounding parcels and provide room for future expansion of DRTS facilities if necessary. The

negotiations resulted in the proposed Agreement for purchase of the Property. The proposed purchase price is \$5.9 million, which resulted from the negotiations described in the Background below. Based on information provided by Bill Kampton of Collier's International, staff believes the purchase price of \$5.9 million represents fair market value of the Property. Thus, staff recommends that the Board authorize the execution of the Agreement and provide the other direction described above.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

At the Authority's April, 2017, Board of Directors meeting, the Board authorized the Executive Director to enter into negotiations for the possible purchase of additional property adjacent to the south property line of the DRTS. That property is currently owned by Napa Airport Partners, LLC. The subject 17-acre parcel ("Property") would serve as buffer between DRTS and surrounding parcels and provide room for future expansion of DRTS facilities if necessary. Staff subsequently engaged Bill Kampton of Colliers International to provide information and advice and to interface with the Seller.

The negotiations resulted in the proposed Agreement for purchase of the Property. The agreed upon purchase price (subject to Board approval) was \$5.9 million, or approximately \$8 per square foot. The Seller would agree to assume liability for future offsite road improvement costs currently assigned to the property. The property's pro rata share of these costs is approximately \$300,000; however, the Seller's liability is not limited to \$300,000 if costs are actually higher. The Seller's agreement to absorb these offsite costs makes the effective price of the parcel \$5.6 million, or about \$7.56 per square foot. Staff believes that the sale price represents fair market value and will be prepared to present information on comparable property sales in the area. The Authority will have a 90 day due diligence period in which to have technical experts examine the site for potential physical, environmental or other constraints. At the conclusion of the due diligence period staff will present findings to the Board so that they may determine whether or not to close escrow. The legal description of the property will be determined by a lot line adjustment to the Seller's current parcel, which will be prepared and submitted for approval by the Authority with cooperation by the Seller.

The Seller has communicated its acceptance of these terms and is ready and willing to execute the Agreement. Staff believes that these terms are fair and reasonable and recommends approval.

Thus, staff is requesting that the Board take the actions and provide the authority first described above in the Recommendation section.

### **SUPPORTING DOCUMENTS**

None

Executive Director: Approve  
Reviewed By: Martha Burdick