

MEETING AGENDA

The City Council/Successor Agency of the City of Firebaugh

Vol. No.15/03-02

Location of Meeting: Andrew Firebaugh Community Center
1655 13th Street, Firebaugh, CA 93622
Date/Time: March 2, 2015/6:00 p.m.

CALL TO ORDER

ROLL CALL

Mayor Craig Knight
Mayor Pro Tem Freddy Valdez
Council Member Brady Jenkins
Council Member Marcia Sablan
Council Member Felipe Perez

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

Per municipal code Ord. 2-2.1 "No business shall be brought before the city council without having first been referred to the city manager for scheduling on the council agenda." At this time any member of the public may address the Council on items of interest to the public that are within the jurisdiction of the City Council, which are not already on the agenda this evening. You will be permitted a single visit to the podium to state your comments & concerns. Please be brief, to the point, and limit your comments to three (3) minutes. No action or discussion shall be taken on any item not appearing on the agenda, except that Council members may briefly respond to statements made, or questions posed, by members of the public, if they so desire. Concerns, questions, or complaints will be referred to the City Manager's office.

CONSENT CALENDAR

Items listed on the calendar are considered routine and are acted upon by one motion unless any Council member requests separate action. Typical items include minutes, claims, adoption of ordinances previously introduced and discussed, execution of agreements and other similar items.

1. **APPROVAL OF MINUTES – The City Council meeting on February 2, 2015.**
2. **WARRANT REGISTER – Period starting January 1, and ending on January 31, 2015.**

January, 2015	General Warrants	#31526 - #31645	\$ 233,207.02
	Payroll Warrants	#65085 - #65189	\$ 247,351.38
TOTAL			\$ 480,558.40

NEW BUSINESS

3. **RESOLUTION NO. 15-05 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH OBJECTING TO SALE OF TAX DELINQUENT PROPERTY PURSUANT TO REVENUE AND TAXATION CODE SECTIONS 3696 AND 3712 LOCATED AT 1337/1339/1347 "N" STREET, IN THE CITY OF FIREBAUGH.**

Recommended Action: Council receives public comment & approves Res No 15-05.

4. RESOLUTION NO. 15-06 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH OBJECTING TO SALE OF TAX DELINQUENT PROPERTY PURSUANT TO REVENUE AND TAXATION CODE SECTIONS 3696 AND 3712 LOCATED AT 1860 EAST CARDELLA STREET, IN THE CITY OF FIREBAUGH.

Recommended Action: Council receives public comment & approves Res No 15-06.

5. RODEO GROUNDS COMMITTEE.

Recommended Action: Council receives public comment & gives staff direction.

SUCCESSOR AGENCY MATTERS

6. DISPOSITION OF THE “N” STREET PROPERTIES – RECEIPT OF APPRAISAL REPORT.

Recommended Action: Successor Agency receives public comments and gives staff direction.

CLOSED SESSION

7. CITY MANAGER EVALUATION – Pursuant to Government Code 54957.

8. GOVERNMENT CODE SECTION 54956.9

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of Litigation Pursuant to Paragraph (4) or Subdivision (d) of Section 5456.9 (Deciding Whether to Initiate Litigation): - 1 case

ANNOUNCEMENT AFTER CLOSED SESSION

ADJOURNMENT

Certification of posting the Agenda

I declare under penalty of perjury that I am employed by the City of Firebaugh and that I posted this agenda on the bulletin boards at City Hall, February 27, 2015 at 5:00 p.m. by Rita Lozano, Deputy City Clerk.

MEETING MINUTES

The City Council/Successor Agency of the City of Firebaugh
Vol. No. 14/02-02

Location of Meeting: Andrew Firebaugh Community Center
1655 13th Street, Firebaugh, CA 93622
Date/Time: February 02, 2015/6:00 p.m.

CALL TO ORDER Meeting called to order by Mayor Knight at 6:00 p.m.

ROLL CALL **PRESENT:** Mayor Craig Knight
Mayor Pro Tem Freddy Valdez
Council Member Brady Jenkins
Council Member Felipe Perez
Council Member Marcia Sablan

OTHERS: City Attorney Jenell Von Bindsbergen; City Manager, Kenneth McDonald; Police Chief Elsa Lopez; Finance Director, Pio Martin; Deputy City Clerk, Rita Lozano; Fire Chief John Borboa; City Engineer, Mario Gouveia and others.

PLEDGE OF ALLEGIANCE: Council Member Valdez led pledge of Allegiance.

PUBLIC COMMENT:

Jennifer Frasier reported on a reoccurring problem that she is having with the electrical wiring that is being stolen from her equipment and business. She inquired of the Council and staff can resolve this issue because a local recycling business has been accepting the stolen merchandise and recommended possible revoking their business license because the individuals are and will continue to steal for money as long as the recycling company continues to accept. If the City can't revoke their business license, is it possible to fine the business so that there is some form of punishment or discouragement.

PRESENTATION

Shawna Glazer of Fresno County Economic Development Corporation provided a presentation of the RCDI website for the City of Firebaugh.

John Anderson introduced himself and the Council Meeting as a representative on behalf of the new Senator Brian Pacheco.

CONSENT CALENDAR

- 1. APPROVAL OF MINUTES – The City Council meeting on December 15, 2014.**
- 2. WARRANT REGISTER – Period starting December 1, and ending on December 31, 2014.**

December, 2014	General Warrants	#31406 - #31525	\$ 504,192.68
	Payroll Warrants	#64973 - #65086	\$ 255,002.89
TOTAL			\$ 759,195.57

Motion to approve consent calendar by Council Member Jenkins, seconded by Council Member Sablan; motion passes by 5-0 vote.

NEW BUSINESS

- 3. THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING MR. FRANK WILLIAMS AS THE CITY OF FIREBAUGH REPRESENTATIVE ON THE FRESNO WESTSIDE MOSQUITO ABATEMENT DISTRICT BOARD.**

Motion to approve Mr. Frank Williams as representative of the City of Firebaugh to the Fresno Westside Mosquito Abatement District Board by Council Member Sablan, seconded by Council Member Jenkins; motion passes by 5-0 vote.

4. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO ACCEPT NOTICE OF COMPLETION TO ZIM INDUSTRIES, INC. FOR WELL NO 17 DRILLING RE 12-CDBG-8387.

Motion to accept Notice of Completion from Zim Industries by Council Member Sablan, seconded by Council Member Jenkins; motion passes by 5-0 vote.

5. RESOLUTION NO. 15-01 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPOINTMENT OF CITY MEMBERS TO THE SPECIAL CITY SELECTION COMMITTEE OF THE SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD.

Motion to approve Res. No. 15-01, Mayor Knight and Mayor Pro Tem Valdez as alternate to serve on the committee by Council Member Jenkins, seconded by Council Member Sablan; motion passes by 5-0 vote.

6. RESOLUTION NO. 15-02 - A RESOLUTION OF THE COUNCIL OF THE CITY OF FIREBAUGH, CALIFORNIA, AUTHORIZING THE FILING OF APPLICATIONS FOR SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT FUNDS AND AUTHORIZING THE EXECUTION OF DOCUMENTS BY THE CITY MANAGER OR DESIGNEE.

Police Chief Lopez advised this resolution will allow the City to apply for a grant that could possible fund up to \$20,000 on alternative Vehicle for the Police Dept., the city may use state funds for the required match. This resolution should allow the city to apply for any future funding through this grant.

Motion to approve Res. No. 15-02 by Council Member Jenkins, seconded by Council Member Sablan; motion passes by 5-0 vote.

7. APPROVAL FOR CITY ENGINEER TO MAP THE DEL RIO SUBDIVISION AND RECORD DOCUMENTS.

City Engineer to survey and map the properties in the Del Rio subdivision, estimated time for completion – 6 months.

Motion to approve the City Engineer to complete this project by Council Member Sablan, seconded by Council Member Perez; motion passes by 4-0 vote. Knight – abstained.

8. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO ESTABLISH AND APPOINT AD-HOC COMMITTEE MEMBERS FOR RODEO GROUND FACILITY USE AND REGULATIONS.

Motion to accept all interested parties that completed the application (15) the first meeting to be announced and closed the application filling date as of February 2, 2015, by Council Member Valdez, seconded by Council Member Sablan; motion passes by 5-0 vote.

9. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO CONSIDER TOMATEK'S REQUEST ON WAIVER/ADJUSTMENT OF IMPACT FESS FOR CONDITIONAL USE PERMIT-CUP 2015-01.

FISCAL IMPACT: Reduction or waiving of development impact fees calculated as follows:

IMPACT FEE	Established Fee	Previous Waiver	Recommended
Storm Drain Fee	\$52,744.80	\$13,186.20	\$0.00
Traffic Fee	\$32,703.66	\$32,703.66	\$16,351.83
Public Safety Fee	\$7,462.50	\$7,462.50	\$7,462.50
Parks and Recreation Fee	<u>\$85,800.00</u>	<u>\$42,900.00</u>	<u>\$21,450.00</u>
Total Development Impact Fees	\$178,710.96	\$96,252.36	\$45,264.33

Motion to approve the recommend amount by Council Member Sablan, seconded by Council Member Knight; motion passes by 3-2 vote; Jenkins, Valdez – no.

SUCCESSOR AGENCY MATTERS**10. UPDATE ON N STREET PROPERTIES AND OVERSIGHT BOARD ACTION.**

Informational item only, an appraisal is being completed hope to provide by the next meeting.

11. REDEVELOPMENT DISSOLUTION CONTRACT BETWEEN THE CITY OF FIREBAUGH AND RGS FOR CONSULTING SERVICES.

Motion to approve contract with RSG by Council Member Sablan, seconded by Council Member Jenkins; motion passes by 5-0 vote.

12. RESOLUTION NO. 15-03 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY THROUGH DECEMBER 2015 AND AUTHORIZING ITS TRANSMITTAL.

Motion to approve Res. No. 15-03 by Council Member Valdez, seconded by Council Member Jenkins; motion passes by 5-0 vote.

13. RESOLUTION NO. 15-04 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FIREBAUGH REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2015-16 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j).

Motion to approve Res. No. 15-04 by Council Member Valdez, seconded by Council Member Jenkins; motion passes by 5-0 vote.

STAFF REPORTS

- **Ben Gallegos, Public Works Director** – Grant STPL-5224-020 – provided funding for new streets and some repairs on 16th, “O” St, and “Q” St rehab, project was completed under budget, so the will go back to COG and will still be allocated to City and the city will apply this summer through COG for additional funding to repair 8th Street. The roller is dead, it will cost about \$22, 000 for a new one and about \$17, 000 to repair the old one. Waiting for approval from the City Manager and Council to see if we can budget funding to repair more street with bond proceeds and purchase new equipment (truck) to camera sewer lines.

**Motion to enter into closed session by Council Member Valdez, seconded by Council Member Sablan motion passes by 5-0 vote at 7:25 p.m.*

CLOSED SESSION**14. Government Code Section 54956.9****CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Initiation of Litigation Pursuant to Paragraph (4) or Subdivision (d) of Section 5456.9 (Deciding Whether to Initiate Litigation): - 1 case

** Motion to enter into open session by Council Member Valdez, seconded by Council Member Jenkins; motion passes by 5-0 vote at 7:43 p.m.*

ANNOUNCEMENT AFTER CLOSED SESSION: *No Action taken.*

ADJOURNMENT - *Motion to adjourn by Council Member Valdez, seconded by Council Member Jenkins; motion passes by 5-0 vote at 7:45 p.m.*



— REPORT TO CITY COUNCIL — — **MEMORANDUM** —

AGENDA ITEM NO: _____

COUNCIL MEETING DATE: MARCH 02, 2015

SUBJECT: Warrant Register Dated: MARCH 02, 2015

RECOMMENDATION:

In accordance with Section 37202 of the Government Code of the State of California there is presented herewith a summary of the demands against the City of Firebaugh covering obligations to be paid during the period of:

JANUARY 01, 2015 – JANUARY 31, 2015

Each demand has been audited and I hereby certify to their accuracy and that there are sufficient funds for their payment as of this date.

IT IS HEREBY RECOMMENDED THE CITY COUNCIL
APPROVE THE REGISTER OF DEMANDS AS FOLLOWS:

GENERAL WARRANTS	# 31526 – # 31645	\$ 233,207.02
PAYROLL WARRANTS.....	# 64087 - #65189	<u>\$ 247,351.38</u>
TOTAL WARRANTS.....		\$ 480,558.40

WARRANTS FOR JANUARY 2015

CK#	CK DATE	VENDOR NAME	AMOUNT	INVOICE DESCRIPTION
31526	1/5/2015	CITY OF FIREBAUGH	\$42,555.81	UNITED SECURITY BANK P/R -ME - INS MEDICAL - DENTAL - VISION
31527	1/5/2015	U.S. POSTMASTER	\$812.16	POSTAGE FOR JANUARY 2015 UTILITY BILLING
31528	1/5/2015	PINA, FRANCISCO	\$97.37	MQ CUSTOMER REFUND FOR PIN0014
31529	1/5/2015	VILLALOVOS, GUADALUPE	\$37.24	MQ CUSTOMER REFUND FOR VIL0025
31530	1/7/2015	JOHN BORBOA	\$769.20	FIRE DEPT. /STIPEND 40/HRS @ 19.23 - P/E 01/07/15
31531	1/7/2015	CITY OF FIREBAUGH	\$106,503.80	UNITED SEC BANK - P/R ACCT. - P/E 01/07/2015
31532	1/8/2015	AT&T	\$232.06	WATER TREATMENT PLANT - PHONE SERVICE
31533	1/8/2015	GARY V. BUFKIN	\$750.00	COMPUTER CONSULTING
31534	1/8/2015	CHEVRON & TEXCO CARD	\$448.54	MONTHLY GAS SERVICE/ DEC & JAN
31535	1/8/2015	CVR & ASSOCIATES, INC.	\$1,190.04	BLDG & INSPECTION FOR THE MONTH OF DEC 2014
31536	1/8/2015	FRESNO COUNTY TREASURER	\$156.18	POLICE - COUNTY ACCESS FEES
31537	1/8/2015	GRAND FLOW	\$1,532.34	FORMS - UTILITY LASER BILLING
31538	1/8/2015	GUEVARA'S PM ROOFING CO.	\$6,225.00	TEAR OFF & INSTALL ROOFING
31539	1/8/2015	GUTHRIE PETROLEUM, INC.	\$4,905.40	BULK UNLEADED GASOLINE
31540	1/8/2015	RODDY A. LAKE	\$330.76	POLICE - HEALTH INS REIMBURSEMENT - JAN 2015
31541	1/8/2015	LEAGUE OF CALIF. CITIES	\$4,497.87	WEBSITE JOB AD - & 2015 MEMBERSHIP DUES
31542	1/8/2015	LIBERTY ANIMAL CONTROL	\$631.00	PUBLIC WORKS - ANIMAL CONTROL
31543	1/8/2015	NOAH MARQUEZ	\$72.00	REIMBURSE - PAID FOR WATER TREATMENT OP CERT. TEST
31544	1/8/2015	MID-VALLEY DISPOSAL	\$25,308.32	REFUSE SERVICE FOR THE MONTH OF DEC 2014
31545	1/8/2015	PITNEY BOWES #8000-9090-	\$520.99	POSTAGE MACHINE REFILL

31546	1/8/2015	PITNEY BOWES GLOBAL FIN	\$405.85	POSTAGE MACHINE RENTAL
31547	1/8/2015	TELEPACIFIC COMMUNICATIONS	\$3,428.45	ALL DEPTS. -TELEPHONE & INTERNET SERVICE
31548	1/8/2015	U.S. BANK EQUIPMENT FINANCE	\$509.08	CANON COPIER RENTAL & OVERAGE
31549	1/8/2015	WESTERN EXTERMINATOR CO.	\$239.75	ALL DEPTS - PEST CONTROL
31550	1/8/2015	ZEE MEDICAL SERVICE CO.	\$101.60	POLICE DEPT. - FIRST AID SUPPLIES
31551	1/9/2015	AT&T	\$624.21	COMM CENTER, MULTI-LINE & PD SERVICE AGREEMENT.
31552	1/9/2015	STATE WATER RESOURCES	\$170.00	WWT FACILITY -OPERATING IN TRAINING AP/ JOSE LARA
31553	1/15/2015	AGRI-VALLEY IRRIGATION	\$1,334.57	PARKS - PW - SPRINKLER - METER & FACILITY REPAIR PARTS
31554	1/15/2015	ARTCO AR TECHNOLOGIES CO.	\$50.00	MONTHLY WEB HOSTING & MAINT. - JANUARY 2015
31555	1/15/2015	AT&T MOBILITY	\$283.82	POLICE - MOBILE INTERNET SERVICE
371.7	1/15/2015	AUTOZONE COMMERCIAL	\$371.71	POLICE & PW - PARTS VEHICLE REPAIR/MAINT
31557	1/15/2015	BETTER QUALITY PAINTING	\$3,400.00	COMMUNIITY CENTER - MATERIALS & LABOR - FACILITY REPAIR
31558	1/15/2015	BIG G'S AUTOMOTIVE CENT	\$557.06	PW & POLICE - VEHICLE REPAIRS & SUPPLIES
31559	1/15/2015	BSK & ASSOCIATES, INC.	\$1,141.35	WATER/SEWER & TOMA-TEK LAB ANALYSIS
31560	1/15/2015	CALIFORNIA POLICE CHIEFS	\$300.00	CHIEF OF POLICE JOB POSTING -AD
31561	1/15/2015	CEDAR VETERINARY HOSPIT	\$253.38	EXAM & VACCINATIONS FOR K-9 - BOWIE
31562	1/15/2015	PETE CHAVEZ	\$1,501.60	PROFESSIONAL SERVICES
31563	1/15/2015	CHEMSEARCH	\$1,132.46	SEWER CHEMICALS
31564	1/15/2015	CLASS C SOLUTIONS GROUP	\$871.22	ALL DEPTS - JANITORIAL SUPPLIES
31565	1/15/2015	COLLINS & SCHOETTLER	\$2,720.00	PLANNING & CONSULTING
31566	1/15/2015	CORBIN WILLITS SYSTEMS	\$822.18	MONTHLY SERVICE FEES
31567	1/15/2015	CORELOGIC SOLUTIONS, LLC.	\$150.00	REAL QUEST FEES FOR MONTH OF DECEMBER 2014

31568	1/15/2015	DEPARTMENT OF JUSTICE	\$64.00	LIVE SCAN - FINGERPRINT APPS
31569	1/15/2015	DIAMOND LOCKSMITHS	\$141.04	POLICE DEPT. - REPLACE BROKEN BACKDOOR LOCK
31570	1/15/2015	FEDEX	\$37.05	FIRE DEPT. - SHIPPING CHARGE
31571	1/15/2015	FERGUSON ENTERPRISES, INC. 14	\$4,886.52	FOR WATER METERS - PARTS & WTR LINE REPAIRS
31572	1/15/2015	LEONARDO FLORES-CORONA	\$370.00	FLORES CASE 14001169 - ASSET FORFEITURE
31573	1/15/2015	FRESNO COUNTY AUDITOR'S	\$75.00	POLICE - PARKING FEES
31574	1/15/2015	FRESNO-MADERA AREA AGEN	\$17.15	SENIOR CENTER - MEAL PROGRAM
31575	1/15/2015	FRESNO OXYGEN	\$45.88	SHOP - CYL OXYGEN
31576	1/15/2015	GOLDEN STATE FLOW	\$13,881.19	PARTS FOR WATER METERS & TOMA-TEK POND #10
31577	1/15/2015	GRAINGER, INC.	\$843.02	FACILITY REPAIR - LAMPS
31578	1/15/2015	HACH COMPANY	\$213.61	PW - OPERATING SUPPLIES
31579	1/15/2015	HARRINGTON DECORATING CO	\$3,338.77	2014 -XMAS FEST - CHRISTMAS TREE
31580	1/15/2015	HCL MACHINE WORKS	\$99.50	PARTS FOR STORM DRAIN PUMP REPAIR
31581	1/15/2015	INLAND POTABLE SERVICES, INC.	\$2,875.00	PORTABLE WATER TANK INSPECTION
31582	1/15/2015	JOBS AVAILABLE	\$429.00	CHIEF OF POLICE - JOB PLACEMENT AD
31584	1/15/2015	KENNEDY / JENKS	\$6,707.00	PRESSONAL SERVICE - WELL NO. 7
31585	1/15/2015	MID-VALLEY DISPOSAL	\$190.89	SERVICE AT 1238 P STREET & HELM CANAL RD.
31586	1/15/2015	MIGUEL'S PLUMBING SERVICE	\$300.00	COMM CTR. DRAIN & FIRE DEPT. - CLUB HOUSE -UNPLUGGED K. DRAIN
31587	1/15/2015	NAPA AUTO PARTS - FIREBAUGH	\$105.89	PW - TRK#39 -JUMPER CABLES
31588	1/15/2015	OCCUPATIONAL HEALTH CNTER	\$202.00	PW - VACCINE FOR SEWER MAINT. EMPLOYEE
31589	1/15/2015	PACIFIC GAS & ELECTRIC	\$237.79	SPRUCE ST. PARKER PARK -FIRE DEPT & P ST. APT. SERVICE
31590	1/15/2015	PECK'S PRINTERY	\$239.20	COUNCIL NAME PLATES & BLDG. DEPT. - CORRECTION NOTICES

31591	1/15/2015	PEREZ SMOG & LUBE	\$50.00	PD - UNIT #7 - SMOG
31592	1/15/2015	POSO CANAL COMPANY	\$90.46	PW - 4TH QUARTER ASSESSMENTS - 2014 DUES
31593	1/15/2015	ROBERT P. ROWE & ASSOCIATES	\$2,200.00	FEE FOR APPRAISAL - PROP: 1284 & 1320 N. STREET
31594	1/15/2015	SILVA FORD MADERA	\$65.01	PD - 2 CABLE ASY
31595	1/15/2015	TELSTAR	\$625.00	PW - TROUBLESHOOTING THE HYDRORANGER AT DEL RIO
31596	1/15/2015	THARP'S FARM SUPPLY	\$2,138.00	ALL DEPTS - EQUIP - VEH & FACILITY REPAIR PARTS & SUPPLIES
31597	1/15/2015	THOMASON TRACTOR CO	\$90.80	WWTP & PARKS - SUPPLIES FOR LAWN EQUIP & FAC
31598	1/15/2015	TIFCO INDUSTRIES	\$368.97	PW - MATERIAL FOR FACILITY REPAIRS
31599	1/15/2015	TRIANGLE ROCK PRODUCTS	\$919.91	RDA - FIX CURBS
31600	1/15/2015	VERIZON WIRELESS	\$576.88	ALL DEPTS - CELL PHONES
31601	1/16/2015	ADAMS ASHBY GROUP, LLC	\$3,780.00	12-CDBG-8387 - PROFESSIONAL SERVICE
31602	1/16/2015	FIREBAUGH SUPER MARKET	\$172.61	COMM CNTR. - SENIOR CNTR - SUPPLIES & DOG FOOD FOR KENNEL
31603	1/16/2015	FIREBAUGH HARDWARE CO.	\$230.36	PW - MATERIAL & SUPPLIES FOR FACILITY REPAIRS
31604	1/16/2015	FIREBAUGH GLASS	\$195.00	MALDONADO PARK - FACILITY REPAIR
31605	1/16/2015	FRESNO OXYGEN	\$250.99	FIRE DEPT. - MEDICAL OXYGEN
31606	1/16/2015	G&K SERVICES, INC.	\$1,079.96	ALL DEPTS FACILITY MAINT. SUPPLIES & SHOP UNIFORM EXPENSE
31607	1/16/2015	KUSSMAUL ELECTRONICS CO.	\$126.82	FIRE DEPT. - VEHICLE REPAIRS
31608	1/16/2015	MECHANICAL DRIVES & BELTING	\$12.92	TOMA-TEK - ICE HOLE SAW
31609	1/16/2015	MUNICIPAL MAINTENANCE	\$266.33	PW - PARTS FOR EQUIPMENT REPAIR
31610	1/16/2015	OFFICE DEPOT, INC.	\$69.46	POLICE DEPT. - OFFICE SUPPLIES
31611	1/16/2015	PECK'S PRINTERY	\$14.07	NAME PLATE FOR COUNCIL MEMBER - FREDDY VALDEZ
31612	1/16/2015	QUINN COMPANY, INC.	\$3.63	PW - KEY - FOR CAT WHEEL TRACTOR

31613	1/16/2015	SIERRA DISPLAY, INC.	\$19.67	X-MAS FEST - CLEAR BURNING LAMP FOR CHRISTMAS TREE
31614	1/16/2015	SPARKLETTS	\$8.61	CITY HALL - DRINKING WATER
31615	1/20/2015	JOHN BORBOA	\$769.20	FIRE DEPT. STIPEND - 01/16/2015
31616	1/20/2015	CITY OF FIREBAUGH	\$98,291.77	United Sec Bank-Payroll A P/E 01/16/2015
31617	1/23/2015	FIRST BANKCARD	\$367.87	PUBLIC WORKS & CITY MANAGER CREDIT CARD
31618	1/23/2015	PACIFIC GAS & ELECTRIC	\$29,286.61	ALL DEPTS. - POWER
31619	1/23/2015	STATE WATER RESOURCES	\$230.00	WWTR TREATMENT PLANT OP CERT APP GR-2-NOAH MARQUEZ
31620	1/29/2015	ANTHONY'S SHOP	\$165.39	PW - NEW REPLACEMENT STARTER - PU PW#32
31621	1/29/2015	AT&T	\$229.78	WATER TREATMENT PLANT - PHONE SERVICE
31622	1/29/2015	RAMON BELTRAN	\$228.00	RETURN SEIZED MONEY/ WARRANT-FPD#13-2011/F14901450
31623	1/29/2015	CALIFORNIA BUILDING STANDARDS	\$380.70	1ST - 4TH QUARTER REPORTS FOR: 01/01/2014 -12/31/2014
31624	1/29/2015	CHEVRON & TEXCO CARD SERVICES	\$120.34	POLICE DEPT. - MONTHLY GAS SERVICE
31625	1/29/2015	COMMUNITY MEDICAL CENTER	\$175.00	12/14 LEGAL BLOOD DRAWS
31626	1/29/2015	COOK'S COMMUNICATIONS	\$42.75	POLICE DEPT. - 025 AMP LINE FILTER
31627	1/29/2015	DEPT. OF CONSERVATION	\$170.76	1ST & 2ND QTR.STRONG MOTION & SEISMIC HAZARD MAPPING FEE
31628	1/29/2015	DEPARTMENT OF JUSTICE	\$140.00	POLICE - LAB ANALYSIS
31629	1/29/2015	DON BERRY CONSTRUCTION, INC	\$76,173.61	PROGRESS PYMT #1 -16TH ST, O ST &Q ST - STPL-224020
31630	1/29/2015	FEDEX	\$37.05	FIRE DEPT. - SHIPPING CHARGE
31631	1/29/2015	FRESNO-MADERA AREA AGENCY	\$73.70	NON USDA - MEAL PROGRAM
31632	1/29/2015	HARDWARE DISTRIBUTION	\$492.40	SUBMERSIBLE PUMP & GRACO STRIPPING TIPS-FAC REPAIR
31634	1/29/2015	K B ELECTRIC	\$1,121.87	WWTP METER & STORM DRAIN REPAIR - FIRE TRUCK LIGHT REPAIR
31635	1/29/2015	ED MOLES, PH.D.	\$400.00	POLICE - PSYCH SCREENING - FOR NEW OFFICER.



7404 N. Spalding Avenue, Fresno, California 93720-3370

Telephone: (559) 431-5600 Fax: (559) 261-9366

M E M O R A N D U M

DATE:	February 11, 2015	CLIENT/MATTER:	1907-01
TO:	Ken McDonald, City Manager City of Firebaugh		
FROM:	Jenell Van Bindsbergen Gary B. Bell		
RE:	Collecting City Assessments on Tax-Delinquent Properties up for Sale		

We recently discussed how the City can recover two separate special assessments that were levied against two separate properties, which are now subject to a forced tax-delinquent sale by Fresno County. The sale will take place at an online auction and is currently scheduled for March 4. The online auction can be accessed at www.bid4assets.com/Fresno. The properties include:

1. In 2008, the City levied a special assessment against a property located at 1337/1339/1347 "N" St. (APN: 008-132-10) in the amount of \$23,592.24 for the costs of nuisance abatement. A notice of lien and a copy of the Resolution levying the special assessment were recorded against the property with Fresno County on August 28, 2008.

2. In 2009, the City levied a special assessment against a property located at 1860 E. Cardella St. (APN: 008-210-07s) in the amount of \$8,492.75 for the costs of nuisance abatement. A notice of lien and a copy of the Resolution levying the special assessment were recorded against the property with Fresno County on January 8, 2009.

Short Answer

As discussed below, in order to preserve the City's liens against the properties, we recommend that the City adopt formal Resolutions objecting to each sale, which can then be filed with the Fresno County Tax Collector and Board of Supervisors *before* March 4, preserving the City's liens against the properties. Because the City's next regular meeting

in on March 2, this may require a special meeting. Once the liens are preserved, the City can then enforce its liens on the properties against the new owners after the sale occurs.

The Special Assessments Are Valid Liens Against the Properties

Based on our communications with Fresno County, copies of the Resolutions levying the special assessments against the properties were never delivered to the Fresno County Tax Collector and Auditor Controller. As a result, the special assessments were never added to the tax roll to be collected as a lien during the next tax year. However, a notice of lien and a copy of the Resolution were recorded against each property with the Fresno County Recorder and constitute valid liens against the properties. As a result, the amount assessed against each property might be characterized as a “nuisance abatement lien” rather than a special assessment. Either way, because the City’s “special assessments” were never added to the tax roll, the amount of each special assessment is not included in the price for the forced tax-delinquent sale. (Rev. & Tax. Code §§ 3698.5, 3712).

The City Must “Object” to the Tax-Delinquent Sale in Order to Preserve Its Liens

In order to preserve its liens against the properties, the City must “object” to the forced tax-delinquent sale of each property by filing with the Fresno County Tax Collector and Board of Supervisors certified copies of a Resolution adopted by the City Council that formally objects to the sale. (Rev. & Tax. Code §§ 3695, 3712). If the City does not object to the sale, there is a risk that the City’s liens will be extinguished by the forced tax-delinquent sale (i.e., the City will no longer have liens against the properties). The Resolution must be filed *before* the date of the forced tax-delinquent sale on March 4. (Rev. & Tax. Code § 3695).

Conclusion

Because the City’s next regular meeting is on March 2, two days before the forced tax-delinquent sale on March 4, the City might want to hold a special meeting prior to that date in order to formally adopt Resolutions objecting to the sale of each property. Certified copies of the Resolutions can then be filed with the Fresno County Tax Collector and Board of Supervisors *before* March 4, which will preserve the City’s liens against the properties for future enforcement.

We understand that the City is planning several code enforcement matters against properties that may eventually include special assessments or nuisance abatement liens for the costs of nuisance abatement. Moving forward, we recommend that the City coordinate with the Fresno County Tax Collector and Auditor Controller to ensure that future special assessments are properly added to the tax roll and collected during the next tax year.

If you have any questions or would like to discuss, please let us know. Thank you.

RESOLUTION NO. 15-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH OBJECTING TO SALE OF TAX DELINQUENT PROPERTY PURSUANT TO REVENUE AND TAXATION CODE SECTIONS 3696 AND 3712 LOCATED AT 1337/1339/1347 "N" STREET, IN THE CITY OF FIREBAUGH

WHEREAS, on August 28, 2008, the City placed a lien and levied a special assessment against the property located at 1337/1339/1347 "N" Street, in the City of Firebaugh (APN: 008-132-10) ("Property"), by Resolution number 08-37 (Exhibit "A"); and

WHEREAS, the lien and special assessment are in the amount of Twenty Three Thousand Five Hundred Ninety Two Dollars and Twenty Four Cents (\$23,592.24), representing the City's costs of abatement of dangerous building/public nuisances on the Property (Exhibit "B"); and

WHEREAS, the Property is subject to a forced tax-delinquent sale ("Sale") by the County of Fresno in or around March, 2015; and

WHEREAS, Revenue and Taxation Code Sections 3695 and 3712 authorize the City to object to the Sale of the Property by filing with the County Tax Collector and County Board of Supervisors, prior to the Sale, a certified copy of a Resolution objecting to the Sale; and

WHEREAS, pursuant to Revenue and Taxation Code Section 3712, the City's lien and special assessment against the Property are preserved notwithstanding the Sale, by the City's action of objecting to the Sale.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Firebaugh as follows:

1. The City hereby objects to the Sale of the Property.
2. The City shall file one certified copy of this Resolution with: (a) the County Tax Collector, and (b) the County Board of Supervisors.
3. The City Manager and staff are hereby authorized and directed to take such actions as may be necessary to implement this Resolution.
4. This Resolution shall take effect immediately upon adoption.

The foregoing resolution was approved at a regular meeting of the City Council of the City of Firebaugh held on March 2, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

Craig Knight, Mayor

Rita Lozano, Deputy City Clerk

RESOLUTION NO. 08-37

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH
AFTER NOTICED HEARING FINDING THAT COSTS OF ABATEMENT
ON PROPERTIES LOCATED AT 1337 "N" STREET, 1339 "N" STREET
AND 1347 "N" STREET SHALL CONSTITUTE A SPECIAL ASSESSMENT**

WHEREAS, the City of Firebaugh has adopted a Dangerous Building Abatement Ordinance (Firebaugh Municipal Code Chapter 8.5 et seq.); and

WHEREAS, the City has provided within this Ordinance for the abatement of structures and properties which are determined to be a dangerous building and a public nuisance; and

WHEREAS, the properties located at 1337 "N" Street, 1339 "N" Street and 1347 "N" Street are within the jurisdiction of the City of Firebaugh; and

WHEREAS, the Code Enforcement Officer inspected and determined that the condition of three structures located on the property located at 1337 "N" Street, 1339 "N" Street and 1347 "N" Street (all three structures located on APN 008-132-10) were in violation of '8-5 et seq. of the Firebaugh Municipal Code and constituted dangerous buildings and public nuisances; and

WHEREAS, notices and orders to abate setting forth the street address, and legal description of the property, details of the violations and the requirement for abatement of those violations within 60 days of the notice, and notice that if the work/abatement was not started within 60 days of the notice the City would have the work performed with the costs of the work assessed against the property, and notice of appeal rights was mailed via certified mail on April 24, 2007, to the last address of record for the property owner, holders of mortgage of deeds of trust or other lien holders of record; and,

WHEREAS, an appeal was filed by the owners which was set for hearing and heard by the city council on April 18, 2007; and

WHEREAS, as a result of the appeal hearing, city council granted the owners a 120 day extension of time to October 18, 2007, to abate/demolish the three dangerous buildings; and

WHEREAS, the three dangerous buildings were not demolished by October 18, 2007, and city council issued an order of abatement on November 15, 2007; and

WHEREAS, the Code Enforcement Officer, his deputies and assistants and/or agents have abated the public nuisance and violations of the Firebaugh Municipal Code '8-5 et seq. by demolishing the three dangerous structures from said property, and

WHEREAS, the statement of costs of abatement have been considered by City Council and determined to be in the total amount of \$23,592.24; and

WHEREAS, a statement of abatement costs has been mailed to the owners of the subject property on April 22, 2008, and notice of this public hearing was mailed to the owners via certified mail August 12, 2008, which is 15 days or more prior to the date of the public hearing; and

WHEREAS, a statement of abatement costs was published prior to the date of this hearing in a daily newspaper published and circulated in Firebaugh, on August 15, 2008; and

WHEREAS, the costs of abatement have not been paid;

BE IT THEREFORE RESOLVED, that the costs of abatement of dangerous building/public nuisances shall constitute a lien and special assessment against the property; and

BE IT FURTHER RESOLVED, that a Notice describing the abatement actions and the total costs for assessment shall be recorded with the Fresno County Recorder; and

BE IT FURTHER RESOLVED, that a certified copy of this resolution and the report of abatement costs for assessment against this parcel in the total amount of \$23,592.24, shall be given to the County Auditor or Assessor to be added to the next regular tax bill levied against the parcels in the same manner as ordinary municipal taxes.

The foregoing resolution was adopted at a regular meeting of the City Council of the City of Firebaugh on the 28th day of August, 2008 by the following roll call vote.

AYES: Sablan, Fannon, Marquez, Knight
NOES:
ABSENT: DeFrancesco
ABSTAIN:

APPROVED: 

Craig Knight, Mayor

ATTEST:

 Deputy
Priscilla Meza, City Clerk



3

When recorded mail to
Name: City of Firebaugh
Fire Department
Address: 1575 11th Street
City State Firebaugh, CA.
Zip Code 93622



FRESNO County Recorder
Robert C. Werner
DOC- 2008-0124020
Friday, AUG 29, 2008 09:11:12
Ttl Pd \$0.00 Nbr-0002835840
RGR/R4/1-3

Gov. C <6103>

Resolution # 08-37

(DOCUMENT TITLE)

RECEIVED
SEP 19 2008
City of Firebaugh

Recorded by and for the Benefit of
City of Firebaugh

WHEN RECORDED MAIL TO:

City of Firebaugh
Fire Chief
1575 11th Street
Firebaugh, California 93622



FRESNO County Recorder
Robert C. Werner

DOC- 2008-0123462

Thursday, AUG 28, 2008 13:38:04

Ttl Pd \$0.00

Nbr-0002835512

RGR/R4/1-1

(Exempt from fees pursuant to Gov. C. 6103)

NOTICE OF LIEN

Pursuant to the authority vested in the Building Official/Fire Chief by the provisions of Chapter 8 of the Firebaugh Municipal Code, said Building Official/Fire Chief did on or about the 5th day of November 2007, cause the buildings or structures on the property hereinafter described to be repaired or demolished (as the case may be) in order to abate a nuisance on said real property, and the Council of the City Of Firebaugh did on the 28th day of August 2008, assess the cost of such repair or demolition (as the case may be) upon the real property hereinafter described, and the same has not been paid nor any part thereof, and the said City of Firebaugh does hereby claim a lien on said real property for the net expense of doing of said repair or demolition (as the case may be) in the amount of said assessment, to wit: the sum of **\$23,592.24**, and the same shall be a lien upon said real property until the sum has been paid in full and discharged of record.

The real property hereinbefore mentioned, and upon which a lien is claimed, is that certain parcel of land lying and in the City of Firebaugh, County of Fresno, State of California, and particularly described as follows:

FRESNO COUNTY ASSESSORS PARCEL NO. 008-132-10

OWNER OF RECORD

VALENTIN S. BERSABE & TRINIDAD T. BERSABE

DATED: This 28th day of August, 2008


Fire Chief of the City of Firebaugh

RESOLUTION NO. 15-06

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH OBJECTING TO SALE
OF TAX DELINQUENT PROPERTY PURSUANT TO REVENUE AND TAXATION CODE
SECTIONS 3696 AND 3712 LOCATED AT
1860 EAST CARDELLA STREET, IN THE CITY OF FIREBAUGH**

WHEREAS, on January 5, 2009, the City placed a lien and levied a special assessment against the property located at 1860 East Cardella Street, in the City of Firebaugh (APN: 008-210-07s) ("Property"), by Resolution number 08-50 (Exhibit "A"); and

WHEREAS, the lien and special assessment are in the amount of Eight Thousand Four Hundred Ninety Two Dollars and Seventy Five Cents (\$8,492.75), representing the City's costs of abatement of dangerous conditions on the Property (Exhibit "B"); and

WHEREAS, the Property is subject to a forced tax-delinquent sale ("Sale") by the County of Fresno in or around March, 2015; and

WHEREAS, Revenue and Taxation Code Sections 3695 and 3712 authorize the City to object to the Sale of the Property by filing with the County Tax Collector and County Board of Supervisors, prior to the Sale, a certified copy of a Resolution objecting to the Sale; and

WHEREAS, pursuant to Revenue and Taxation Code Section 3712, the City's lien and special assessment against the Property are preserved notwithstanding the Sale, by the City's action of objecting to the Sale.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Firebaugh as follows:

1. The City hereby objects to the Sale of the Property.
2. The City shall file one certified copy of this Resolution with: (a) the County Tax Collector, (b) the County Board of Supervisors, and (c) the County Recorder.
3. The City Manager and staff are hereby authorized and directed to take such actions as may be necessary to implement this Resolution.
4. This Resolution shall take effect immediately upon adoption.

The foregoing resolution was approved at a regular meeting of the City Council of the City of Firebaugh held on March 2, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

Craig Knight, Mayor

Rita Lozano, Deputy City Clerk

RESOLUTION NO. 08-50

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH LEVYING
AND ASSESSING ABATEMENT EXPENSES AGAINST REAL PROPERTY LOCATED
AT 1860 EAST CARDELLA STREET, IN THE CITY OF FIREBAUGH**

WHEREAS, the City of Firebaugh has completed an abatement involving dangerous conditions at 1860 East Cardella Street, and

WHEREAS, the City incurred actual out-of-pocket costs in completing the work of abatement which the property owners failed or refused to do; and

WHEREAS, the City Council held a hearing, following due notice to the property owners, to consider the abatement costs and to further consider levying the abatement costs as an assessment and lien against the property known as 1860 East Cardella Street; and

WHEREAS, the City Council has considered all of the evidence presented by the property owners and others during the public hearing and has decided to exercise its rights under the Municipal Code to obtain reimbursement for its out-of-pocket costs by adopting this Resolution and establishing a lien against the property; and

WHEREAS, the City's costs incurred, which the property owner has not disputed, consist of \$8,492.75.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Firebaugh as follows:

1. Pursuant to Section 8.5-22 of the Firebaugh Municipal Code, the amount of \$8,492.75 is hereby assessed as a lien against property located at 1860 East Cardella Street, Assessor's Parcel Number 008-210-07s, in the City of Firebaugh.
2. The City Manager and City Code Enforcement Officer are hereby directed to deliver a copy of this Resolution to the County Tax Collector and Auditor Controller so that the amount of \$8,492.75 is placed on the tax roll to collect as a lien against the property during the next tax year.

The foregoing resolution was approved and adopted at a special meeting of the City Council of the City of Firebaugh held on 5th day of January, 2009, by the following vote:

AYES: Marquez, Lake, DeFrancesco, Sablan

NOES:

ABSTAIN:

ABSENT: Lowe

APPROVED:


Marcia Sablan, Mayor

ATTEST:


Rita Lozano, Deputy City Clerk

2

Recording Requested By & Return To:

Name: City of Firebaugh
Fire Chief

Street: 1575 11th Street

City / St. / Zip: Firebaugh, Ca
93602



FRESNO County Recorder

Robert C. Werner

DOC- 2009-0002230

Thursday, JAN 08, 2009 14:48:39

Ttl Pd \$0.00

Nbr-0002908991

JZG/R3/1-2

Resolution

(Document Title)

This page added to provide adequate space for the above information only.

(Government Code 27361.6)

(Additional recording fee applies)



Recorded by and for the Benefit of
City of Firebaugh

FRESNO County Recorder

Robert C. Werner

DOC- 2009-0002229

Thursday, JAN 08, 2009 14:47:11

Ttl Pd \$0.00

Nbr-0002908989

JZG/R3/1-1

WHEN RECORDED - MAIL TO:

City of Firebaugh
Fire Chief
1575 11th Street
Firebaugh, California 93622

(Exempt from fees pursuant to Gov. C.6103)

NOTICE OF LIEN

Pursuant to the authority vested in the Building Official/Fire Chief by the provisions of Chapter 8 of the Firebaugh Municipal Code, said Building Official/Fire Chief did on or about the 10th of June 2008, cause the buildings or structures on the property hereinafter described to be repaired or demolished (as the case may be) in order to abate a nuisance on said real property, and the Council of the City of Firebaugh did on the 5th day of January 2009, assess the cost of such repair or demolition (as the case may be) upon the real property hereinafter described, and the same has not been paid nor any part thereof, and the said City of Firebaugh does hereby claim a lien on said real property for the net expense of doing of said repair or demolition (as the case may be) in the amount of said assessment, to wit: the sum of **\$8,492.75**, and the same shall be a lien upon said real property until the sum has been paid in full and discharged of record.

The real property hereinbefore mentioned, and upon which a lien is claimed, is that certain parcel of land lying and in the City of Firebaugh, County of Fresno, State of California and particularly described as follows:

FRESNO COUNTY ASSESSORS PARCEL NO. 008-210-075

OWNER OF RECORD

DANNY & TERI WATSON

DATED: This 5th day of January 2009


Fire Chief of the City of Firebaugh



STAFF REPORT

TO: Honorable Mayor and Council members
FROM: Kenneth McDonald, City Manager
DATE: March 2, 2015
SUBJECT: Ad-Hoc Rodeo Grounds Rental Committee

RECOMMENDATION:

Direct staff to examine how to facilitate the committee recommendation.

HISTORY / DISCUSSION:

The Rodeo Grounds Rental Committee has met and discussed rental options. It was decided to limit the events to four (4) Sundays and one Saturday as a trial. They requested the City to purchase two decibel meters and establish a benchmark location to measure sound and limit the event from generating no more than 60 decibels. Also dust control measures were to be utilized. Also some method of preference when local non-profit organizations are allowed to participate for fund raising. Although legally the committee was unable to determine how to facilitate and control all of the options desired.

FISCAL IMPACT:

Varied costs depending on the solution proposed.



STAFF REPORT

TO: Successor Agency
 FROM: Kenneth McDonald, City Manager
 DATE: March 2, 2015
 SUBJECT: Disposition of the N Street Properties – Receipt of Appraisal Report

RECOMMENDATION

Staff would offer to accept the value in the appraisal report and offer the price to the proposer that scored the highest during proposal evaluation (Perez), and if refused offer to the second highest scorer (Hamran/Mana). The City reserves its right to reject either proposal even if the proposers meet the City's offer.

If neither party accepts then contract with a Real Estate Broker to sell the two N Street properties along with the remaining other three properties at the fair market value for the disposition of the N Street Properties or all Successor Agency properties and present to the Oversight Board.

HISTORY / DISCUSSION:

The Council on December 15, 2014, acting as the Successor Agency to the Firebaugh Redevelopment Agency (SA), had approved the sale of the N Street properties to the number one ranked proposal and presented the action to the Oversight Board on December 18, 2014 for ratification. The Oversight Board was not able to approve the proposal and had requested more information before a majority of the members present would vote in favor of selling as proposed. The appraisal report was ordered from the lowest quoted amount previously provided to Council and provided to the City just in time to make this agenda.

Disposition Procedures

The Successor Agency approved the Property Disposition Procedures for former Redevelopment Agency Real Property Assets ("Disposition Procedures") on April 21, 2014. The Oversight Board subsequently approved them on May 15, 2014. Pursuant to the Disposition Procedures, the Successor Agency Board will review all complete proposals submitted to the Successor Agency to purchase and develop any former Redevelopment Agency property. The Successor Agency Board can make a recommendation to the Oversight Board as to how to proceed, but the Oversight Board must see all complete proposals and have an opportunity to review their options. If the Oversight Board disagrees with the Successor Agency's recommendation, they can return the item to the Successor Agency for additional review.

FISCAL IMPACT:

Proceeds from the sale of the N Street Properties will be distributed to the taxing entities through the Recognized Obligation Payment Schedule (ROPS) Process. In addition if a Broker is engaged all properties could be sold as soon as possible at the highest value with the least effort from City staff.

APPRAISAL REPORT

VALUATION OF

The Properties Located at
1284 & 1320 N Street
Firebaugh, California

PREPARED FOR

Mr. Kenneth McDonald
City Manager
Firebaugh, California

PREPARED BY

Robert P. Rowe
1625 Howard Road, #157
Madera, California 93637

DATE OF VALUATION

February 10, 2015

Robert P Rowe & Associates

Robert P. Rowe & Associates

February 23, 2014

Mr. Kenneth McDonald
City Manager
Firebaugh, California

Re: The Appraisal Presented in a Narrative Report Format of the two properties located at 1284 & 1320 N Street, Firebaugh, California.

Dear Mr. McDoanld:

In accordance with your written request, I submit herein an Appraisal presented in a Narrative Report, on the above referenced property, expressing my opinion of the market value of the subject property in fee simple interest as of February 10, 2015. The analysis and opinions presented in this report conform to the Appraisal Policy and Guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) requirements, as well as all requirements of the Robert P. Rowe & Associates.

As required by the reporting requirements set forth under Standards Rule 2-2(b) of USPAP, this letter of transmittal hereby states that the report included herein is an appraisal report. This report presents only summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use that follows. The appraiser is not responsible for unauthorized use of this report.

This report is made for the express purpose of forming an opinion of the market value of the subject property.

Mr. Kenneth McDonald
City Manager
Re: 1284 and 1320 N Street
Firebaugh, California.

As a result of the Appraisal presented in a Report Format of the subject property which follows, I believe that **the "As Is" Market Value of the subject property located at 1284 N Street, Firebaugh, California**, as of the date of valuation and subject to the limiting conditions included herein, is:

ONE HUNDRED THOUSAND DOLLARS

\$100,000

As a result of the Appraisal presented in a Report Format of the subject property which follows, I believe that **the "As Is" Market Value of the subject property located at 1320 N Street, Firebaugh, California**, as of the date of valuation and subject to the limiting conditions included herein, is:

NINETY-FIVE THOUSAND DOLLARS

\$95,000

The opinions of value included in this report are predicated on a typical marketing period of up to twelve months.

This letter of transmittal is part of the attached report containing pertinent data relating to my analysis.

Respectfully submitted,



Robert P. Rowe
Certified General Real Estate Appraiser
California Certified General Real Estate Appraiser #AG006825

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ADDENDA

BUILDING SKETCHES
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APPRAISER'S QUALIFICATIONS
ZONING REGULATIONS

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

STREET ADDRESS	: 1284 & 1320 N Street, Firebaugh, CA
MAP REFERENCE	: Thomas Guide
CENSUS TRACT NUMBER	: Fresno County Census Tract 84.01
CLIENT	: City of Firebaugh
CURRENT OWNER OF RECORD	: Joseph G. Lerner
ASSESSOR'S PARCEL NUMBER	: 008-080-42st & 008-140-35t
SITE AREA	: See site description section
DATE OF VALUATION	: February 10, 2015
DATE OF FIELD INSPECTION	: February 10, 2015
PROPERTY RIGHTS APPRAISED	: See report
EXISTING IMPROVEMENTS	: Two existing fast food restaurants
OCCUPANCY LEVEL	: One vacant & one tenant occupied
YEAR BUILT	: See description
TYPE CONSTRUCTION	: Wood Frame
QUALITY OF CONSTRUCTION	: See description
CONDITION	: See description
GROSS BUILDING AREA	: See description
SITE COVERAGE RATIO (GBA/SITE AREA)	: See Description
ZONING	: "C-3" (General Commercial District)
FLOOD ZONE	: According to the Flood Insurance Rate Map published by the Federal Emergency Management Agency (FEMA), Flood Map 06019C1430H, effective date February 18, 2009, the subject property is situated within Zone X, flood insurance is not required.
HIGHEST & BEST USE	
AS VACANT	: To hold for future development.
AS IMPROVED	: As it is currently improved.
"As Is" Market Value Opinion 1284 N St.	: \$100,000
Marketing Time	: 12 months
"As Is" Market Value Opinion 1320 N St.	: \$95,000
Marketing Time	: 12 months

SPECIAL APPRAISAL CONTINGENCIES AND CRITICAL ASSUMPTIONS

1. A complete legal description or a current title report was not provided for our review. Therefore, for the purpose of this report, an extraordinary assumption is employed concerning the "As Is" opinion of market value. It is assumed that the subject's property is as described in this report and there being no restrictions or other items that would affect the subject property and its market value that would be evident in a current title report. If it is found to be incorrect, it could lead to a change in the opinion of the "As Is" Market Value, and those opinions of value would be void. On page U-3 of the Uniform Standards of Appraisal Practice (USPAP), 2012-2013 Edition, an Extraordinary Assumption is defined as: *"an assumption, directly related to a specific assignment, as of the effective date of the assignment results, if found to be false, could alter the appraisers opinions or conclusions"*

2. There is said to be a roof mounted HVAC unit on each building, however, we were unable to view the roof top equipment wells so, in this appraisal, we have made the following extraordinary assumption. This appraisal assumes, and is conditional upon, there being an HVAC, in working order, on the roof of each building. If it is found to be incorrect, it could lead to a change in the opinion of the "As Is" Market Value, and those opinions of value would be void. On page U-3 of the Uniform Standards of Appraisal Practice (USPAP), 2012-2013 Edition, an Extraordinary Assumption is defined as: *"an assumption, directly related to a specific assignment, as of the effective date of the assignment results, if found to be false, could alter the appraisers opinions or conclusions"*

Assumptions and Limiting Conditions

The certification of the Appraiser appearing in the appraisal report is subject to the following assumptions and limiting conditions and to such other specific and limiting conditions as are set forth in this report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Sketches in the report may show approximate dimensions and are included only to assist the reader in visualizing the property. The Appraiser has made no survey of the property. Drawings and/or plans are not represented as an engineer's work product, nor are they provided for legal reference.
3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless arrangements have been previously made.
4. Any distribution of the valuation in the report applies only under the existing program of utilization. Contributory value indications are only allocations and are not represented as separate valuations. The intended use of those contributory value indications is only in underwriting. Any other use is without obligation to the Appraiser.
5. The Appraiser has, in the process of exercising due diligence, requested, reviewed, and considered information provided by the ownership of the property and client, and the Appraiser has relied on such information being candid and complete, and assumes there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, for engineering that might be required to discover such factors, or the cost of discovery or correction.
6. In an assignment where the Appraiser has not inspected the subject property, due to lack of peaceful access or client approved assignment limitations, as described and documented in the report, the appraiser has used subject property information developed in the course of public and/or private record research. If public record information is subsequently found to have been in error, responsibility for the impact of the error rests with its source, not the appraiser.
7. The Appraiser is not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, and is not qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value conclusion is based on the subject

property being free of hazardous waste contaminations, and it is especially assumed that present and subsequent ownership will exercise due care to ensure that the property does not become otherwise contaminated.

8. Information, estimates, opinions furnished to the Appraiser and contained in the report were obtained from sources considered reliable and believed to be true and correct. The Appraiser assumes no responsibility for accuracy of such items furnished to the Appraiser.
9. Unless specifically cited, no value has been allocated to mineral rights or deposits.
10. Acreage of land types and measurements of improvements are based on physical inspection of the subject property unless otherwise noted in this appraisal report.
11. Water requirements and information provided has been relied on and, unless otherwise stated, it is assumed that:
 - a. All water rights to the property have been secured or perfected, there are no adverse easement or encumbrances, and the property complies with the rules and regulations of local, state, or federal agencies, including Bureau of Reclamation rules as they apply to the subject;
 - b. Irrigation and domestic water sand drainage system components, including fixed or hard mounted distribution equipment and piping, are real estate fixtures;
 - c. Any mobile surface piping or equipment essential for water distribution, recovery, or drainage, if included in the subject property of this appraisal (e.g., pivot systems), is secured with the title to real estate; and
 - d. Title to all such property conveys with the land.
12. Disclosure of the contents of this report is governed by applicable law and/or the bylaws and regulations of the professional appraisal organizations(s) which the Appraiser is affiliated.
13. Neither all nor any part of the report, or copy thereof, shall be used for any purposes by anyone but the client and intended users specified in the report without the written consent of the Appraiser. This report was prepared for the client's use at their sole discretion within the framework of the intended use stated in the report and its use for any other purpose or use by any party not identified

as an intended user of this report is beyond the scope contemplated in the appraisal and this report, and without creating an obligation of the Appraiser.

14. Where the appraisal conclusions are subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner consistent with the plans, specifications, and/or scope of work relied upon in the appraisal.
15. EXCLUSIONS. In analyzing the subject property and its market, the Appraiser considered and, as applicable, used the cost, income, and direct market sales comparison approaches to develop value indications and reconciled the results of the approaches completed to develop a final value conclusion. The explanation for excluding any of the three approaches in developing the final value conclusion is provided in this report.
16. Acceptance of the report by the client constitutes acceptance of all assumptions and limiting conditions contained in the report.
17. Other Assumptions and Limiting Conditions, including any extraordinary assumptions or hypothetical conditions .

CERTIFICATE OF VALUE

I certify that, to the best of my knowledge and belief,

1. The statements of fact contained in this report are true and correct;
2. I have the knowledge and experience to complete this assignment competently;
3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions;
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved;
7. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
10. I have made a personal inspection of the property that is the subject of this report;
11. No one provided significant professional assistance to the person or persons signing this report;
12. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;
13. This appraisal report has been made in conformity with and is subject to the requirements of Title XI of Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989..

14. I have not been engaged to appraise the subject property for the purpose of market value, or to provide anyother service, by any party except the client, as identified in this report, within the 36 months prior to the date of value in this report.
15. My analyses, opinions, and conclusions were developed and the appraisal and this report has been prepared for use in a lending transaction.



Robert P. Rowe
Certified General Real Estate Appraiser,
State of California, Certificate AG006825

IDENTIFICATION OF THE PROPERTY

This report includes two appraisals of two free standing fast food restaurants combined into one report. The restaurants are older and they are located at 1320 N Street and 1284 N Street, both in the City of Firebaugh. Please note that the equipment and the restaurant related real estate fixtures are owned by the tenant and are not being valued in this report. The buildings and sites will be described in detail in the description sections of this report.

A current title report or legal description was not provided for our review. This appraisal assumes, and is conditional upon, the subject property being as described in this report and there being no atypical easements or other items that could affect the value of the subject property. If there is, this valuation is void. The subject property's APN's are 008-080-42st & 008-140-35t.

PURPOSE

The purpose of this appraisal is to form an opinion of the Market Value "As Is" of the subject property on the date of inspection, which was February 10, 2015, and that is also the effective date of the appraisal.

"As Is" Market Value on the appraisal date means an opinion of the market value of a property in the condition observed upon inspection and as it physically exists without hypothetical conditions, assumptions, or qualifications, as of the effective date of the appraisal.

PERSONAL PROPERTY

The subject property contains some personal property. However, the personal property is not being valued in this report.

DATE OF VALUATION

This appraisal is based on market conditions prevailing as of February 10, 2015, the date of the "As Is" valuation and final field inspection.

DATE OF THE REPORT

The date of the report is February 24, 2015 which is the date the report was completed.

PROPERTY RIGHTS APPRAISED

1284 N Street is currently a Leased Fee Estate. A leased fee estate is defined as: **Leased Fee Estate:** An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

1320 N Street is a Fee Simple Estate, which is defined as **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

1284 N Street is currently leased for a month to month basis. A month to month basis is considered to be a short term, and the typical purchaser of this property would consider it to be an owner operator. Therefore, while it is technically a leased fee estate, the market would consider it a fee simple estate due to the short term nature of the lease, and it was valued as leased fee.

INTENDED USE AND FUNCTION OF THE APPRAISAL

The use and/or function of this appraisal report is for Mr. Kenneth McDonald, City Manager, City of Firebaugh, his subsidiaries and/or affiliates, for loan underwriting or other real estate related uses. It may be used in connection with the acquisition, disposition, and financing, or the sale of a property.

APPRAISER COMPETENCE

The appraisers attest that they have the appropriate knowledge and experience necessary to complete this appraisal assignment competently with the utilization of all of the commonly recognized analysis techniques considered typical for a prudent valuation effort.

CONTEXT & SCOPE OF THE APPRAISAL

This *Appraisals, Presented in a Report*, represents a final work product of an appraisal assignment authorized by Mr. Kenneth McDonald, City Manager, City of Firebaugh.

The scope of this assignment has included: (1) a physical inspection of the subject property and its surrounding neighborhood to determine conditions as of the date of value and analysis; (2) investigation of current market conditions for small fast food restaurants or similar buildings in the

City of Firebaugh and County of Fresno as well as throughout the San Joaquin Valley; (3) interviews with brokers, property owners, and managers, as well as other relevant parties; (4) the collection, verification, and analysis of market data, and other information to be employed in the valuation process, and (5) the communication of the appraisal process, reasoning, analysis, and final conclusions through this report.

This is an *Appraisal Report*, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraisers' file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for unauthorized use of this report.

This appraisal report intends to comply with the requirements of:

1. Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
2. The Uniform Standards of Professional Appraisal Practice (USPAP) including the Ethics and Competency Provisions as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Departure Provision in USPAP was not utilized in preparation of this report.
3. Office of Thrift Supervision (OTS) appraisal standards which include compliance with the Uniform Standards of Professional Appraisal Practice.
4. The Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
5. The Appraisal Policies of Robert P. Rowe & Associates.

DEFINITION OF MARKET VALUE

Market value means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
 2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
 3. A reasonable time is allowed for exposure in the open market;
 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- (Federal Register, Vol. 55, No. 165, August 24, 1990, Rules and Regulations, 12 CFR, 34.42 (f))

Reasonable Exposure Time

The preceding definition of market value is “linked” or subject to an estimate of a reasonable marketing period. The Statement on Appraisal Standards Number Six of USPAP, 1996 edition, defines “reasonable exposure time” as follows:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

An estimate of reasonable exposure time relates to the definition of market value and value estimate concluded for the property being appraised. Exposure time is different for various types of real estate and under various market conditions. Exposure time relates to the market conditions specific for the subject property and preceding the effective date of valuation. An estimate of a reasonable exposure time should not be confused with an estimated marketing period. Based on (1) the pool of marketplace participants for comparable properties, (2) the “As Is” value concluded in this appraisal, (3) information gathered through sales verification, and (4) interviews with marketplace participants, the reasonable exposure time linked to the definition of market value utilized in this report and linked to the subject property market value estimate was concluded to be up to twelve months.

STATEMENT OF OWNERSHIP

According to the ParcelQuest data sheet, title to both of the properties is currently held by the City of Firebaugh.

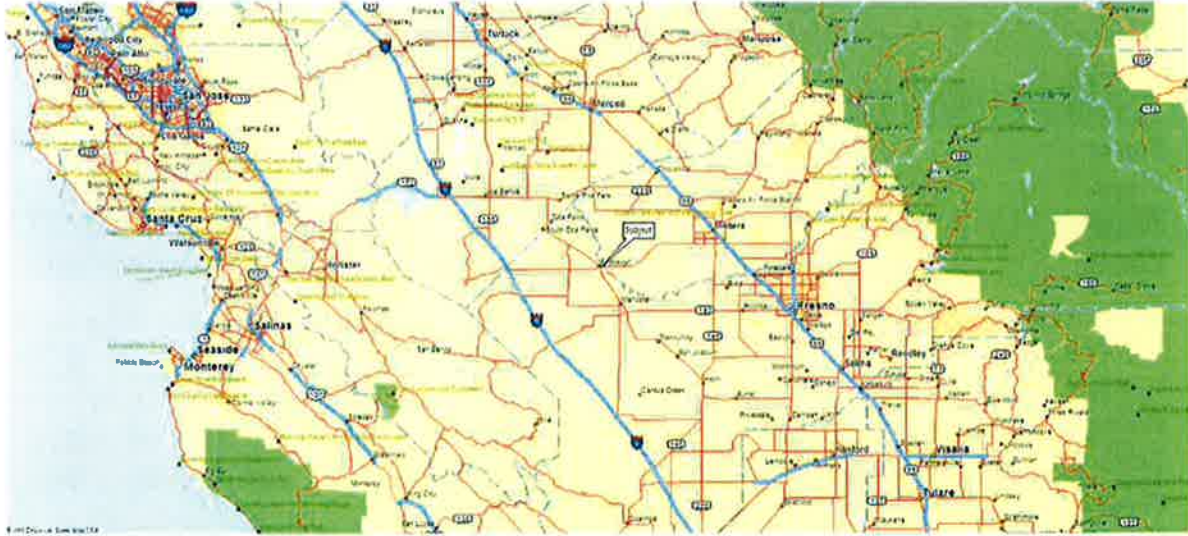
PROPERTY HISTORY

The title to each of the subject parcels has not been transferred over the three years prior to the effective date of this appraisal. However, the City of Firebaugh has solicited bids to buy the properties but none were acceptable to the owners, which is the City of Firebaugh. We were not provided with the number of bids received or the exact amount of those bids.

REAL PROPERTY TAXES

Article XIII A of the California Revenue and Tax Code states that "properties shall be taxed on their full cash assessed value as of March 1, 1975," the base year lien date. Beyond this date, assessments may be increased only 2% per year until the property is sold, substantial new construction occurs, or the use of the property is significantly changed. In such cases, all or a portion of the property assessment may be increased to current market levels. Article XIII A of the California Revenue and Tax Code, as amended by Proposition VIII in 1979, also states that the Assessor shall lower tax roll values to fair market value whenever the current assessed value exceeds the fair market value as of March 1 of any future tax year. The Assessor can increase the assessed value in any future tax year to the original base year valuation (established for the year of acquisition) plus up to a maximum of 2% per year, whenever the fair market value again equals or exceeds the base year value. As this property is owned by the City of Firebaugh, they do not pay taxes. However, the tenants pay the taxes on the possessory interest created by the lease and not on the basis of the unencumbered fee simple estate. When the property sells, and a sale is a basic assumption of the definition of market value in this report, the property will be assessed and the new owner will be required to pay property taxes on the property based upon the property's market value.

Fresno County Data



FRESNO COUNTY

Fresno County is located in the heart of the San Joaquin Valley and is California's tenth largest county, covering approximately 6,000 square miles. According to California Department of Finance estimates, Fresno is ranked tenth in population in the state with 883,537 residents as of January 1, 2005. The County population grew at an average annual rate of 1.95% between 2000 and 2005. Fresno Counties January 1, 2014 population of 953,179 is a 2.52% increase over the January 1, 2010 population of 929,758. Fresno County is located in the geographic center of the state between the two major industrial centers of San Francisco and Los Angeles.

The January 1, 2014, population of the City of Firebaugh was 7,809 which was a .3% increase over the January 1, 2013, population of 7,785. We have included a chart on the following page showing the population and year over year growth for Fresno County and the cities located within Fresno County.

	Total Population		Percent
	<u>1/1/2013</u>	<u>1/1/2014</u>	<u>Change</u>
<u>Fresno</u>	<u>953,179</u>	<u>964,040</u>	<u>1.1</u>
Clovis	100,091	102,188	2.1
Coalinga	16,742	16,467	-1.6
Firebaugh	7,785	7,809	0.3
Fowler	5,807	5,883	1.3
Fresno	508,994	515,609	1.3
Huron	6,797	6,843	0.7
Kerman	14,241	14,339	0.7
Kingsburg	11,602	11,685	0.7
Mendota	11,190	11,225	0.3
Orange Cove	9,363	9,410	0.5
Parlier	14,888	15,019	0.9
Reedley	24,993	25,122	0.5
Sanger	24,729	24,908	0.7
San Joaquin	4,034	4,056	0.5
<u>Selma</u>	<u>23,825</u>	<u>23,977</u>	<u>0.6</u>
Balance of County	168,098	169,500	0.8

Fresno County is the nation's number one farm county. The total gross production value of Fresno County agricultural commodities in 2013, the most current available, was \$6,436,628,500. That is an 2.28% decrease over the 2012 gross production of \$6,587,266,000. Increases in production were seen in vegetable crops, fruit and nut crops, and nursery products. Decreases in production were reported in field crops, seed crops, livestock and poultry, and industrial crops. The county's leading crop in 2013 is now Almonds, with a total dollar value of \$1,109,848,000. The ten leading crops are listed in the chart on the following page.

Ten Leading Crops			
Fresno County 2013			
	2013	2013	2012
Commodity	Rank	Dollar Value	Rank
Almonds	1	\$1,109,848,000	2
Grape	2	\$1,037,456,000	1
Poultry	3	\$ 548,204,000	3
Milk	4	\$ 512,276,000	4
Tomatos	5	\$ 444,705,000	5
Cattle & Calves	6	\$ 385,214,000	6
Pistachios	7	\$ 242,802,000	8
Garlic	8	\$ 201,312,000	11
Cotton	9	\$ 192,556,000	7
Oranges	10	\$ 149,024,000	13

While agriculture provides the county's financial base, Fresno does have a broad range of industries.

Since the local economy remains agriculturally based, wide seasonal swings in the area's unemployment rate are tied to the agricultural growing season. Employment in Fresno County is strongest in the summer months through the end of the harvest season; unemployment peaks in the winter.

Fresno County is the financial, trade, commercial, and educational center for many surrounding counties in central California and is the hub of transportation facilities connecting central California to all parts of the country. Two major north/south highways, State Highway 99 and Interstate 5, pass through the county. State Highway 180 runs east and west. Two railroads serve Fresno with extensive freight terminal facilities. There is also a railroad which provides passenger service. Two municipal airports provide the city of Fresno with facilities for both private and commercial aviation, with a number of commercial carriers providing service to the rest of California and several western cities. Local, interstate, and intrastate bus lines service the Fresno area. There are also numerous trucking companies which transport goods to, from, and within the county. Within the City of Fresno there are six general hospitals and a number of schools, including a junior college and a state university.

Fresno is the gateway to several well known national parks, including Yosemite, Sequoia, and Kings Canyon, and has a number of its own recreational areas, including Shaver and Huntington Lakes. These attractions bring many tourists into the county each year, providing revenue and jobs for the county's residents.

In summary, the economy, state-wide and nationally, has been slowing and declining. Central valley communities have lagged behind the state average in growth and typically exceed the state and national averages in unemployment. The State of California has higher than typical taxes, and significantly more than typical regulations on business and manufacturing that has lead to an exodus of business and manufacturing from the state. However, Fresno County has a good central location, an adequate transportation system, and relatively inexpensive land, which will assist in the eventual recovery of the local and state economy, which is estimated to be in the next three to five years.

NEIGHBORHOOD



The subject property is located in the central portion of the highway commercial district of the City of Firebaugh.

The city is located in Fresno County, approximately 43 miles west of the City of Fresno and 18 miles east of Interstate 5, the main north-south link between San Francisco and Los Angeles. The subject property fronts State Highway 33. The city is, approximately, 14 miles south of the City of Dos Palos, via Highway 33, and, approximately, 8 miles north of the City of Mendota. State Highway 33 bisects the City of Firebaugh, and it allows for easy access to the rural communities of western Fresno and Merced Counties. More specifically, the subject neighborhood can be described as all of those commercial and industrial properties that front Highway 33 within the city limits of Firebaugh. That development ranges from highway commercial to industrial uses. The majority of the properties appear to be in excess of twenty years and they range in condition from fair to good.

Directly to the north of the subject parcels, across State Highway 33, is a Farm Supply company, as well as an older commercial structure, a 76 Mini-mart with gas, a vacant lot, and an SFR. To the south of the subject, across the railroad right of way and tracks, is the Red Rooster packing facility, which is a well maintained, medium quality, industrial complex. To the west is a medium quality, adequately maintained, metal clad, automotive repair facility, and abutting the subject to the east is an older industrial complex that appears to have been constructed in the 1940's or 1950's.

The neighborhood has all city services, including electricity, sewer, water, storm drains, telephone, and is well protected by strictly enforced zoning regulations.

Market Trends

The subject property is comprised of two, older, free standing, medium quality, fast food restaurants fronting State Highway 33. One of the buildings has had all of the restaurant related real estate fixtures and equipment removed and the FF & E is owned by the tenant in the second restaurant. Older, smaller, restaurants similar to the subject, situated in the older downtown or highway commercial districts in the small rural communities along State Highway 33, tend to sell with all of their restaurant related real estate fixtures and equipment, such as stoves, hoods, cold boxes, freeze boxes, and all of the related equipment, as well as the dining area furniture and related items. All of the comparable restaurant sales utilized in this report sold with those items, and all freestanding restaurants we reviewed sold with all of the FF&E. One of the subject parcels has had them removed while the other it is owned by the tenant. The lack of those items has a tremendous negative affect on the subject property's appeal and marketability as a restaurant, and it typically leads to longer marketing times and lower sales prices. At times, older commercial and restaurant properties in the more rural communities do change from restaurants to general commercial and vice versa, depending on the needs of the owner. In this market overview, we have analyzed the older commercial developments in Firebaugh as well as other, similar, rural communities such as, but not limited to, Dos Palos, Kerman, and Mendota.

The demand for older highway commercial properties that are at least adequately maintained, well located, and well priced in rural community appears to be stable. Some of the communities, such as Kerman and Dos Palos, have some newer retail and restaurants but with the exception of Kerman, it appears to be very limited. Our survey indicated actual vacancy rates in the downtown commercial district of the rural cities range from completely full to completely vacant. Those buildings that are at least adequately maintained and well placed and offered at or near their market rental rates have vacancy rates at the lower end of the range while those units overpriced or lacking in adequate maintenance are at the upper end of the range.

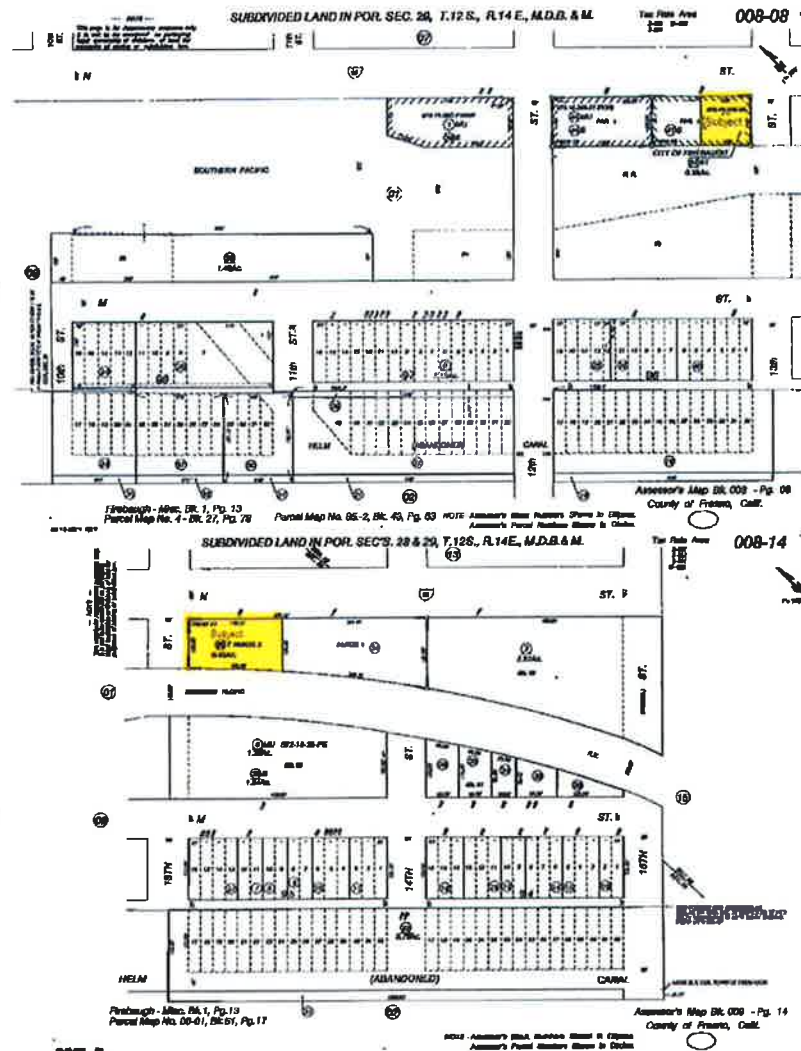
There has been very little commercial real estate activity in the rural communities of the Central San Joaquin Valley, including those in rural Fresno County, such as Firebaugh. For those reasons, and in order to provide the most accurate opinion of value possible, we have expanded our search to include other small, rural, incorporated communities in the central San Joaquin Valley whose downtown commercial districts are similar to Firebaugh, as are the typical market participants, buyers/sellers, and similar economic conditions. Overall, the rental rates for commercial space in

those communities with significant newly developed retail commercial properties, such as Kerman, appeared to have softened somewhat due to the new shopping center space available near the new Walmart situated on Whitesbridge Road in Kerman. However, that does not appear to have had a significant adverse effect on the older properties in the downtown commercial district of that City of Kerman or any of the other rural communities. That demand for and the rental rates of the downtown commercial district in Kerman, is considered stable and the asking rents steady. That steady demand for downtown and highway commercial properties, including restaurants, is similar to other, similar, small, rural communities in the Central San Joaquin Valley. The rental rate range for properties similar to the subject in the highway commercial districts and the downtown commercial districts of the Central San Joaquin Valley ranges from \$.22/square foot on a ++ expense basis to \$1.25/square foot on a NNN expense basis. When properties are offered at or near the market rental rates, they typically lease in a reasonable time.

Sales of older retail/office/restaurant buildings in the highway and downtown commercial districts of those communities remains slow but steady with very few transactions occurring. Those few sales indicate a very wide range of sales prices, from \$25/square foot to \$125/square foot. With the current supply and limited demand, sales prices are not expected to increase in the near future. As is the case in Los Banos, and in the majority of the small Highway 33 connected communities, the strongest market segment in the commercial, restaurant, and office real estate market are the small, owner occupied, restaurants, retail commercial, as well as general and professional offices, priced below \$125,000. The payments are often less, or slightly above, the rental rates of a similar space and, with a purchase, they can build equity in the property. The sales prices for smaller, freestanding, owner occupied type buildings similar to the subject appear to have been stable over the last year.

Summary

The demand for older, freestanding, highway commercial fast food restaurant buildings and commercial buildings in general, by potential purchasers, is slow but steady as is the demand for space by potential tenants. While the subject property's appeal as a restaurant is adversely affected by the lack of restaurant related real estate fixtures and equipment (FF&E), the individual subject buildings are adaptable to a number of other potential uses. For all of the reasons listed above, as well as throughout this report, we consider the subject's overall demand, appeal, and salability to be fair at best.

SITE DESCRIPTION**Site Location:**

APN 008-080-42st is situated on the southwest corner of State Highway 33 and the 13th Street right of way. APN 008-140-35t is located on the southeast corner of State Highway 33 and the 13th Street right of way.

Dimension/Area:

Both parcels are slightly irregular. APN 008-080-42st contains 10,018 square feet or .23 of an acre while 008-140-35t contains 19,602 square feet or .45 of an acre.

Frontage:

APN 008-080-42st has 106' of frontage on the southern line of State Highway 33 and 100' on the western line of the 13 Street right of way. 008-140-35t has 190.13' on the southern line of

State Highway 33 and 100.5' of frontage on the eastern line of the 13 Street right of way.

Shape: Each parcel is slightly irregular

Topography/Drainage: Basically level

Soils: They appear stable but we did not review a soils report.

Existing Improvements: Each parcel is improved with a fast food restaurant.

Street Improvements: There are asphalt paved streets, concrete curbs, and gutters, as well as streetlights.

Utilities:

Gas: PG & E

Electric: PG & E

Water: City

Sewer: City

Telephone: AT&T

Access/Exposure: The subject property has excellent visibility and access in both directions from both streets that they front.

Easements: A current title report or legal description was not provided for our review or approval. This appraisal assumes, and is conditional upon, the property being as described in this report and there being no abnormal restrictions or other items that affect the subject property that would be evident in a title report. If there is, this valuation is void.

Encroachments: None Observed.

Special Hazards: Many properties in Central California are affected by some kind of hazardous condition. Some, such as air quality, impact the entire market area in varying degrees; flood zones and earthquake faults have only been identified in some

areas. Other problems include existing properties where building materials or nearby conditions were identified as hazardous at a later date and negatively impact current values.

This appraisal assumes, and is conditional upon, there being no toxic or other environmental problems affecting this property. If there is, this valuation is void.

Flood Zone:

According to the Flood Insurance Rate Map published by the Federal Emergency Management Agency (FEMA), Flood Map 06019C1430H, effective date February 18, 2009, the subject parcel appears to be situated within Zone X. Flood insurance is not required.

**Potential
Environmental Risks:**

In 1986, the State of California passed extensive legislation to control toxic/hazardous waste above and below ground. Due to this bill, toxic waste has become a major issue with any entity associated with a property's ownership. There is a potential for "deep-pocket" liability that may include a secured creditor who manages the property, or who has foreclosed on the property, as well as the possessor of the property's title and/or tenancy. This appraisal assumes, and is conditional upon, there being no toxic or other environmental problems affecting this property. If there is, this valuation is void.

Earthquake Zone:

On December 22, 1972, the Alquist-Priolo Special Studies Zone Act was signed into law and went into effect on March 7, 1973. The Act prohibits the location of most structures designated for human occupancy across traces of active faults. Local cities and counties adopt zoning laws, ordinances, rules, and regulations for implementing the Act. Southern California is plagued by faults considered active (San Andreas,

Newport-Inglewood, San Fernando, and San Gabriel are some of the better known faults). The County of Fresno is not located in a Special Studies Zone. However, this is not to be construed as an assessment of the property's probable status during seismic activity; damage may occur to any property, whether or not it is located within a designated Special Studies Zone.

NA.

Surrounding Uses:

Directly to the north of the subject parcels, across State Highway 33, is a Farm Supply company, an older, commercial structure, a 76 Mini-mart with gas, a vacant lot, and an SFR. To the south of the subject, across the railroad right of way and tracks, is the Red Rooster packing facility, which is a medium quality, industrial complex. To the west is a medium quality, adequately maintained, metal clad, automotive repair facility, and abutting the subject to the east is an older industrial complex that appears to have been constructed in the 1940's or 1950's.

Zoning:

As with most properties in this market segment, the chief legal restriction on the subject property is the zoning regulations. The subject property is zoned C-3, General Commercial District. The stated purpose of the C-3 Zoning: "is intended to provide for commercial activities in which the service performed is of equal or greater importance than the product traded, or which, due to space requirements or the distinctive nature of their operation, are not compatible with and are not usually located in the C-2 Zone Central Trading District." The allowed uses are many and varied. They range from ambulance services and automobile parts sales, to cafes, drive in restaurants, furniture stores, motels, and veterinarian offices. The subject's current and former use, as a restaurant, is allowed outright under the current zoning regulations. We have

included a copy of the C-3 zoning regulation in the addenda of this report and it lists all of the allowed uses under that zoning regulation.

Site Conclusion:

The subject site is comprised of two, slightly irregularly shaped, C-3 zoned parcels divided by a paved 13th Street right of way. The subject parcels fronts N Street, which is State Highway 33, is a heavily traveled commercial street in the City of Firebaugh. The access and visibility of the subject property from N Street is considered good in both directions. Both parcels are completely occupied by structural and site improvements and there is no room for further onsite expansion without first removing a portion of those improvements.

GENERAL DESCRIPTION

This report includes two appraisals of two, free standing, fast food restaurants combined into one report. The first subject property we will describe is located at 1320 N Street in the City of Firebaugh. We will then discuss the second building which is located at 1284 N Street. Please note that the equipment and real estate fixtures are owned by the tenant and are not being valued in this report.

The property located at **1320 N Street**, is a medium quality, single story, fast food restaurant that was originally constructed as a Taco Bell and it reflects that typical Taco Bell building design. The interior is divided into a main dining area, a food preparation area, scullery, and kitchen, and two three fixture restrooms. The interior finish floors are ceramic tile, the walls are sheetrock, with T-bar with hung acoustical ceiling panels, and sheetrock ceilings in some areas such as the restrooms. The exterior has a concrete perimeter foundation and slab floor, stucco exterior walls, the roof is tile with an equipment well with a built up composition roof. There is said to be a roof mounted HVAC unit, however, we were unable to view the roof top equipment well so, in this appraisal, we have made the following extraordinary assumption. This appraisal assumes, and is conditional upon, there being an HVAC, in working order, on the roof. If there is not, this opinion of value is void. The total building square footage is 1,807 square feet.

Square Footage Summary

1320 N Street (APN 008-140-35t)

27.5 Feet	x	64 Feet	=	1760 Square Feet
12 Feet	x	3 Feet	=	36 Square Feet
0.75 Feet	x	15.25 Feet	=	<u>11 Square Feet</u>
Total Square Footage				1,807 Square Feet

The site improvements are typical of a fast food restaurant. They include a small amount of landscaping, as well as concrete paved drives, a drive through lane, and 29 concrete paved and marked offstreet parking with concrete bumpers. That is 16.05 spaces per 1,000 square feet of building area, which is typical for franchise fast food buildings but more than typical for buildings in the subject's area.

Condition:

As was stated previously, the subject building has been vacant for sometime and that is reflected in the condition of the building and site improvements. Overall, the subject property is in fair condition with a number of areas of deferred maintenance noted. In the interior, there are some ceiling panels stained and/or missing and there appears to have been a roof leak. When the tenants left they removed the real estate fixtures and equipment. It appears to have been removed quickly and there is significant interior damage from the equipment and fixture removal. That is, there will need to be both wall and ceiling repairs and roof repairs or replacement. Both the interior and exterior of the building needs to be cleaned. The paved drive and parking areas show significant cracking. Those items will need to be addressed in the near future.

Functional Utility:

The subject property was originally constructed as a national franchised (Taco Bell) fast food restaurant. As such, the subject is very visible from N Street (Highway 33) and the site is easily accessible. Once on the site, the access to the main parking areas is good and those spaces allow for easy access to the main dining area. The food storage and preparation areas are well designed for the fast food industry and that allows for easy employee and product flow between the areas. Overall, the subject's functional utility as a small, fast food, restaurant is considered to be average to good.

Gross Building Area Summary

Gross Building Area:	1,807 square feet
Net Rentable Area:	1,807 square feet
Year Built:	Unknown
Effective age:	25 years (Estimate)
Remaining Economic Life:	30 years (assuming the deferred maintenance is cured.)
Building Coverage Ratio:	9.22%
Class:	"D" wood frame (Per Marshall Swift)
Quality:	Medium
Condition	Fair with some deferred maintenance

Building Construction Detail

The construction details are based upon our onsite inspection of the subject property.

Exterior

Foundation:	Concrete perimeter foundation with concrete slab floor.
Exterior Walls:	Stucco
Roof:	Tile and built-up composition
Special Features:	None

Interior Area

Floors:	Ceramic tile
Interior Walls/Partitions:	Sheetrock
Ceilings:	T-bar with hung accoustical tiles as well as sheetrock
Windows:	Adequate
Interior Lighting:	Fluorescent
Restrooms:	2 three fixture restrooms
Overall Layout:	Good
Other Features:	Drive up window

Electrical and Mechanical Systems

Electrical:	Appears adequate
Plumbing:	See description above
HVAC:	Assumed a roof mounted HVAC unit
Insulation:	Unknown
Other Features:	NA

Effective Age/Remaining Economic Life

Remaining economic life is the period of time over which improvements to real estate contribute to property values. It is possible for the physical life of the improvements to be significantly longer than the economic life of the improvements due to changes in market acceptance/requirements of the improvements and functional utility of the improvements. With adequate remodeling, the property can have an economic life longer than that of the standards for the industry. As was indicated above, we consider the estimated effective age of the subject property to be twenty-five years with an estimated remaining economic life of thirty years.

Improvement Analysis Conclusion

If the subject property's deferred maintenance is cured and if the subject receives at least adequate maintenance, it should function for its entire economic life.

The property located at **1284 N Street** is a fair to medium quality, single story, rectangular shaped, fast food restaurant currently occupied by the locally owned "Giant Burger". The interior is divided into a main dining area, a food preparation area, scullery, and kitchen, a cool box, two three fixture restrooms. The interior finish floors are ceramic tile, the walls are sheetrock, with T-bar and hung acoustical ceiling panels and sheetrock ceilings in some areas such as the restrooms. The exterior has a concrete perimeter foundation and slab floor, plywood exterior walls, the roof is new and of composition shingles, with an equipment well that has a built up composition roof. There is said to be a roof mounted HVAC unit. We were unable to view the roof top equipment well so, in this appraisal, we have made the following extra ordinary assumption. This appraisal assumes, and is conditional upon, there being an HVAC, in working order, on the roof. If there is not, this opinion of value is void. The total building square footage is 1,373 square feet.

Square Footage Summary**1284 N Street (APN 008-080-42st)**

30.5 Feet	x	45 Feet	=	<u>1373</u> Square Feet
Total Footage				1373 Square Feet

The subject site improvements include 17 asphalt paved and marked offsteet parking. That is 12.38 spaces per 1,000 square feet of building area, which is slightly less than typical for franchise fast food buildings but more than typical for buildings in the subject's area.

Condition:

As was stated previously, the subject building is currently leased to Giant Burger who owns the equipment and real estate fixtures. Overall, the subject structural improvements are in average condition but the roof is said to be new. The paved drive and parking areas show significant cracking. Those items will need to be addressed in the near future.

Functional Utility:

The subject property is a fast food restaurant that lacks a drive thru window. The subject is very visible from N Street (Highway 33) and the site is easily accessible. Once on the site, the access to the main parking areas is good and those spaces allow for easy access to the main dining area. The food storage and preparation areas are well designed for the fast food industry and that allows for easy employee and product flow between the areas. Overall, the subject's functional utility as a small, fast food restaurant is considered to be average to good.

Gross Building Area Summary

Gross Building Area:	1,373 square feet
Net Rentable Area:	1,373 square feet
Year Built:	Unknown
Effective age:	30 years
Remaining Economic Life:	30 years
Building Coverage Ratio:	13.71%
Class:	"D" wood frame (Per Marshall Swift)
Quality:	Medium
Condition	Average with no deferred maintenance noted

Building Construction Detail

The construction details are based upon our onsite inspection of the subject property.

Exterior

Foundation:	Concrete perimeter foundation with concrete slab floor
Exterior Walls:	Plywood
Roof:	Composition shingle and built-up composition
Special Features:	None

Interior Area

Floors:	Ceramic tile
Interior Walls/Partitions:	Sheetrock
Ceilings:	T-bar with hung accoustical tiles and sheetrock
Windows:	Adequate
Interior Lighting:	Fluorescent

Restrooms: 2 three fixture restroom
Overall Layout: Good
Other Features: None

Electrical and Mechanical Systems

Electrical: Appears adequate
Plumbing: See description above
HVAC: Assumed a roof mounted HVAC unit
Insulation: Unknown
Other Features: NA

Effective Age/Remaining Economic Life

Remaining economic life is the period of time over which improvements to real estate contribute to property values. It is possible for the physical life of the improvements to be significantly longer than the economic life of the improvements due to changes in market acceptance/requirements of the improvements and functional utility of the improvements. With adequate remodeling, the property can have an economic life longer than that of the standards for the industry. As was indicated above, we consider the estimated effective age of the subject property to be thirty years with an estimated remaining economic life of thirty years.

Improvement Analysis Conclusion

If the subject property's deferred maintenance is cured and if the subject receives at least adequate maintenance, it should function for its entire economic life.

HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of a property may be defined as follows:

The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.¹

The Highest and Best Use of land or a site "as though vacant" is described as follows:

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.²

After the land or site is analyzed "as though vacant," based on the four criteria below, it is also analyzed "as improved." The "as improved" analysis considers the following:

The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.³

There are four criteria that must be met in analyzing the Highest and Best Use of land or a site.

The highest and best use must be:

1. Legally Permissible
2. Physically Possible
3. Financially Feasible
4. Maximally Productive

As Though Vacant :

Legally Permissible

As with most properties in this market segment, the chief legal restriction on the subject property is the zoning regulations. The subject property is zoned C-3, General commercial District. The stated purpose of the C-3 Zoning "is intended to provide for commercial activities in which the service performed is of equal or greater importance than the product traded, or which, due to space

¹ *The Appraisal of Real Estate*, Tenth Edition (Chicago: Appraisal Institute, 1992), p. 275.

² *The Dictionary of Real Estate Appraisal*, Third Edition (Chicago: Appraisal Institute, 1993), p. 171.

³ *Ibid.*, p. 171.

requirements or the distinctive nature of their operation, are not compatible with and are not usually located in the C-2 Zone, Central Trading District.” The allowed uses are many and varied. They range from ambulance services and automobile parts, to cafes, drive in restaurants, furniture stores, motels, and veterinarian offices. We have included a copy of the C-3 zoning regulation in the addenda of this report and it lists all of the allowed uses under that zoning regulation.

As can be seen, there is a wide variety of allowed uses for the subject property under the current zoning regulations.

Physically Possible

The subject size, shape, topography, elevation, and soil characteristics allows for a wide variety of the legally allowed uses. The only physical limitation is the subject’s size.

Financial Feasibility

The subject property is situated in the highway commercial district of the City of Firebaugh. In our review of the Marshal and Swift Cost Service Guide, as well as costs from other legally allowed improvements, we discovered the cost to develop a legally allowed commercial complex on the subject property is more than the value of that building as completed and at stabilized occupancy. As the cost to develop the building is more than the value of the legally allowed building, it is not now considered to be the most financially feasible of the legally allowed and physically possible uses on the site to construct a commercial building or office complex. Therefore, the most financially feasible of the legally allowed and physically possible uses for the subject site, if it were vacant, would be to hold it for future development to a legally allowed use or to sell it to someone for future development when it is economically feasible.

Maximal Productivity

As was discussed above, the most financially feasible of the physically possible and legally allowed uses for the subject property is to hold for future development to a legally allowed use or to sell it to someone to hold for future development when it is economically feasible.

Conclusion

As has been previously shown in this section of the appraisal, the most economically feasible of the legally allowed and physically possible uses for the subject site, if it were vacant, is to hold for

future development to a legally allowed commercial use or to sell it to someone to hold for future development to a legally allowed commercial use when it is economically feasible.

Therefore, the highest and best use of the subject site, if it were vacant, is to hold for future development to a legally allowed commercial use or to sell it to someone to hold for future development to a legally allowed commercial use when it is economically feasible.

As Improved:

All of the discussion in the highest and best use "as if vacant" segment of this report is also pertinent in the "As Improved" section. The additional question that needs to be answered in the "As Improved" section of this highest and best use analysis is: are the land and improvements worth more than the land only? As the subject improvements add significant value to the subject property, the value of those improvements exceeds the value of the vacant subject site, the Highest and Best Use, as Improved, is as it is currently improved, with a commercial building.

VALUATION METHODOLOGY

Concept

In estimating the value of a property there are generally three recognized approaches or techniques available to the appraiser. When each is appropriately applied it can be used as an indication of market value. In all instances, the experience of the appraiser, coupled with objective judgment, plays a major role in estimating value. The quality and quantity of available data and the applicability of each approach relative to the value being sought are important factors in comparing the various indications and reconciling them into a final estimate of value.

The three approaches are commonly known as the cost approach, the market data comparison or direct sales comparison approach, and the income or income capitalization approach. Each approach is briefly defined as follows.

Cost Approach

This approach is composed of three primary components: 1) the estimated value of the land as if vacant, 2) the reproduction or replacement cost of the improvements, and 3) estimates of physical deterioration, functional obsolescence, and external obsolescence, as observed during the inspection of the property and its environs. This approach is based on the premise that, except under certain circumstances, the value of a property should not be greater than the cost of constructing a similar building on a comparable site.

Sales Comparison Approach

This approach is based on the premise that the value of a property is generally determined by the prices obtained for similar type properties. In analyzing the market data, the sales prices are reduced to units of comparison that can be analyzed to assess their comparability to the appraised property. The weakness in this approach is that no two properties are ever exactly alike.

Income Approach

The income approach is predicated on the assumption that there is a definite relationship between the amount of income a property will earn and its value. It is based on the principle that value is created by the expectation of benefits derived in the future. Deriving a value indicator is accomplished by 1) either capitalizing a single year's income expectancy at a market derived capitalization rate or a capitalization rate that reflects a specified income pattern, return on investment, and change in value of the investment; or 2) discounting the annual net cash flows for the holding period and the reversion at a specified yield rate.

COST APPROACH

The premise on which the cost approach is based is the economic principle of substitution, which states that the price of a commodity tends to be set by the cost of acquiring a suitable substitute. It follows that the value of an existing property would be set by the costs of acquiring a substitute site and constructing similar improvements. Costs would include site acquisition, construction and financing costs, and an increment for entrepreneurial risk and profit. For the cost approach to be a valid indicator of the value of an existing property, any observed depreciation must be deducted from the estimated costs required to create the new substitute property. Depreciation includes physical deterioration, flaws in design, or the cost of creating a new substitute property, the result, at least in theory, is an indicator of the value of the property being appraised.

There are several flaws in the Cost Approach as a method of estimating the value of a property like the subject. Most market participants do not use it as a tool in making pricing decisions for existing commercial facilities. The magnitude of accrued depreciation and the inherent lack of precision in quantifying depreciation often make any conclusion based on the Cost Approach less reliable. The Cost Approach is more appropriate in valuation of proposed construction and in determining project feasibility and entrepreneurial profit. It is also useful in valuing special purpose properties or eminent domain cases that require estimates of direct damages as a result of partial taking. As the subject property is older and the typical purchaser in this market segment is not looking at construction of a new commercial building as a viable alternative to purchasing one in the subject's market segment, a cost approach to value was not completed in this analysis.

SALES COMPARISON APPROACH

Methodology - The Sales Comparison Approach is a method of comparing recent sales of similar properties to the subject property. This approach is based on the principle that the prudent investor would pay no more for a property than the cost of acquiring a satisfactory alternative property that possesses physical, economic, and financial comparability.

An investigation was made for the purpose of obtaining information pertaining to sales and listings of comparable fast food restaurants and highway commercial properties in and around the City of Firebaugh as well as throughout the central San Joaquin Valley area. The comparability of a property is directly related to the competitiveness of that property with the subject. Comparability not only relates to physical factors, such as size, age, design, condition, etc., but also economic considerations, such as operating expenses and financing.

Units of Comparison

In order to form an opinion of market value using this approach, it is imperative to use a unit or units of comparison that are commonly accepted by buyers and sellers trading this particular type of real estate. The most prevalent unit indicator used by buyers and sellers in the analysis of fast food restaurants and highway commercial properties is price per square foot.

Sales have been compared to the subject in terms of financing, conditions of sale, market conditions, age, condition, and overall size. Our research included CoStar Comps, ParcelQuest, Loopnet, the Multiple Listing Services, as well as discussions with brokers and other knowledgeable individuals in the area. The properties that we consider to be the most comparable to the subject property are presented on the following pages. These are all properties that we believe a potential buyer of the subject would consider as suitable alternatives.

The six most comparable transactions are included on the following pages.

SALE COMPARABLE 1

Address:	703 North Gateway Drive, Madera, CA
Number of Buildings	One
Number of Stories	One
Gross Building Area.	1,994 square feet
Rentable Area:	1,994 square feet
Year Built:	1950 (estimated)
Construction:	Class "D"
Quality/Condition:	Fair/Fair
Number of Units:	One
Access:	Good
Exposure:	Good
Occupancy:	Owner (Restaurant)
Site Size	17,594 square feet
Site Coverage:	11.33%
Parking Ratio:	Similar to the subject
Type:	Open
Sales Price:	\$144,000 (\$169,000 Less \$25,000 for FF&E)
Recording/Sale Date:	04/30/2013
Document No. (s)	13-0011761
Terms:	Owner carried
Cash Equivalent Price:	\$144,000
Buyer:	Booker, Sherry A.
Seller:	Cruz, Alicia Rodriguez
Gross Annual Income:	NA
Less: Vac, & Col. @0%:	<u>NA</u>
Effective Gross Income:	NA
Less. Operating Expenses.	NA
Net Annual Income:	NA
Gross Income Multiplier:	NA
Overall Cap. Rate:	NA
Price per Sq. Ft:	\$72.22/square foot
Vacancy at Time of Sale:	Owner occupied
Exposure Time:	520 days on the market
Verification:	See file

Sale Comparable 1 is situated 27.2 miles southeast of the subject property in the downtown commercial district of the City of Madera. More specifically, North Gateway Drive is the former

Highway 99, and this property is one of the older, fast food restaurants that serviced the highway as well as locals. At the time of purchase, the property was in fair condition at best, with paving that needed repairing as did the structure. All of the kitchen equipment was included with this sale. This building was extensively remodeled inside and out as well as new paving and landscaping. It is now occupied by the Squeeze Inn, a franchise. The details of the financing, other than it was seller financed, was not divulged, but the listing indicated the seller would finance with a 25% down payment.

SALE COMPARABLE 2

Address:	1327 West 18 th Street, Merced CA
Number of Buildings	One
Number of Stories	One
Gross Building Area.	4,000 square feet
Rentable Area:	4,000 square feet
Year Built:	1950 (estimated)
Construction:	Class "D"
Quality/Condition:	Fair/Fair
Number of Units:	One
Access:	Good
Exposure:	Good
Occupancy:	Vacant
Site Size	7,481 square feet
Site Coverage:	53.47%
Parking Ratio:	Inferior to the subject
Type:	Open
Sales Price:	\$225,000 (\$250,000 Less \$25,000 for FF&E)
Recording/Sale Date:	08/27/2014
Document No. (s)	14-002663
Terms:	Cash to the seller
Cash Equivalent Price:	\$225,000
Buyer:	Duong, Hai
Seller:	Perez, Rudolph G. & Debra
Gross Annual Income:	NA
Less: Vac, & Col. @0%:	<u>NA</u>
Effective Gross Income:	NA
Less. Operating Expenses.	NA
Net Annual Income:	NA
Gross Income Multiplier:	NA
Overall Cap. Rate:	NA
Price per Sq. Ft:	\$56.25/square foot
Vacancy at Time of Sale:	Vacant
Exposure Time:	227 days on the market
Verification:	See file

Sale Comparable 2 is situated 36.9 miles northeast of the subject property in the downtown commercial district of the City of Merced. This is an older restaurant, as is the subject, but it has all

of the FF&E required to operate as a restaurant while the subject does not. At the time of sale, the building was in fair to average condition with some deferred maintenance noted but it has since been painted and updated. Merced is a significantly larger community than Firebaugh.

SALE COMPARABLE 3

Address:	475 Sierra Street, Kingsburg, CA
Number of Buildings	One
Number of Stories	One
Gross Building Area.	4,546 square feet
Rentable Area:	4,546 square feet
Year Built:	1973
Construction:	Class "D"
Quality/Condition:	Medium/Fair
Number of Units:	One
Access:	Good
Exposure:	Good
Occupancy:	Vacant
Site Size	35,283 square feet
Site Coverage:	12.88%
Parking Ratio:	44 offstreet marked and asphalt paved parking spaces or 9.68 spaces/1,000 SF of gross building area.
Type:	Open
Sales Price:	\$350,000 (\$380,000 Less \$30,000 for FF&E)
Recording/Sale Date:	09/26/2014
Document No. (s)	14-0106833
Terms:	Seller financed
Cash Equivalent Price:	\$350,000
Buyer:	Ghazale, Joe T. & Elizabeth
Seller:	Li, Yein Ching & Lei Mei
Gross Annual Income:	NA
Less: Vac, & Col. @0%:	<u>NA</u>
Effective Gross Income:	NA
Less. Operating Expenses.	NA
Net Annual Income:	NA
Gross Income Multiplier:	NA
Overall Cap. Rate:	NA
Price per Sq. Ft:	\$76.99/square foot
Vacancy at Time of Sale:	Vacant
Exposure Time:	686 days on the market
Verification:	See file

Sale Comparable 3 is situated 64.2 miles southeast of the subject property, adjacent to Freeway 99 and to freeway development. This is an older restaurant with a unique design located in a superior area and with all of the furniture fixtures and equipment (FF&E), including the tables and chairs. At the time it was purchased, it was vacant with some non specific deferred maintenance noted. Overall, this is considered to be superior to the subject in all respects.

SALE COMPARABLE 4

Address:	562 South Madera Avenue, Kerman, CA
Number of Buildings	One
Number of Stories	One
Gross Building Area.	1,200 square feet
Rentable Area:	1,200 square feet
Year Built:	1964 (estimated)
Construction:	Class "C"
Quality/Condition:	Fair/Average
Number of Units:	One
Access:	Good
Exposure:	Good
Occupancy:	Owner occupied
Site Size	4,200 square feet
Site Coverage:	28.57%
Parking Ratio:	Unmarked, poorly paved, parking in the rear
Type:	Open
Sales Price:	\$105,000
Recording/Sale Date:	01/31/2014
Document No. (s)	14-0010738
Terms:	Cash to the seller
Cash Equivalent Price:	\$105,000
Buyer:	Burrows Brothers Trucking & Spreading
Seller:	Cal State Growth Fund Trust
Gross Annual Income:	NA
Less: Vac, & Col. @0%:	<u>NA</u>
Effective Gross Income:	NA
Less. Operating Expenses.	NA
Net Annual Income:	NA
Gross Income Multiplier:	NA
Overall Cap. Rate:	NA
Price per Sq. Ft:	\$87.50/square foot.
Vacancy at Time of Sale:	None
Exposure Time:	Approximately 4 ½ months
Verification:	With the listing agent, Manuel Bettencourt, Guarantee Real Estate

Sale Comparable 4 is situated in the small, rural, Highway 180 and 145, community of Kerman. South Madera Avenue, which this property fronts, is also State Highway 145. Kerman is situated 27.6 miles southeast of the subject property. This is an office building that is slightly smaller than

the subject property but there are some alternative uses and it appeals to the same owner occupant market segment as does the subject. It is divided into two separate office areas, a reception station, and 2 two fixture restrooms. This lacks the subject's paved customer parking in the front of the building but it is in better condition than the subject property.

SALE COMPARABLE 5

Address:	8325 Lander Avenue, Hilmar, CA
Number of Buildings	One
Number of Stories	One
Gross Building Area.	3,500 square feet
Rentable Area:	3,500 square feet
Year Built:	1947
Construction:	Class "C" brick
Quality/Condition:	Fair/Fair
Number of Units:	Two
Access:	Good
Exposure:	Good
Occupancy:	Vacant
Site Size	5,000 square feet
Site Coverage:	70.00%
Parking Ratio:	Only non-marked parking in rear
Type:	Open
Sales Price:	\$105,000
Recording/Sale Date:	01/30/2014
Document No. (s)	14-0003144
Terms:	The seller financed \$100,000
Cash Equivalent Price:	\$105,000
Buyer:	Fanelli & Bivens
Seller:	Martinez Family Trust
Gross Annual Income:	NA
Less: Vac, & Col. @0%:	<u>NA</u>
Effective Gross Income:	NA
Less. Operating Expenses.	NA
Net Annual Income:	NA
Gross Income Multiplier:	NA
Overall Cap. Rate:	NA
Price per Sq. Ft:	\$30.00
Vacancy at Time of Sale:	Unknown
Exposure Time:	Unknown
Verification:	See file

Sale Comparable 5 is located 41.25 miles north of the subject property. Lander Avenue is State Highway 165. This is an older, downtown, commercial building that is situated in a very comparable and similar sized rural community as the subject. As with most rural downtown commercial districts,

some properties change from retail commercial to office space and, at times, to restaurants or office. The building is also larger, and it appears to be in similar condition as the vacant subject property.

SALE COMPARABLE 6

Address:	2325 Blossom Street, Dos Palos, California
Number of Buildings	One
Number of Stories	One
Gross Building Area.	688 square feet
Rentable Area:	688 square feet
Year Built:	1983
Construction:	Class "D" wood frame
Quality/Condition:	Average/Average to good
Number of Units:	One
Access:	Good
Exposure:	Good
Occupancy:	Tenant
Site Size:	7,994 square feet
Site Coverage:	8.61%
Parking Ratio:	4 spaces, 5.81 spaces per 1,000 SF of building area
Type:	Open
Sales Price:	\$85,000
Recording/Sale Date:	12/09/2014
Document No. (s)	14-0039741
Terms:	Cash to the seller
Cash Equivalent Price:	\$85,000
Buyer:	Ybarra, Arturo
Seller:	Lerner, Joseph G.
Gross Annual Income:	NA
Less: Vac, & Col. @5.0%:	NA
Effective Gross Income:	<u>NA</u>
Less. Operating Expenses.	<u>NA</u>
Net Annual Income:	NA
Gross Income Multiplier:	NA
Overall Cap. Rate:	NA
Price per Sq. Ft:	\$123.55
Vacancy at Time of Sale:	Tenant occupied
Exposure Time:	This was listed in excess of three years
Verification:	See file

Sale Comparable 6 is situated 14.3 miles north of the subject property in the similar rural community of Dos Palos. As with Firebaugh, Dos Palos also is bisected by Highway 33. This property is an office building. It is smaller than the subject property and in better condition. It could be converted to a fast food restaurant if desired.

**Adjustments:**

Transactional elements include such differences as the real property rights conveyed, financing terms, market conditions (time), and conditions of sale. Adjustments for these differences can be reasonably made provided specific information, about the sale and market conditions at the time of sale, is available to the appraiser. Other differences, such as location, topography, size, design, quality of construction, and any other items that are different from the subject, may also warrant adjustments. However, there must be sufficient market data to justify and support the adjustments.

Property Rights Conveyed

The comparable sales were vacant at the time of sale, were owner occupied, or were leased at or near their market rental rates. Therefore, no adjustments were indicated or made for property rights.

Cash Equivalency (Financing)

All three of the comparable restaurants were seller financed while only one of the commercial/retail buildings was owner financing. Almost all of the older, smaller, rural, non-chain, restaurant building sales that we reviewed had some form of seller financing, and the most comparable restaurant sales to the subject all were seller financed. That is caused by the very limited financing options available for smaller, non-franchise, older, restaurants in fair to average condition. Bank financing for those types of buildings can be extremely hard to find. That limited financing has an adverse effect on the salability of the property and it often leads to longer than typically desired marketing times. While

all of the brokers we polled felt the lack of seller financing adversely affected the salability of the property, they would not speculate on the exact adjustment, if any, that is warranted. As there was an insufficient amount of comparable sales to derive an adjustment for this item, or to be sure an adjustment was indicated, none was made. However, it will be considered in the selection of the final opinion of value.

Condition of Sale

All of the properties were listed for sale with a competent real estate firm. Therefore, no adjustments were indicated or made to those comparable properties for conditions of sale. All of the sales are also assumed to be arms length transactions.

Date of Sale (Market Conditions/Time)

Five of the comparable sales occurred in 2014 and one in 2013. In small rural communities, similar to Firebaugh, very few restaurants or older commercial real estate sales typically occur. While the sales activity appears to have increased slightly over the last year and one half, the values appear to have remained relatively steady. Therefore, no adjustments were indicated or made for market conditions to the comparable sale.

Physical Differences

With the exception of the items analyzed below, there was insufficient market data available to ascertain if an adjustment for all of the physical differences were warranted or not. Those physical differences include, but are not limited to, differences in size, condition, age, topography, and location. After our extensive market research, we were unable to derive specific adjustments for those other items but they will be considered in the selection of our final value indicators.

We will discuss the major differences between the subject and the comparable sales below:

Location & Building Coverage: Our adjustment for location and building coverage is based upon the overall trend in sales price and rental rate differences in the market, as there was an insufficient amount of sales occurring to directly extract an adjustment from the comparable sales. Along with that methodology and analysis, our adjustments for this item are based upon our discussion with brokers, general market trends, our review of comparable sales, and our prior experience in the area.

Square Footage Difference (Size): As was stated throughout this report, in this market segment, smaller properties tend to sell for more on a dollar per square foot basis than larger properties. That is in line with our prior experience in the area. Unfortunately, we do not have enough paired sales to extract an adjustment directly from the sales but our adjustment is based upon our analysis of the trends in the local market and the size differences between those available sales, the opinions of brokers, and other knowledgeable individuals in the market, and our prior experience in the area.

Effective Age: Effective Age of a property typically affects value by functional obsolescence and physical depreciation. Our adjustments are based on our analysis of the current market sales, the effective age differences between the subject and the comparable sales, our discussions with brokers, agents, and other knowledgeable individuals, as well as our prior experience in the area.

Condition : The physical condition of a property is often reflected in the sales price of the property. Both of the subject properties have deferred maintenance. The subject property located at 1320 N Street has significant deferred maintenance. There is a roof leak with stained and missing ceiling panels. Also, when all of the equipment and real estate fixtures were being removed, there was a significant amount of damage. There are gaping holes in the ceiling and some walls and flooring. Also, there is significant cracking in the concrete paving and the entire property, both structural and site, need cleaning. Comparable sales number one and five were in similar condition, with the exception of roof leaks. All of the other sales received adjustments for that reason. The only apparent deferred maintenance on 1284 N Street is its cracking asphalt paved parking areas, which will need to be addressed. Our adjustments are based on our analysis of the current market sales trends, rental rate differences, our discussions with brokers, agents, and other knowledgeable individuals, as well as our prior experience in the area.

Restaurant Related Real Estate Fixtures and Equipment: Older, smaller, restaurants similar to the subject, situated in older locations or in small rural communities, tend to sell with all of their restaurant related real estate fixtures and equipment such as stoves, hoods, cold boxes, freeze boxes, and all of the necessary equipment to operate a restaurant, as well as the dining area furniture and related items. All of the comparable restaurant sales utilized in this report sold with those items while the subject property did not. The lack of those items has a tremendous negative affect on the subject properties appeal and marketability as a restaurant, and it typically leads to longer marketing

times and lower sales prices. Our adjustment for this item was made directly from the sales price prior to the other analysis as we are only valuing the real estate in this analysis. Our adjustment for this item was derived from the difference with those similar properties with restaurant equipment and fixtures and those smaller, older, similar, restaurant type properties without the FF&E included. In deriving that adjustment, we also considered our discussions with brokers, agents, and other knowledgeable individuals, as well as our prior experience in the area.

Reconciliation of Sales Comparison Approach:

Sales Comparison Adjustment Grid (1320 N Street)

	<u>Sale #1</u>	<u>Sale #2</u>	<u>Sale #3</u>	<u>Sale #4</u>	<u>Sale #5</u>	<u>Sale #6</u>
*Sales Price	\$144,000	\$ 225,000	\$350,000	\$105,000	\$105,000	\$ 85,000
SP/Sq. Ft.	\$ 72.22	\$ 56.25	\$ 76.99	\$ 87.50	\$ 30.00	\$ 123.55
Market Conditions/Listing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 72.22	\$ 56.25	\$ 76.99	\$ 87.50	\$ 30.00	\$ 123.55
Location & Coverage	\$ (20.00)	\$ (10.00)	\$ (25.00)	\$ -	\$ 15.00	\$ -
Size	\$ -	\$ 8.44	\$ 11.55	\$ (8.75)	\$ 4.50	\$ (37.06)
Effective Age	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quality, Condition & T.I's	\$ -	\$ (2.00)	\$ (10.00)	\$ (25.00)	\$ -	\$ (30.00)
<i>Adjusted SP/Sq. Ft.</i>	<i>\$ 52.22</i>	<i>\$ 52.69</i>	<i>\$ 53.54</i>	<i>\$ 53.75</i>	<i>\$ 49.50</i>	<i>\$ 56.48</i>

*Less all Restaurant Related FF&E.

As would be expected in a market segment as diverse and varied as the subject's, and due to the few sales occurring, the unadjusted dollar per square foot range indicated by the comparable sales is \$30.00/square foot to \$123.55/square foot, which is extremely wide. The adjusted range of \$49.50/square foot to \$56.48/square foot is significantly tighter. All of the comparable sales received significantly more and larger adjustments than is typically desired but the sales utilized in this analysis are considered to be the best available.

Comparable sale number one is the most similar to the subject but it is located in a superior area. After receiving adjustments for that reason, we consider the \$52.22/square foot to be slightly below that indicated for the subject property. Comparable number two is located in a superior location, is in slightly better condition, but it is larger. After receiving adjustments for those reasons, the \$52.69/square foot is considered to be slightly above that indicated for the subject property. Comparable sale number three received adjustments for its superior location, larger size, and superior condition. After receiving those adjustments, the \$53.54/square foot is considered to be above that indicated for the subject property. Comparable sale number four received adjustments for

its smaller size and its superior condition. After receiving those adjustments, the \$53.75/square foot is considered to be above that indicated for the subject property. Comparable sale number five received upward adjustments for its inferior location and its larger size. After receiving those adjustments, the \$49.50/square foot indicated by this transaction is considered to be below that indicated for the subject property. Comparable sale number six received adjustments for its considerably smaller size and its superior condition. After receiving those adjustments, the \$56.48/square foot is considered to be above that indicated for the subject property.

Therefore, after considering all of the pertinent market information, we consider \$52.50/square foot to be indicated for the subject property.

Calculations:

$\$52.50/\text{square foot} \times 1,807 \text{ square feet} = \$94,868$

Say \$95,000

In our ongoing survey of sales of older commercial buildings in smaller San Joaquin Valley communities, the total cost of acquisition, while less precise than the dollar per square foot method, is still accurate and it adds support to the dollar per square foot method. That is, sales typically fall within a certain total sales price range for the district. For example, there tends to be a specific sales price range that those existing properties tend to sell for and almost all fall within that range despite large size differences. That is, the larger better maintained properties tend to fall within the upper portion of the range while smaller properties with significant deferred maintenance, such as the subject, fall within the lower end of the range. The range of sales prices indicated by the comparable sales was \$85,000 to \$350,000. Our opinion of the subject properties located at 1320 N Street "As Is" market value of \$95,000 is situated within the lower end of the indicated range, which is in line with its smaller size and inferior condition.

For all of the previously mentioned reasons, our opinion of the **"AS IS" Market Value** of the subject property located at 1320 N Street, via the sales comparison approach, is **\$95,000**.

Reconciliation of Sales Comparison Approach:**Sales Comparison Adjustment Grid (1284 N Street)**

	<u>Sale #1</u>	<u>Sale #2</u>	<u>Sale #3</u>	<u>Sale #4</u>	<u>Sale #5</u>	<u>Sale #6</u>
*Sales Price	\$144,000	\$ 225,000	\$350,000	\$105,000	\$105,000	\$ 85,000
SP/Sq. Ft.	\$ 72.22	\$ 56.25	\$ 76.99	\$ 87.50	\$ 30.00	\$ 123.55
Market Conditions/Listing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 72.22	\$ 56.25	\$ 76.99	\$ 87.50	\$ 30.00	\$ 123.55
Location & Coverage	\$ (20.00)	\$ (10.00)	\$ (25.00)	\$ -	\$ 15.00	\$ -
Size	\$ 7.22	\$ 14.06	\$ 19.25	\$ -	\$ 7.50	\$ (37.06)
Effective Age	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quality, Condition & T.I's	\$ 15.00	\$ 15.00	\$ 5.00	\$ (10.00)	\$ 15.00	\$ (10.00)
<i>Adjusted SP/Sq. Ft.</i>	<i>\$ 74.44</i>	<i>\$ 75.31</i>	<i>\$ 76.24</i>	<i>\$ 77.50</i>	<i>\$ 67.50</i>	<i>\$ 76.48</i>

*Less all Restaurant Related FF&E.

As would be expected in a market segment as diverse and varied as the subject's, and due to the few sales occurring, the unadjusted dollar per square foot range indicated by the comparable sales is \$30.00/square foot to \$123.55/square foot, which is extremely wide. The adjusted range of \$67.50/square foot to \$77.50/square foot is significantly tighter. All of the comparable sales received significantly more and larger adjustments than is typically desired but the sales utilized in this analysis are considered to be the best available.

Comparable sale number one is the most similar to the subject but it is located in a superior area, is larger than the subject, and it is inferior condition. After receiving adjustments for those reasons, we consider the \$74.44/square foot to be slightly below that indicated for the subject property. Comparable number two is situated in a superior location, is larger, and it is in superior condition. After receiving adjustments for those reasons, the \$75.31/square foot is considered to be slightly above that indicated for the subject property. Comparable sale number three received adjustments for its superior location, larger size, and superior condition. After receiving those adjustments, the \$76.24/square foot is considered to be above that indicated for the subject property. Comparable sale number four received an adjustment for its superior condition. After receiving that adjustment, the \$77.50/square foot is considered to be above that indicated for the subject property. Comparable sale number five received upward adjustments for its inferior location, inferior condition, and its larger size. After receiving those adjustments, the \$67.50/square foot indicated by this transaction is considered to be below that indicated for the subject property. Comparable sale number six received

adjustments for its considerably smaller size and its superior condition. After receiving those adjustments, the \$76.48/square foot is considered to be above that indicated for the subject property.

Therefore, after considering all of the pertinent market information, we consider \$75.00/square foot to be indicated for the subject property.

Calculations:

\$75.00/square foot x 1,373 square feet = \$102,975

Say \$100,000

In our ongoing survey of sales of older commercial buildings in smaller San Joaquin Valley communities, the total cost of acquisition, while less precise than the dollar per square foot method, is still accurate and it adds support to the dollar per square foot method. That is, sales typically fall within a certain total sales price range for the district. For example, there tends to be a specific sales price range that those existing properties tend to sell for and almost all fall within that range. That is, the larger, better maintained properties tend to fall within the upper portion of the range while smaller properties with significant deferred maintenance, fall within the lower end of the range. The range of sales prices indicated by the comparable sales was \$85,000 to \$350,000. Our opinion of the subject property located at 1284 N Street's "As Is" market value of \$100,000 is situated within the lower end of the indicated range, which is in line with its smaller size and inferior condition.

For all of the previously mentioned reasons, our opinion of the **"AS IS" Market Value** of the subject property located at 1284 N Street, via the sales comparison approach, is **\$100,000**.

INCOME APPROACH

Direct capitalization is defined as a method used to convert an estimate of a single year's stabilized income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. Only the stabilized years income is considered, and yield and value change through time are implied or included in the capitalization rate, but not identified. Yield capitalization is defined as the capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflects the investment's income pattern, value change, and yield rate over a specified holding period.

As is shown in the market overview section and elsewhere in this report, at this time, the typical purchaser of small, single unit, older, single tenant restaurant buildings, similar to the subject, in small rural communities, is an owner occupant and not an investor looking to acquire the property for the income it could produce. As the typical purchaser in this market segment does not usually purchase a small, older, single unit, restaurant for the rental income it will produce, we did not provide an income approach to value or an estimate of market rents as it could be misleading. Also, the client did not request an income approach be completed. For those reasons, an income approach to value was not completed in this analysis. The lack of an income approach to value will not adversely affect the credibility of the subject report. Due to the lack of market rental information and as it is not a normal consideration in the typical purchaser's decision, including an income approach to value could very well be misleading.

Subject Lease Summary

According to Mr. Kenneth McDonald, the City Manager, the property located at 1284 N Street is leased for \$1,200/month on a month to month basis. The lease is considered to be short term and it is not considered to have affected the subject's appeal, salability, or marketability.

RECONCILIATION OF THE OPINION OF THE "AS IS" MARKET VALUE
(1284 N Street)

COST APPROACH	:	NOT COMPETED
SALES COMPARISON APPROACH (ALL CASH/MKT. FINANCING)	:	\$100,000
INCOME APPROACH (ALL CASH/MKT. FINANCING)	:	NOT COMPETED

The Cost Approach: The premise on which the Cost Approach is based is the economic principle of substitution, which states that the price of a commodity tends to be set by the cost of acquiring a suitable substitute. It follows that the value of an existing property would be set by the costs of acquiring a substitute site and constructing similar improvements. Costs would include land costs, construction and financing costs, and an increment for entrepreneurial risk and profit. For the Cost Approach to be a valid indicator of the value of an existing property, any observed depreciation must be deducted from the estimated costs required to create the new substitute property. Depreciation includes physical deterioration, flaws in design, or loss in value due to events or situations external to the property. When depreciation is deducted from the cost of creating a new substitute property, the result, at least in theory, is an indicator of the value of the property being appraised.

There are several flaws in the Cost Approach as a method of estimating the value of a property like the subject. Most market participants do not use it as a tool in making pricing decisions for existing commercial facilities. The magnitude of accrued depreciation and the inherent lack of precision in quantifying depreciation often make any conclusion based on the Cost Approach less reliable. The Cost Approach is more appropriate in valuation of proposed construction and in determining project feasibility and entrepreneurial profit. It is also useful in valuing special purpose properties or eminent domain cases that require estimates of direct damages as a result of partial taking. As the subject property is older and the typical purchaser in this market segment is not looking at construction of a new commercial building as a available alternative to purchasing one in the subject's market segment, a cost approach to value was not completed in this analysis.

The Sales Comparison Approach is an effective and reliable method of valuation when there are sufficient transactions within an acceptable time period. Limitations to the Sales Comparison Approach are normally encountered when there is insufficient data, the market is changing rapidly,

or the property is a special purpose improvement. The sales used in the analysis were well documented. The range of rates of return indicated by the comparable sales is believed to be an accurate reflection of the rates of return generally sought in this marketplace for properties similar to the subject property. The majority of the purchasers in this market segment are owner occupants. For those reasons, owner occupants tend to look to the total cost of acquisition. As the majority of the purchasers in the subject's market segment are owner occupied, the sales comparison approach received the most emphasis in this analysis.

The Income Approach: As the typical purchaser in this market segment is an owner occupant who does not consider the capitalization of rental income in their purchase decision, the income approach to value was not completed in this analysis.

Based on the inspection of the property, the investigation and analyses undertaken, and subject to the special appraisal contingencies, special and general assumptions and limiting conditions herein, we have formed the opinion that the "As Is" Market Value, of the subject property, based on an all cash sale or conventional financing equivalent to cash, as of February 10, 2015, is:

\$100,000

(One Hundred Thousand Dollars)

RECONCILIATION OF THE OPINION OF THE "AS IS" MARKET VALUE
(1320 N Street)

COST APPROACH	:	NOT COMPETED
SALES COMPARISON APPROACH (ALL CASH/MKT. FINANCING)	:	\$95,000
INCOME APPROACH (ALL CASH/MKT. FINANCING)	:	NOT COMPETED

The Cost Approach: The premise on which the Cost Approach is based is the economic principle of substitution, which states that the price of a commodity tends to be set by the cost of acquiring a suitable substitute. It follows that the value of an existing property would be set by the costs of acquiring a substitute site and constructing similar improvements. Costs would include land costs, construction and financing costs, and an increment for entrepreneurial risk and profit. For the Cost Approach to be a valid indicator of the value of an existing property, any observed depreciation must be deducted from the estimated costs required to create the new substitute property. Depreciation includes physical deterioration, flaws in design, or loss in value due to events or situations external to the property. When depreciation is deducted from the cost of creating a new substitute property, the result, at least in theory, is an indicator of the value of the property being appraised.

There are several flaws in the Cost Approach as a method of estimating the value of a property like the subject. Most market participants do not use it as a tool in making pricing decisions for existing commercial facilities. The magnitude of accrued depreciation and the inherent lack of precision in quantifying depreciation often make any conclusion based on the Cost Approach less reliable. The Cost Approach is more appropriate in valuation of proposed construction and in determining project feasibility and entrepreneurial profit. It is also useful in valuing special purpose properties or eminent domain cases that require estimates of direct damages as a result of partial taking. As the subject property is older and the typical purchaser in this market segment is not looking at construction of a new commercial building as a viable alternative to purchasing one in the subject's market segment, a cost approach to value was not completed in this analysis.

The Sales Comparison Approach is an effective and reliable method of valuation when there are sufficient transactions within an acceptable time period. Limitations to the Sales Comparison Approach are normally encountered when there is insufficient data, the market is changing rapidly,

or the property is a special purpose improvement. The sales used in the analysis were well documented. The range of rates of return indicated by the comparable sales is believed to be an accurate reflection of the rates of return generally sought in this marketplace for properties similar to the subject property. The majority of the purchasers in this market segment are owner occupants. For those reasons, owner occupants tend to look to the total cost of acquisition. As the majority of the purchasers in the subject's market segment are owner occupied, the sales comparison approach received the most emphasis in this analysis.

The Income Approach: As the typical purchaser in this market segment is an owner occupant who does not consider the capitalization of rental income in their purchase decision, the income approach to value was not completed in this analysis.

Based on the inspection of the property, the investigation and analyses undertaken, and subject to the special appraisal contingencies, special and general assumptions and limiting conditions herein, we have formed the opinion that the "As Is" Market Value, of the subject property, based on an all cash sale or conventional financing equivalent to cash, as of February 10, 2015, is:

\$95,000

(Ninety-Five Thousand Dollars)

"AS IS" MARKET VALUATION

"As Is" Market Value on the appraisal date means an opinion of the market value of a property in the condition observed upon inspection and as it physically exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared.

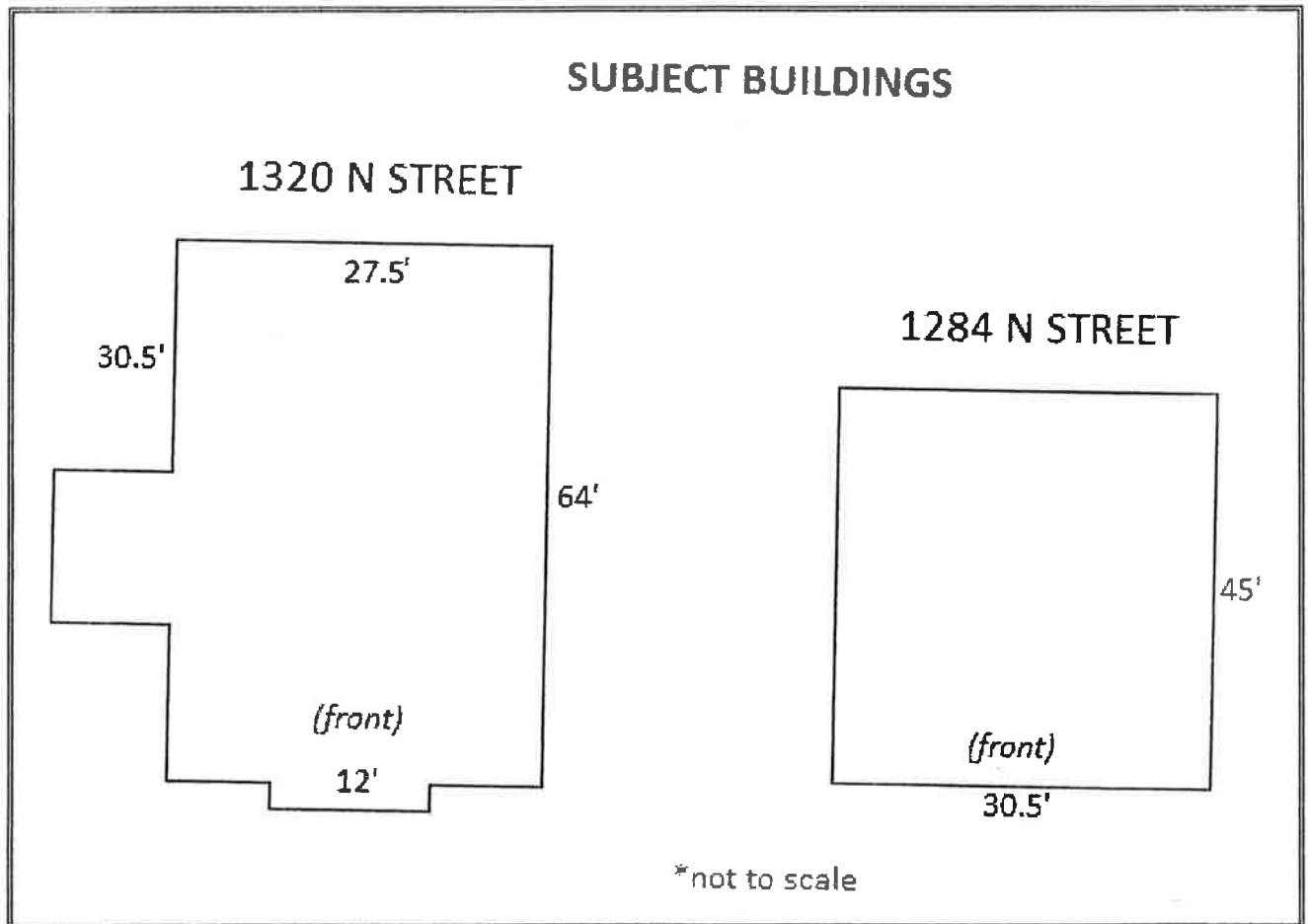
MARKETING PERIOD

Marketing period is defined as the amount of time necessary to achieve an open market sale of the property under current market conditions and market trends, assuming normal market exposure and the consummation of a sale consistent with the definition of market value. Marketing period is not to be confused with absorption period or holding period. Comparable sale number one was on the market for 520 days. Comparable sale number two was on the market for 227 days, comparable sale number three 686 days, comparable sale number five's marketing time is unknown, comparable sale number six was on the market in excess of three years. Also, those brokers polled felt the subject property could sell within twelve months if properly marketed and listed at or near its current market value. One of the main assumptions of our appraisal is that both the buyer and seller are knowledgeable and acting in their own best interests. Based on local economic conditions a marketing period of up to twelve months is considered appropriate for the subject property in this analysis.

ADDENDA SECTION

BUILDING SKETCHES

BUILDING SKETCHES



SUBJECT PHOTOGRAPHS



Front view and western wall of 1284 N Street



Rear view and eastern wall of 1284 N Street



Typical interior view of 1284 N Street



Worn pavement of 1284 N Street



Front view and eastern wall of 1320 N Street



Front view and western wall of 1320 N Street



Rear view of 1320 N Street



Missing ceiling panel in 1320 N Street



Looking south on N Street

COMPARABLE SALES PHOTOGRAPHS



Comparable Sale #1 (703 N. Gateway Drive, Madera)



Comparable Sale #2 (1327 W. 18th Street, Merced)



Comparable Sale #3 (475 Sierra Street, Kingsburg)



Comparable Sale #4 (563 S. Madera Avenue, Kerman)



Comparable Sale #5 (835 Lander Avenue, Hilmar)



Comparable Sale #6 (2325 Blossom Street, Dos Palos)

ENGAGEMENT LETTER

Robert P. Rowe & Associates

January 6, 2015

Dear Mr. McDonald:

1. **Engagement.** You have requested that Robert P. Rowe & Associates (the "Appraisers") appraise the following property: 1284 and 1320 N Street, Firebaugh, California. Both address are located on Fresno County. By your signature below, you, as the client (hereafter "Client"), authorize the Appraiser to enter the above property and prepare an independent appraisal report. The foregoing shall be performed on the Appraisers' part as an independent contractor, not as an employee, partner, principal or agent.

2. **Fee.** The fee for the appraisal services rendered is \$2,200. The fee is to be payable on the date of delivery of the report. No report will be provided to the client without prior receipt of payment in full. The fee includes all expenses incurred in completing the assignment. In the event a personal appearance for any purpose, including, but not limited to, court or deposition, is required on the part of the Appraiser, the Appraiser shall be compensated at the rate of \$225 per hour, per person, including travel time, minimum three (3) hours, for any time required.

3. **Special Requirements.** The client is to arrange for access to the subject property as well as a copy of the lease, if one exists, and of any sales contract or summary for any transaction occurring over the previous three years, if they exist. The appraisal will provide an opinion of the "As Is" Market Value of the real estate.

4. **Required Contents.** The appraisal report shall be prepared with the following minimum guidelines:

- (a) The report shall conform to the requirements of the USPAP as adopted by the Appraisal Standards Board of the Appraisal Foundation unless otherwise stated herein;
- (b) The report shall be in writing and in narrative format or an approved form;
- (c) The report shall use the definition of "market value" as defined in 12 CFR 34, unless otherwise specified.

5. **Appraiser Independence.** The appraiser is engaged directly by the Client. The Appraiser has no direct or indirect interest, financial or otherwise, in the property or transaction.

6. **Appraiser Options.** An appraiser typically considers three approaches to analyze the value of a property (cost, income, and comparable sales) and reconciles the results of each to opinion of market value. The appraisal will discuss the property's recent sales history, if any, and shall contain an opinion as to the highest and best use of the property. The market value opinion shall be an opinion of the fee simple estate as of the date specified in the appraisal report. If the property is not operating at a stable level of occupancy, it may also be necessary to project when stabilized occupancy will be achieved. If during the appraisal process, the extent of the appraisal process varies from the required above, the Appraiser shall contact the Client. Any unavailable information must be disclosed by the Appraiser and its effect on value and value estimate reliability must be discussed in the report. The appraiser will provide one opinion of value for each property.

7. **Clients.** The City of Firebaugh and Mr. Kenneth McDonald are the clients for this report. The appraisal is requested by Client from the Appraiser. Payment shall be made from the Client to the Appraiser. All documents furnished to the Appraiser from the Client are to be considered confidential information.

8. **Limiting Conditions.** The opinion of the Appraiser as expressed in any report is subject to any limiting conditions contained in the report.

9. **Copies.** The Appraiser shall provide three original reports on the property, each signed by the Appraiser, no later than five weeks from the date of receipt of a signed copy of the engagement letter. The deadline for the reports shall be extended should circumstances beyond the Appraiser's control arise.

To acknowledge acceptance of the terms of this agreement, please sign one copy of this letter and return it to me directly.

Sincerely,



Robert P. Rowe

Certified General Real Estate Appraiser

California Certified General Real Estate Appraiser #AG006825

Dated: 1/6/2015

"Client"



APPRAISER'S QUALIFICATIONS

ROBERT P. ROWE

QUALIFICATIONS RESUME

EXPERIENCE:

- | | |
|-----------------------|--|
| March 1996 to Present | Robert P. Rowe & Associates...An Independent Fee Appraisal Firm. Performed appraisals on all types of investment and agricultural properties, as well as performed reviews on investment property and agricultural appraisals for various lending institutions. |
| 1992 to 1996 | Regional Investment Property Appraiser/Commercial Appraiser II with Glendale Federal Bank. Established and managed the Fresno Satellite office. Appraised and/or reviewed appraisals on all types of investment properties. |
| 1987 to 1992 | Vice President/Manager Security Pacific National Bank, Commercial Appraisal Department North, Oregon and Idaho Section. Managed the office as well as completed appraisal and review assignments, feasibility analysis and special projects. |
| 1977 to 1987 | Appraisal Specialist, Bank of America Fresno District. Advanced from Appraiser to Senior Appraiser to Appraisal Specialist. Appraised various types of commercial, residential, and industrial properties with values ranging from \$1,500.00 to \$110,000,000.00. |
| 1974 to 1977 | Auditor Appraiser II, Kings County Assessor's Office. Advanced from Real Property Appraiser I to Auditor Appraiser II. |

CERTIFICATION:

Certified General Real Estate Appraiser in California
Certification #AG006825. Expiration date: May 8, 2016.

APPOINTMENTS:

Madera County Board of Equalization, September 1, 2000, to present.

ROBERT P. ROWE, QUALIFICATIONS RESUME

Page two

SKILLS:

Completed, or lead appraiser on, complex urban investment properties, including, but not limited to, apartments, shopping centers, factory outlet centers, offices (general and medical), industrial, warehouses, mini-storage, other investor or owner occupied commercial and manufacturing properties.

Completed, or lead appraiser on, numerous special purpose properties, including, but not limited to, wineries, creameries, cold storage facilities, food processing, churches, schools, dude ranches, as well as multi-structure and multi-use hospitals.

Completed, or lead appraiser on, numerous residential and multi-use subdivision development assignments.

Completed reviews to current USPAP standards on various types of complex commercial real estate appraisals.

Completed feasibility analysis projects and market studies.

Established, managed, expanded an appraisal department. Interviewed, hired, trained both staff and fee appraisers. Expanded the internal department client base and stayed within the working department budget.

EDUCATION:

1980 to Present Annual classes or seminars on various appraisal topics, including, but not limited to, appraisers comprehensive review, depreciation, electronic spreadsheets, market extractions, valuation of subdivisions, as well as Uniform Standards of Professional Appraisal Practice, Parts A and B, and other appraisal topics.

1974 to 1979 Society of Real Estate Appraiser Courses and Exams, including Course 101, Course 201, and the R-2 Exam. Various State Board of Equalization courses in Cost Estimating, Income Property Appraisal, and Beginning and Advanced Appraisal of Equipment and Inventories.

1973 Bachelor of Arts Degree (Cum Laude), Humboldt State University, Arcata, CA
Major: East Asian Studies, Minor: Business Administration

1969 Honorably Discharged – United States Navy

ZONING REGULATIONS

C-2/C-3

25-2.11.4

Firebaugh Municipal Code

- (a) On the lot with the building served.
 - (b) On a contiguous lot or a lot within five hundred (500) feet of the building or use being served.
 - (c) By membership in an assessment district established for the purpose of providing off-street parking for the uses located in the district.
 - (d) In a large parking area or compound in which the overall total relationship between the parking area and the total floor area planned is in conformity with the provisions of this subsection. Provision of parking in a large parking area or compound shall, where applicable, be subject to the requirements of subsection 25-3.3,i,4.
- j. Access. The provisions of the "C-1" District, subsection 25-2.10.3,j, shall apply.
- k. Outdoor Advertising. The provisions of the "C-1" District, subsection 25-2.10.3,k, shall apply.
- l. Loading Spaces Required. The provisions of the General Conditions, subsection 25-3.3,l, shall apply.

25-2.11.4 Site Plan Review.

A site plan shall be submitted to the planning commission for its approval in accordance with the provisions of subsection 25-4.6 before any building or structure is erected or any parking facilities are developed on any lot within the "C-2" District.

25-2.12 "C-3" General Commercial District.

The "C-3" District is intended to provide for commercial activities in which the service performed is of equal or greater importance than the product traded, or which, due to space requirements or the distinctive nature of their operation, are not compatible with and are not usually located in the "C-2" Central Trading District.

25-2.12.1 Uses Permitted.

The following uses shall be permitted in the "C-3" District plus such other uses as the commission, following the procedure specified in subsection 25-4.1, may determine to be similar in nature and consistent with the intent of the District as specified in subsection 25-2.12.

C-3

Zoning

§ 25-2.12.1

- a. Ambulance services.
- b. Automobile body and fender shops (to be conducted within an enclosed building).
- c. Automobile body paint shops (to be conducted within an enclosed building).
- d. Automobile parts and supply stores (new).
- e. Automobile repair shops (to be conducted within an enclosed building).
- f. Automobile re-upholstery shops (to be conducted within an enclosed building).
- g. Automobile sales with incidental repair and service (any repair and service to be conducted within an enclosed building).
- h. Boat sales with incidental repair and service (any repair and service to be conducted within an enclosed building).
- i. Building supply stores.
- j. Cafes.
- k. Car washes, mechanical and self-service.
- l. Churches.
- m. Clubs and lodges.
- n. Communications equipment buildings and structures.
- o. Dairy drive-ins.
- p. Drive-in restaurants.
- q. Electrical supply stores.
- r. Electrical transmission and distribution substations.
- s. Furniture stores.
- t. Garden supply stores.

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25-2.12.1

Firebaugh Municipal Code

- u. Golf driving ranges.
- v. Hardware stores.
- w. Farm and heavy equipment sales and repair. (All repairs to be conducted within an enclosed building)
- x. House trailer and recreational vehicle sales with incidental repair and service (any repair and service to be conducted within an enclosed building).
- y. Laundry agencies, or pick-up facilities.
- z. Liquor stores.
- aa. Machinery sales.
- bb. Mattress shops.
- cc. Miniature golf courses.
- dd. Model home display.
- ee. Motels.
- ff. Nurseries.
- gg. Pitch and putt courses.
- hh. Pottery sales (located within an enclosed building).
- ii. Radiator shops.
- jj. Second-hand stores (display of merchandise shall be within an enclosed building).
- kk. Service stations.
- ll. Signs, subject to the provisions of subsection 25-2.12.3,k.
- mm. Sign painting.
- nn. Skating rinks.

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Zoning

§ 25-2.12.2

- oo. Sporting goods stores.
- pp. Storage garages.
- qq. Tire recapping.
- rr. Truck and trailer sales with incidental repair and service (any repair and service to be conducted within an enclosed building).
- ss. Upholstery repair shops.
- tt. Utility distribution substations.
- uu. Veterinarian offices.
- vv. Water pump stations.

25-2.12.2 Uses Permitted Subject to Conditional Use Permit.

The following uses only shall be permitted in the "C-3" District subject to first securing a conditional use permit as provided in subsection 25-4.3, plus such other uses as the commission, following the procedure set forth in subsection 25-4.1, may determine to be similar in nature and consistent with the intent of the district as specified in subsection 25-2.12.

- a. Advertising structures.
- b. Auction houses.
- c. Farm equipment sales and repair (any repair and service to be conducted within an enclosed building).
- d. Funeral parlor or mortuary.
- e. Mechanical car wash.
- f. Multiple dwellings, provided that the use shall be developed in accordance with the property development standards of the "R-3" District, subsection 25-2.8.3.
- > g. Parking lots.
- h. Truck service stations.
- > i. Recreational vehicle and travel trailer storage facilities.

j. Video arcades.
(Ord.#82-4,S2)

25-2.12.3 Property Development Standards.

The following property development standards, together with the property development standards in the General Conditions, subsection 25-3.3, shall apply to all land and structures in the "C-3" District, except multiple dwelling. The property development standards of the "R-3" District, subsection 25-2.8.3, shall apply to multiple dwellings developed in the "C-3" District.

- a. Lot Area. No requirements.
- b. Lot Dimensions. No requirements.
- c. Population Density. No requirements.
- d. Building Height. The provisions of the "C-2" District, subsection 25-11.3,d, shall apply.
- e. Yards. The provisions of the "C-2" District, subsection 25-11.3,e, shall apply.
- f. Space Between Buildings. No requirements.
- g. Lot Coverage. No requirements.
- h. Fences, Hedges and Walls. The provisions of the "C-2" District, subsection 25-2.11.3,h, shall apply.
- i. Off-street Parking. The provisions of the "C-2" District, subsection 25-2.11.3,i, shall apply.
- j. Access. The provisions of the "C-1" District, subsection 25-2.10,3,j, shall apply.
- k. Outdoor Advertising. The provisions of the "C-1" District, subsection 25-2.10.3,k,1, shall apply, with the exception that the maximum height of on-premise free-standing signs shall be thirty (30) feet.
- l. Loading Spaces Required. The provisions of the General Conditions, subsection 25-3.3,1, shall apply.

Zoning

C-3

§ 25-2.12.4

25-2.12.4 Site Plan Review.

A site plan shall be submitted to the planning commission for its approval in accordance with the provisions of subsection 25-4.6 before any building, structure, or advertising structure is erected or any parking facilities are developed on any lot within the "C-3" District.



STAFF REPORT

TO: Honorable Mayor and Council members
FROM: Kenneth McDonald, City Manager
DATE: March 2, 2015
SUBJECT: Monthly Staff Report

Prior Meeting Issues - Councilmember Perez had inquired about providing translation services and whether the city website could be provided in Spanish. Staff has researched and found numerous free services available on the web to provide translation services for documents and web sites. The easiest was Google Translate, which can be found on any search engine like Google. Enter the web page and the Google translate will do the rest. The only exception is when a web page links to another web page. Then the person just enters the new (untranslated) web page on Google Translate again and continues. I had requested the web developer that completed our new web page/design to have a link available to the translate function. That has not been completed yet but the alternative approach just mentioned accomplishes the same.

CDBG Grant Hearing coming up on 3/16/15. In order to apply for the new Notice of Funding Availability (NOFA) that California Housing & Community Development (HCD) makes available for Community Development Block Grants (CDBG), the City is required to have two hearings. The first was on Friday February 27 at City Hall. Staff have prepared three potential projects that we will be holding the final hearing to determine the application content on March 16, 2015. The tentative list that will be presented at the first hearing on 2/27/15 consists of the following three projects: Water Line Replacement: \$800,000; Senior Center Improvement: \$750,000; Code Enforcement: \$150,000.

I have been working with the Upper San Joaquin River parties and have completed Regional Flood Management Plan (RFMP) that is currently in draft review. This tremendous effort has produced the first discussions regarding a Flood Management Plan for the City of Firebaugh that would eliminate mandatory required Flood Insurance if we were to get 100 year flood protection. The problem is the initial estimates have been quite high above \$45 million. This estimate does include levee improvements for Eastside Acres also which is outside of our County and responsibility. The group working on this from the State Department of Water Resources (DWR) and the RFMP consultants have suggested that funding such a large project for these improvements might be better addressed by a multi-agency arrangement and will be studied further.

Police Chief Applications have been screened and the next phase for interviews, background verifications and discussions will be occurring in the next few weeks. I anticipate presenting the final candidate to the Council sometime in April. In the meantime, Sargent Sal Raygoza has been appointed as Interim Police Chief to keep everything rolling until a new Chief has been selected.

Our potential night closure threat has been resolved. Our airport Transitional Height limits were addressed and we have been cleared by Cal Trans Aero Division.

I attended the Fresno Council of Governments Policy Advisory Committee (COG PAC) on 2/13.

A USDA Grant is being prepared through Fresno State that will assist us in completing our housing element and saving the General Fund a considerable amount to complete our Housing Element update in the next fiscal year.

Auditor RFP – The deadline for submission was after this report date but we have received a submission and staff will present to Council at the next meeting on March 16, 2015 for final selection.



STAFF REPORT

TO: Kenneth McDonald, City Manager
FROM: Pio Martin, Finance Director
DATE: March 2, 2015

Informational:

All departments are doing well. General Fund (004) may have to spend \$50,000 that was not budget for the work that Gouveia Engineering possibly will be performing at the Del Rio properties. This was discussed during February 2nd council meeting.

City has paid all \$22,288.42 that was owed to Mid-Valley Disposal for not implement a rate increase of \$0.77/mo in March of 2011 which was to go to Mid-Valley Disposal.

Triple Flip – Possible ending of the Triple Flip around August 2016. Will revert back to the full 1% tax rate. See attached Muni Services Policy Update document.

Highway Users Tax discussion at the state level of possible taxing drivers by miles traveled instead of gas used.

City Grants:

1. Poso Canal / Pedestrian Bike Route (Fund 065 – CMAQ)

- Grant amount \$44,265
- City Match \$5,736
- Award Date 03-21-2011
- Administrator Gouveia Engineering

This fiscal year the City has spent a total \$3,900 on this project. A total of \$36,717.94 since it was awarded.

2. 16th Street, O Street, & Q Street Rehabilitation (Fund 104 – STPL 5224-020)

- Preliminary Engineering - \$51,395; Match \$15,050.00
- Construction amount - \$378,614.00; Match \$171,870.00
- Agency Construction Engineering - \$56,792.00; Match \$25,780.00
- Award Date 04-25-2014
- Administrator Gouveia Engineering

The City has spent \$105,830.64 on this project. A request for \$43,645 has be submitted for reimbursement.

3. Las Deltas Water Grant (Fund 107)

- Grant Amount \$438,000

The City has spent \$97,983.33 on this project. A request for reimbursement is being submit for \$114,399.84. The reimbursement is also covering expenses from the past fiscal year.


ANTICIPATED TRIPLE FLIP UNWINDING CASH FLOW

The Governor's 2015 proposed budget assumes that the Triple Flip will end in 2015. MuniServices representatives last week attended a meeting with the Department of Finance (DOF) to learn about the process for ending the Triple Flip. While subject to change by the State we understand the DOF anticipates repaying the Economic Recovery Bond Act of 2004 (ERB) in July 2015. Once the bonds are repaid, the Board of Equalization (BOE) looks to revert back to the full local 1% tax rate in the first whole quarter at least 90 days after the repayment.

Under the below scenario the 1% returns on transactions beginning in January 2016, which equates to cash receipts beginning 1st Advance in March 2016. A final true-up over the life of the Flip will occur sometime around August 2016.

TRIPLE FLIP UNWINDING CASH FLOW	1%	0.75%	TRIPLE FLIP
1st Adv: Jun 2015		\$	
2nd Adv: Jul 2015		\$	
Bonds Repaid: Jul 2015			
3rd Adv: Aug 2015		\$	
Balance: Sep 2015		\$	
1st Adv: Sep 2015		\$	
2nd Adv: Oct 2015		\$	
3rd Adv: Nov 2015		\$	
Balance: Dec 2015		\$	
1st Adv: Dec 2015		\$	
2nd Adv: Jan 2016		\$	
In-Lieu (FY '15-'16)			\$
True-Up (FY '14-'15)			\$
1/4% Administration Fee (FY '14-'15)			\$
3rd Adv: Feb 2016		\$	
Balance: Mar 2016		\$	
1st Adv: Mar 2016	\$		
2nd Adv: Apr 2016	\$		
3rd Adv: May 2016	\$		
In-Lieu (FY '15-'16)			\$
True-Up (FY '14-'15)			\$
1/4% Administration Fee (FY '14-'15)			\$
Balance: Jun 2016	\$		
1st Adv: Jun 2016	\$		
2nd Adv: Jul 2016	\$		
3rd Adv: Aug 2016	\$		
Final True Up (FY '15-'16)			\$
Final 1/4% Administration Fee (FY '15-'16)			\$
Balance: Sep 2016	\$		

**KEY 'TRIPLE FLIP' HISTORY**

The "Triple Flip" (Chapter 162, Statutes of 2003, and Chapter 13, Statutes of 2003 Extraordinary Session) became effective July 1, 2004. This allowed the State to sell \$10.7 billion of deficit financing bonds and use a one-half cent tax reallocated from local sales tax revenues to repay the debt with a dedicated revenue source.

On December 12, 2003 the California Economic Recovery Act was signed (Chapter 2, Statutes of 2003 Extraordinary Session) and reduced the amounts proposed under the Triple Flip. *The amount to guarantee the debt was changed from one-half cent to one-quarter cent.* The new law also "created" Proposition 57 (the Governor's bond measure) for the March 2004 ballot.

- **First flip:** Beginning July 1, 2004, one-quarter cent of the local one-cent sales tax enacted by cities and counties throughout the State would be repealed.
- **Second flip:** The State enacted a new, dedicated one-quarter cent sales tax to repaying the deficit reduction bonds.
- **Third flip:** This flip was a promise by the State to backfill the lost local revenues. This backfill payment was called sales tax in-lieu. The distributions were made by each county to the jurisdiction within its county.

In 2013 the Governor approved a budget trailer bill (Chapter 26, Statutes of 2013) that prepares for the end of the Triple Flip by outlining a process to provide final compensation to cities and counties for their 0.25% local sales and use tax revenue loss after the ERBs are paid-off.

Building Department/Senior Center Staff Report

January 2015

Building Department:

- 12 plan checks submitted
- 9 permits issued for the month of January 2015
 1. 7 solar permits
 2. 1 warehouse foundation permit
 3. 1 re-roof permit
- 2 stop work orders issued
 1. Replace/repair of a water/sewer line
 2. Addition of front yard patio

Summary:

Currently we are working on getting a permit issued for the new warehouse addition of 260,000 sq. ft. for Toma Tek. Thomason Tractor is proposing a new 3000 sq. ft. warehouse to their existing building. No plans at this time as it will need to go before the planning department for site plan review.

Senior Center:

- Averaging 8 seniors per day for the nutrition program.
- HiCap presentation in January for Medicare counseling for seniors.
- Adult Protective Services to schedule a presentation. Date to be determined.
- Will be receiving additional funding for the homebound program. Currently, there are 3 individuals on this program and 2 on the waiting list.
- In Home Supportive Services to schedule a presentation. Date to be determined.

Summary:

I should be able to proceed with adding individuals to the homebound program by the first week of March. Adult Protective Services looking for a date to hold presentation in March. Attendance is low for the center but hoping it will pick up once the weather warms up. We have been running messages on the electronic board inviting seniors from the community to come out have lunch and participate in bingo.

Staff Report City of Firebaugh Public works Department

To: Mayor Craig Knight and City Council Member

From: Ben Gallegos, Public Works Director

Date: March 2, 2015 Council Meeting

Water/Waste Water

The operation department has been working on the following:

1. Day to day operations of water/sewer plants.
2. Conducting preventative maintenance in the collections system.
3. Providing preventative maintenance on water/sewer plant equipment.
4. Spraying herbicides at waste water plant.

Streets

The Street Department has been working on the following:

1. The PW crew have been performing street pot hole repairs.
2. Cleaning alley and empty lots though out the City.

Parks

The Crew has been working on the following:

1. They continue to respond to dog call; fifteen dogs were taken to Country Veterinary and two dogs got adopted. Hundred and three dog were collected in 2014.
2. They have been working on repairing irrigation leaks thought out the City landscape and parks areas.
3. Spraying herbicides for weed control though out the City landscape and parks areas.

City Projects:

1. Rolfe Construction will start the emergency sewer line repair in the alley from 9th to 10th Street and between O and P Street on February 25, 2015.
2. The earth work has been completed for Well #17.

CITY OF FIREBAUGH

**FIRE DEPARTMENT
CODE ENFORCEMENT
1575 ELEVENTH STREET
FIREBAUGH, CA 93622-2547**



FRESNO COUNTY, CALIFORNIA

**DISPATCH (559) 659-2061
OFFICE (559) 659-2073
FAX (559) 659-4242
firechief@ci.firebaugh.ca.us**

JANUARY

2015

CITY OF FIREBAUGH

STRUCTURE FIRES	2
EMS	28
VEHICLE ACCIDENT	2
FALSE ALARM	3

FRESNO COUNTY FIRE PROTECTION DISTRICT

STRUCTURE FIRES	5
EMS	3
FALSE ALARM	1

COUNTY OF MADERA

VEHICLE ACCIDENT	2
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TOTAL CALLS FOR FIRE DEPARTMENT SERVICE

46

MARCH 2015

FACILITY RENTALS

3/3/15	A/F Hall- Meet and Greet Fresno State Athletics 5:00pm
3/7/15	A/F Hall- Baby Shower
3/13/15	A/F Hall- Food Drive at 9am
3/21/15	A/F Hall-FFA Dinner Casino Night
3/27/15	Dunkle Park-Promotores Easter Egg Hunt Dunkle Park Canopy- Bailey School Informational Booth

Council Chambers Rm

Council Meeting 1st and 3rd Monday of Every Month at 6:00pm

Planning Meeting 2nd Monday of Every Month at 6:00pm

Oversight Board Meeting 3rd Thursday of Every Month at 11am

Dunkle Park Bldg.

The Regional Culture Institute- Monday, Tuesday & Friday 10am-Noon

Dunkle Park Baseball Field

Cal Ripkens Baseball 3/1/15- 5/1/15

Food Distribution

Food Distribution every 4th Thursday of the month at Dunkle Park at 9am

Salvation Army Dinner Distribution every Wednesday at A/F Hall from 5pm to 7pm

Maldonado Park

Outdoor Market every Thursday at 5pm

