



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

Agenda Date: 9/21/2017

Agenda Placement: 8A

Napa-Vallejo Waste Management Authority Board Agenda Letter

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: Proposed Amendment of Purchase and Sale Agreement 2018-03

RECOMMENDATION

AMEND PURCHASE AND SALE AGREEMENT 2018-03

REQUESTED ACTION: The Executive Director of the Authority requests approval of, and authorization for the Executive Director to execute, an amendment to Purchase and Sale Agreement 2018-03 ("Agreement") with NAPA AIRPORT CORPORATE CENTER I, LLC, ("Seller"), regarding purchase a 15.5 acre parcel identified as a portion of Napa County Assessor's Parcel No. 057-090-079, located in the City of American Canyon that is adjacent to the Devlin Road Transfer Station ("DRTS"), with the amendment to include terms and provisions covering one or more of the following issues:

- Extend the period of time for the Authority to review a preliminary title report on the Property and to give notice of exceptions that the Authority disapproves up to and including September 29, 2017;
- Extend the Authority's due diligence investigation period to October 6, 2017;
- Clarify the right of either the Seller or the Authority to opt to cancel escrow, and for the Authority to recover its escrow deposit in that event, if the City of American Canyon's processing of a lot line adjustment (which is a condition to close of escrow) is delayed past the currently scheduled close of escrow date, or if the City disapproves the lot line adjustment; and
- Reduce the purchase price to be paid by the Authority from \$5.9 million to \$5,638,640.00 to reflect the actual, correct size of the Property being acquired in fee by the Authority of 15.5 acres, rather than the previously specified 17 acres, which erroneously included an area occupied by a portion of Devlin Road.

EXECUTIVE SUMMARY

Pursuant to prior Board authorization, staff entered into negotiations for the purchase of the Property and the Board then authorized the Chair to sign the Purchase and Sale Agreement. The Property would serve as buffer between

DRTS and surrounding parcels and provide room for future expansion of DRTS facilities if necessary. The proposed amendment to the Agreement would provide protection of the Authority's rights by extending its period for disapproval of title exceptions, extending its due diligence investigation period to go beyond the date of the next Board meeting (to give the Board the final opportunity to decide whether to move forward with the purchase), clarifying the right of the Authority or the Seller to cancel escrow and to withdraw from the transaction without expense if a required lot line adjustment is delayed or if it is not approved by the City, and reducing the purchase price to be paid by the Authority from \$5.9 million to \$5,638,640 in recognition by the parties that the Property is actually 15.5 acres in size rather than 17 acres, which included an area covered by a portion of Devlin Road.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	N/A. The amendment is a cost savings.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This is a downward adjustment of the purchase price; thus, the Authority will enjoy a savings due to this action.
Is the general fund affected?	Yes
Future fiscal impact:	The amendment will reduce the purchase price from \$5.9 million to \$5,638,640. Thus, the amendment results in a savings to the Authority of \$261,360.
Consequences if not approved:	If the amendment were not approved, then the purchase would likely not go forward and the Authority would lose the opportunity to acquire property that may provide room for later expansion if and as needed.

Additional Information:

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

Pursuant to prior Board authorization, staff entered into negotiations for the purchase of the Property and the Board then authorized the Chair to sign the Purchase and Sale Agreement. The Property would serve as buffer between DRTS and surrounding parcels and provide room for future expansion of DRTS facilities if necessary. The proposed amendment to the Agreement would provide protection of the Authority's rights by extending its period for disapproval of title exceptions, extending its due diligence investigation period to go beyond the date of the next Board meeting (to give the Board the final opportunity to decide whether to move forward with the purchase), clarifying the right of the Authority or the Seller to cancel escrow and to withdraw from the transaction without expense if a required lot line adjustment is delayed or if it is not approved by the City, and reducing the purchase price to be paid by the Authority from \$5.9 million to \$5,638,640 in recognition by the parties that the Property is

actually 15.5 acres in size rather than 17 acres, which included an area covered by a portion of Devlin Road.

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