



## SUMMARY REPORT

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**Agenda Date:** 7/12/2022

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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** General Services

**Staff Name and Phone Number:** Johannes J. Hoevertsz, 707-565-2550

**Vote Requirement:** 4/5th

**Supervisorial District(s):** First

**Title:**

Boyes Hot Springs Hub Civic Plaza Scoping Agreement

**Recommended Action:**

- A) Delegate authority to the Director of General Services to execute a Scoping Agreement with KS Mattson Partners, LP, a California limited partnership, which provides for, among others things: (1) a process to conduct community outreach regarding a proposal for possible future redevelopment of approximately .70 acres of County-owned land known as the Springs Parking Plaza in Boyes Hot Springs located at the corner of Highway 12 and Boyes Boulevard (the Property), and (2) reimbursement of County costs for evaluating the feasibility of the proposed possible future redevelopment of the Property.
- B) Authority to grant a right of entry to KS Mattson Partners, LP, and its agents during the term of the proposed Scoping Agreement to enter the Property to perform non-invasive testing, surveys and assessments, subject to appropriate indemnification of County and provision of County required insurance.
- C) Authority to retain the services of consultants and other professionals necessary and appropriate to conduct due diligence and feasibility investigations regarding the proposal for possible redevelopment of the Property for a civic plaza, and to expend funds as necessary for evaluating feasibility, which may include an appraisal, design and engineering services and plans, environmental review, survey, title reports, and other studies in connection with said investigations and the redevelopment proposal.
- D) Adopt a resolution authorizing budgetary adjustments of \$50,000 to the FY 2022-23 Budget for revenues received and expenditures incurred as a result of the scoping agreement.

(First District) (4/5<sup>th</sup> Vote Required)

**Executive Summary:**

The County owns approximately .70 acres at the corner of Highway 12 and Boyes Boulevard in Boyes Hot Springs (the Property). A landowner, KS Mattson Partners, LP, a California limited partnership (Mattson) owns properties adjacent to the Property. Under the proposed Scoping Agreement, Mattson seeks to undertake a community engagement process to explore the community interest in, and feasibility of redevelopment of the Property to create an at-grade Springs Hub Civic Plaza with underground parking accessible to the public through a ground lease and /or other agreement with the County (the Proposal) The developer seeks to obtain the County's participation and facilitate County's feasibility analysis during the community engagement process due to the broad community interest in the project, the County's experience in conducting such engagement activities, and related redevelopment of Mattson's adjacent properties.

**Discussion:**

Mattson, a developer with current development applications with Permit Sonoma in process in the Springs Plaza area, made an unsolicited proposal to undertake a community engagement process to determine the community interest in the Proposal generally, and the potential features thereof that would provide benefit to the community. The proposed Scoping Agreement will establish procedures and standards for the creation and implementation of a community outreach and engagement plan, and subsequent potential negotiation by the County and Mattson of a nonbinding term sheet describing the terms of a possible transaction potentially allowing the Proposal at the Property, subject to full review (by the community, PRMD, TPW, General Services and County Counsel) and entitlement process. Any potential lease or other agreement negotiated by County and Mattson will be subject to environmental review, in full compliance with the California Environmental Quality Act.

This Proposal is connected to the Springs Hub Civic Plaza project that was originally earmarked in the Reinvestment and Revitalization (R&R) Fund in FY 2015-16 and again in FY 2016-17. The current balance of funds set aside for this project is \$2,050,000. Staff is not requesting any of those funds be allocated during this preliminary project scoping phase. However, if the County and developer elects to move forward, Staff will return to the Board with more information about funding needs and potential need to vacate the road right-of-way.

The material terms of the proposed Scoping Agreement provide:

- 1) Mattson to develop and implement a program for community outreach in order to gain community involvement and opinions with respect to the Proposal, including to determine what features are of most interest to the community;
- 2) Mattson to complete no less than 3 meetings with community stakeholders during the term, led by a facilitator who will facilitate public meetings discussing the Proposal;
- 3) County and Mattson to reasonably cooperate in planning, organizing, and facilitating these meetings. County to hire an independent facilitator to conduct public meetings;
- 4) The Term under this proposed Scoping Agreement shall be six months (6) from date executed, subject to one six (6) month extension upon approval by the County Administrator;
- 5) During the Term, County shall not negotiate nor proactively reach out to any business entity, other than Mattson and adjacent property owners coordinating in the Proposal, to discuss or explore other development proposals on the Property;
- 6) Mattson to provide County with a cash deposit of \$50,000 retained by County and subject to draw down by County to pay County's reasonable costs and expenses related to community outreach process, and negotiating and preparing the contemplated Term Sheet, including staff time expended in connection with community outreach process, and negotiation and drafting of any resulting agreements;
- 7) If County and Mattson enter into a Term Sheet, County to incur additional costs in connection with planning, design, engineering and environmental review to administer the parties rights and obligations including fees and services of third party consultants, and Mattson to reimburse County for said costs not to exceed \$150,000, unless modified in writing; and
- 8) County to make available all public records, studies, and other documents in its possession as deemed reasonably necessary by Mattson to perform Mattson's analysis of the Property.

The proposed Scoping Agreement: (i) will not grant any vested development entitlements to Mattson; (ii) will not bind any party, or commit to any definite course of action; (iii) will not restrict County or any lead agency from considering any feasible mitigation measures and alternatives, including the "no Proposal" alternative; and (iv) will not restrict County or any lead agency from denying the Proposal.

**Strategic Plan:**

N/A

**Procedural Authority:**

The Board has authority to authorize the execution of the proposed Scoping Agreement and Right of Entry Agreement pursuant to Government Code § 23004. Prior to execution of any lease or other similar agreement, for all or a portion of the Property, staff shall return to the Board for further direction and authorization as required by law.

**Prior Board Actions:**

None.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY22-23 Projected</b>	<b>FY 23-24 Projected</b>	<b>FY 24-25</b>
Budgeted Expenses			
Additional Appropriation Requested	\$50,000		
<b>Total Expenditures</b>	<b>\$50,000</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other	\$50,000		
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$50,000</b>		

**Narrative Explanation of Fiscal Impacts:**

Mattson to provide County with a cash deposit of \$50,000 retained by County and subject to draw down by County to pay County's reasonable costs and expenses related to community outreach process, and negotiating and preparing the contemplated Term Sheet, including staff time expended in connection with community outreach process, and negotiation and drafting of any resulting agreements.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

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**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

- 1 - Proposed Scoping Agreement
- 2 - Budget Resolution

**Related Items "On File" with the Clerk of the Board:**

None