



Legislation Text

File #: 12-0186, **Version:** 1

Consider adopting a Resolution of Intention declaring certain County-owned real properties as surplus (4/5 vote required); and Providing Notice of Intention to sell surplus real properties at a public meeting

Published Notice Required? Yes _____ No X
Public Hearing Required? Yes _____ No X

DEPARTMENTAL RECOMMENDATION

The Department of General Services recommends that the Board of Supervisors consider adopting a resolution (4/5 vote required):

- a. Declaring certain County-owned real properties as surplus to the needs of the County and providing notice of intention to sell the surplus real properties to the highest responsible bidder, in accordance with the terms and conditions as set forth in the Bid Submittal Instructions and the Purchase and Sale Agreement contained within, for the minimum acceptable cash purchase prices (Attachment A, Table 1); and
- b. Authorizing the Department of General Services to disseminate individual bid packages for the sale of each surplus property containing Bid Submittal Instructions and Purchase and Sale Agreements; and
- c. Requiring that each written and oral bid be accompanied by a Bid Guarantee in the form of a cashier's check in the amount of 10% of the bid amount; and
- d. Authorizing the Clerk of the Board to publish the Notice of Intention to sell the surplus real properties in the Vallejo Times-Herald and the Vacaville Reporter, newspapers of general circulation published in the County, pursuant to California Government Code Section 6063; and
- e. Setting June 12, 2012 at 9:00 a.m. or as soon as possible thereafter, in the Chambers of the Solano County Board of Supervisors located at 675 Texas Street in the City of Fairfield, as the time and place to conduct a public hearing to open received bid packages and consider offers to purchase the surplus real properties.

SUMMARY

The County owns two underutilized real properties that can be recommended for disposal through a competitive bid process: 1) a 6,610 square foot office building located at 228 Broadway Street in Vallejo, and 2) approximately 14 acres of vacant land located on Beechcraft Road in Vacaville. A competitive bid process was held for 228 Broadway Street on September 13, 2011, but no bids were received. The 14 acres on Beechcraft Road were part of a 40.95 acre acquisition of land located in and around the Nut Tree Airport Runway Protection Zone. The 14 acres have since been deemed ineligible for reimbursement by the Federal Aviation Administration (FAA), and can be severed from the rest of the property through a lot line adjustment. Disposal of the properties will generate one-time revenues and relieve the County of associated liabilities and cost obligations.

FINANCIAL IMPACT:

Costs associated with the mandatory publishing of the Notice of Intention, as required pursuant to California Government Code section 6063, are estimated at \$600, which is appropriated in Real Estate Services FY2011/12 budget unit 1642. The County will be responsible for customary closing costs, which will be debited from sale proceeds at the close of escrow. Revenues generated from the sales will be deposited into the General Fund.

DISCUSSION

228 Broadway Street in Vallejo (Attachment B) was declared surplus by the Board and a competitive bid process was held on September 13, 2011 at a noticed public meeting to receive and review bids to purchase the property. The minimum bid amount was \$225,000. No bids were received.

Approximately 14 acres of vacant land on Beechcraft Road in Vacaville (Attachment C) are part of a larger 17.75 acre parcel described as Assessor's Parcel Number 0133-210-550. This parcel was purchased by the County in 2008 as part of a 40.95 acre acquisition of land located in and around the Nut Tree Airport's Runway Protection Zone. The acquisition cost of property located in Runway Protection Zones can be eligible for reimbursement by the Federal Aviation Administration (FAA) at its discretion. The County received FAA reimbursement for the acquisition cost of all but the 14 acres, which have since been deemed ineligible for FAA reimbursement. An August 2009 appraisal valued the 14 acres at approximately \$3,500,000.

To finance the 40.95 acre acquisition, the Nut Tree Airport borrowed \$5,861,441 from the General Fund at an interest rate of 3.50%. Through the FAA reimbursements, the majority of the loan has been repaid; however, there remains an outstanding balance of \$1,580,674.

There is no identified short or long-term County use for the 14 acres, and there are on-going costs associated with weed abatement, illegal dumping, and insurance. The 14 acres can be separated from the rest of the property through a lot line adjustment during escrow. The sale of the 14 acres will relieve the County of associated liabilities and cost obligations, and proceeds can be used to pay down the Airport's outstanding General Fund loan.

Surplus real property estimated to have a value of over \$25,000 is subject to disposal through a competitive bid process in the manner prescribed in California Government Code section 25520 et seq. In order to conduct the competitive bid process, the Board must adopt a resolution (Attachment D) describing the properties to be sold, fixing a date and time to open sealed proposals and establishing minimum bid amounts. The suggested minimum bid amounts for both properties are at the low end of their respective fair market value ranges in order to encourage competitive bids from interested parties. At the public meeting, the Board may also consider oral bids, and choose to award the sale of the property to the highest responsible bidder, or reject all bids.

Notices of the adoption of the resolution and invitation to submit bids (Attachment E) will be published for three successive weeks in accordance with California Government Code section 6063. Individual bid packages (Attachments F and G) containing submittal directions, bid forms, and purchase and sale agreements will be available upon request, and bid submittals will be received until 4:00 p.m. on Tuesday, May 22, 2012. Setting the public meeting date for June 12, 2012 will allow for three weeks for the publishing of notices, additional marketing, the receipt of bid submittals, and staff preparation for the public meeting.

ALTERNATIVES

The Board could choose not to adopt the resolution. This alternative is not recommended as the disposal of the underutilized properties is consistent with prior Board direction, which will relieve the County of associated liabilities and cost obligations, and generate one-time revenues.

OTHER AGENCY INVOLVEMENT

County Counsel has reviewed and approved the resolution and bid package documents as to form. Notices of the proposed property dispositions were provided to the City of Vallejo and the City of Vacaville, and all associated local housing authorities, redevelopment agencies, public transportation agencies, school districts, and enterprise associations. No response of interest in acquiring either of the properties was received from these agencies.

CAO RECOMMENDATION

APPROVE DEPARTMENTAL RECOMMENDATION