

NEW COUNTY GOVERNMENT CENTER



PURCHASE AND SALE AGREEMENT



Keith Lew, Deputy Director
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Improve services with modern, safe facilities

The County is facing challenges with its current facilities:



170+ aging buildings we have outgrown - almost \$10M/yr to rent more space*



In 2018, the County Government Center's deferred maintenance backlog was \$258M - a cost that goes up every year.



Many County Government Buildings are not up to modern standards for accessibility, efficiency, and seismic safety.



Recognizing this need, the Board of Supervisors has asked for a technical evaluation of the most efficient locations and best approach.

*As presented to BOS in Mar 2019
Deferred Maintenance Report

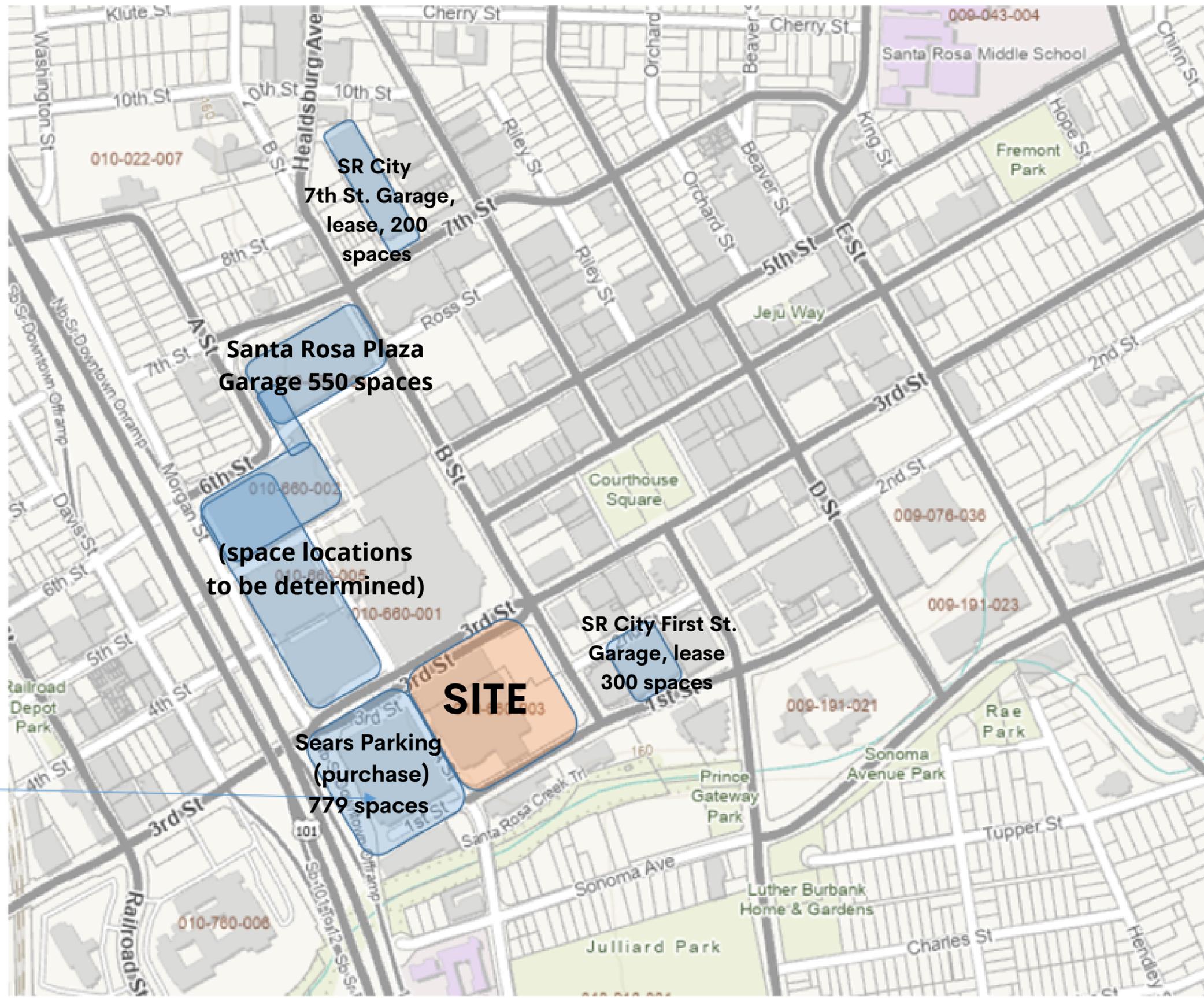
NEW GOVERNMENT CENTER
OUR GROWING NEED

POTENTIAL SITE

FORMER SEARS SITE

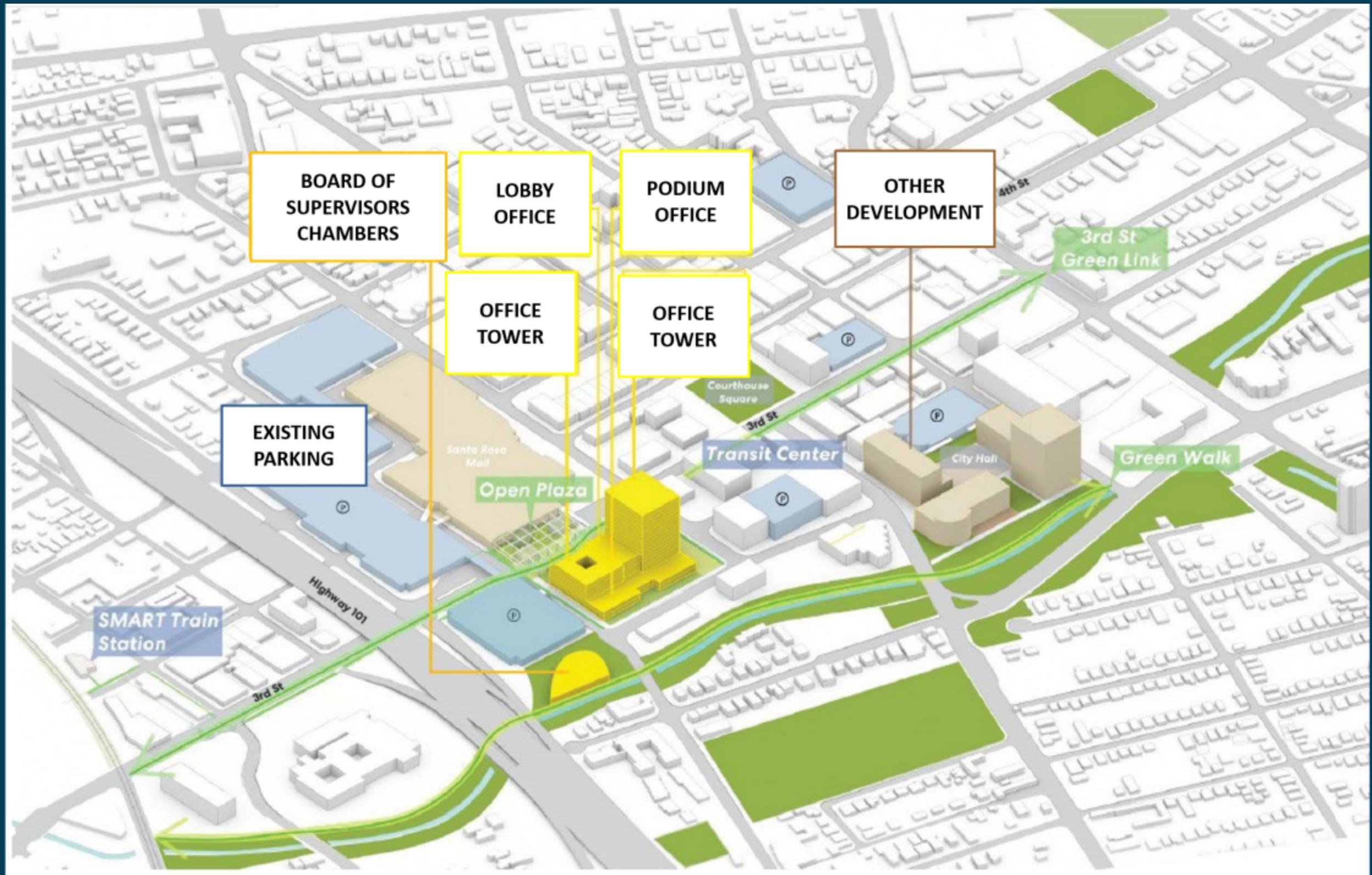
POTENTIAL SANTA ROSA MALL PARKING LEASE

POTENTIAL CITY OF SANTA ROSA PARKING LEASE



- Site size: 7.4 acres
- 779 parking spaces on site
 - Garage: 638
 - Surface: 141*
- 550 leased parking spaces (restricted use) in Santa Rosa Mall
- 500 leased parking spaces in City of SR parking garages

*new build likely to eliminate



CONCEPT SITE ANALYSIS - SEARS SITE

NEGOTIATE TERMS OF CONDITIONAL ACQUISITION

- Negotiations with property owner - SPS Portfolio Holdings, LLC
- Negotiations with City of Santa Rosa for parking
- RFP for environmental studies consultant
- Launch CEQA and NEPA

ADDITIONAL WORK

- Initial evaluation of Build America Bureau financing opportunities
- Preparing consultant agreements for Due Diligence
- Work with legislative delegation to obtain authorization for P3 model
- Program validation post-COVID
- Updated cost assessments
- Project labor agreement (PLA)



SCOPE OF WORK

CONDITIONAL ACQUISITION DEAL



KEY POINTS

- Sale price: \$20,750,000
- Buyer's Initial deposit of \$500K
- Deposit refundable if CEQA/NEPA is not approved
- Seller to demo existing structures (except garage)
- Conditional on CEQA/NEPA, parking agreements
- 90-day Initial Inspection Period, with a possible 90-day Additional Inspection Period
- Additional \$500K deposit due at the end of the Inspection Period
- Estimated \$42,500/year maintenance contract covering mall parking and common area expenses

ONE-TIME COST SOURCES

- Deposits and due diligence expenses covered by Deferred Maintenance Fund (\$1.9M)
 - \$1M deposits
 - \$888K due diligence, consulting, staff time
 - Deposits are refundable within the 180-day due diligence period
- \$20.75M purchase price, less deposits
 - FY 20-21 Year end Available fund balance (\$15.1M)
 - Chanate demolition set-aside (\$4.65M)

FINANCIALS

PROPOSED CONDITIONAL TIMELINE

- Special Legislation enacted (assume no Urgency Clause)

- Board approves developer
- Design begins

- Construction complete
- Move-in
- Payments begin

Spring 2023

Spring 2024

Fall 2028



Spring 2022

Summer/Fall 2023

Spring 2025

- Start CEQA/NEPA
- Start Due Diligence
- Conditional Sale
- Earliest potential RFQ release

- Final CEQA/NEPA
- County owns site
- Release RFQ/P

- Construction begins



RECOMMENDED ACTIONS

1. Authorize the Board Clerk to publish notice declaring the intent of the Board of Supervisors to execute, as Buyer, a Purchase and Sale Agreement (PSA) with SPS Portfolio Holdings, LLC, as Seller, for the former Sears site located at Santa Rosa Plaza, Santa Rosa, CA (APN: 010-660-003), for \$20,750,000, for use for development of the new County Government Center; and upon execution of the PSA for the County to make a \$500,000 Earnest Money Deposit into escrow, with Close of Escrow to occur within 60 days of the completion of the CEQA process.
2. Adopt budget resolution authorizing \$1,888,000 in FY 21-22 Deferred Maintenance funds for deposits and due diligence activities.



QUESTIONS