

**CITY OF FAIRFIELD**

**RESOLUTION NO. 2020-202**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIRFIELD APPROVING A MULTI-PARTY AGREEMENT AND AMENDMENT TO PURCHASE AND SALE AGREEMENTS WITH THE BRADLEY C. ROWLAND FAMILY TRUST, THE ANDERSON FAMILY TRUST, THE CYNTHIA ROWLAND SMITH FAMILY TRUST, HOSPITALITY MANAGEMENT, INC., APRR MANAGEMENT, LLC., AND NORTH TEXAS SOLANO, LLC. FOR THE PURCHASE AND SALE OF PROPERTIES LOCATED AT THE CORNER OF NORTH TEXAS STREET AND MANUEL CAMPOS PARKWAY IN THE CITY OF FAIRFIELD (APNS: 0167-110-220; 0167-110-140; AND 0167-110-040) AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAME**

**WHEREAS**, the City of Fairfield (“City”) previously entered into a Purchase and Sale Agreement dated February 20, 2020 with Hospitality Management, Inc. and APRR Management, LLC (collectively the “Developer”) for the City’s sale of property (APNs 0167-110-220 & 0167-110-140) to Developer for development of a new hotel and restaurant; and

**WHEREAS**, the Bradley C. Rowland Family Trust, the Anderson Family Trust, and the Cynthia Rowland Smith Family Trust (collectively “Anderson”) entered into a Purchase and Sale Agreement with Developer in early 2020 for the sale of property (APN 0167-110-040) from Anderson to Developer for development of a new hotel and restaurant; and

**WHEREAS**, in July 2020 the City, Developer, and Anderson (collectively the “Parties”) jointly entered into a First Amendment to Purchase and Sale Agreements to amend and extend the due diligence periods by 90 days to provide additional time for the Parties to complete negotiations on purchase and sale of property and all considerations thereof; and

**WHEREAS**, due to the impacts of the COVID-19 Pandemic, and the deleterious effects it has had on development financing, the Developer requested an option to delay the close of escrow on the properties for up to an additional two (2) years of time to obtain financing to proceed with development of the hotel and restaurant; and

**WHEREAS**, the City requested, and Developer agreed to pay, a fee of \$12,500 for the option to extend the close of escrow of the properties for one (1) year, with an option to extend a second year (up to 2 years total extension) by depositing an additional \$25,000 into escrow and submitting for entitlement of the hotel and restaurant project prior to the end of the first year of extension; and

**WHEREAS**, the City, Anderson, and North Texas Solano, LLC (“NTS”) (collectively the “Property Owners”) entered into a Reciprocal Easement and Declaration of Restrictions Agreement (the “REA”) in March 2010, as subsequently amended in September 2012 and again in April 2013, that detailed mutually beneficial drive access across adjacent properties and shared use of driveways off of North Texas Street; and

**WHEREAS**, the REA, as amended, detailed certain reimbursable costs Anderson owed the City for off-site improvements made by City on Anderson’s behalf, plus interest, and certain reimbursable costs the City’s successor in interest owed NTS for on-site improvements made by NTS on City’s successor’s behalf; and

**WHEREAS**, during the Parties’ negotiations, Anderson declined Developer’s request for the option to extend the close of escrow and instead offered to sell Anderson’s parcel to City for the same appraised fair market value offered to Developer of \$335,412, and subtract from sale proceeds Anderson’s payment of \$99,862.25, plus interest of \$20,971.07, due to the City for off-site improvements per the REA as amended; and

**WHEREAS**, during the Property Owners’ negotiations for a third amendment to the REA, NTS requested that the City satisfy the payment of \$151,199.15 for costs due to NTS, by City’s successor in interest, for on-site improvements as required by City’s purchase of Anderson’s parcel; and

**WHEREAS**, the Property Owners agree to a Third Amendment to the REA to record all terms of common and non-common area reimbursements due to the City and NTS; and

**WHEREAS**, the Developer agrees to purchase all property from City at fair market value, established by an appraisal dated no more than six (6) months prior to close of escrow for the purpose of developing a hotel and stand-alone restaurant; and

**WHEREAS**, the Developer, as successor in interest to the City, agrees to pay the City \$350,901.64 at close of escrow to reimburse the City for costs of on-site and off-site improvements paid to NTS and owed to City under the REA as amended; and

**WHEREAS**, the City finds it in its best interest to control all property, free and clear of any amounts owed, in case Developer is unable to obtain financing to close escrow and commence development of the hotel and restaurant project; and

**WHEREAS**, all costs and proceeds of sale associated with the Multi-Party Agreement and Amendment to Purchase and Sale Agreements, as attached, will be paid from and deposited into the Intergovernmental Loan Fund (551-99-203) and used for economic development projects; and

**WHEREAS**, in accordance with Fairfield Municipal Code Section 2.25.1, the Community Development Director has determined that the disposition of property as described in the attached Multi-Party Agreement documents is consistent with the applicable general plan; and

**WHEREAS**, the City Council has determined that the project is Categorically Exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, Section 15332 (Infill Projects).

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:**

Section 1. The City Council hereby approves the Multi-Party Agreement and Amendment to Purchase and Sale Agreements (“Multi-Party Agreement”), a copy of which is attached hereto, with such non-substantive changes as may be approved by the City Manager.

Section 2. The City Manager is hereby authorized to execute the Multi-Party Agreement and all documents required or contemplated by the Multi-Party Agreement on behalf of the City, and to give all consents and approvals contemplated thereby on behalf of the City.

Section 3. The City Manager is further authorized to do all things necessary and proper to implement this Resolution.

**PASSED AND ADOPTED** this 20<sup>th</sup> day of October, 2020, by the following vote:

AYES: COUNCILMEMBERS: PRICE / BERTANI / MOY / TIMM / VACCARO

NOES: COUNCILMEMBERS: \_\_\_\_\_

ABSENT: COUNCILMEMBERS: \_\_\_\_\_

ABSTAIN: COUNCILMEMBERS: \_\_\_\_\_

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK