



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 4/20/2021

To: Sonoma County Board of Supervisors

Department or Agency Name(s): General Services

Staff Name and Phone Number: Caroline Judy, 707-565-8058

Vote Requirement: Majority

Supervisorial District(s): Fifth

Title:

Acquisition of real property, located at 665 Highway 1, Bodega Bay

Recommended Action:

- A) Authorize the General Services Director to execute a Property Purchase Agreement with Timothy Farfan and George Craig Miller for real property located at 665 Highway 1 in Bodega Bay, being further described as Assessor's Parcel No. 100-110-006, comprised of approximately 2,000 sq. ft. of land; and to execute any other documents reasonably required to effect purchase of the property, including certificate of acceptance.
- B) Adopt the amended Budget Resolution approving adjustments to the FY 20-21 Budget in the amount of \$225,000 to reflect the use of Litigation Contingency Funds instead of using Tidelands Special Revenue Funds as indicated on 3/23/21.
(Fifth District)

Executive Summary:

This item seeks Board approval to execute a Property Purchase Agreement with Timothy Farfan and George Craig Miller (Seller), for acquisition of real property once demolition is complete, comprised of 2,000 sq. ft. of land, located at 665 Highway 1 in Bodega Bay, APN 100-110-006 (Property), for a purchase price of \$220,000. The proposed acquisition is pursuant to a settlement agreement between County and Seller, for damages sustained to Seller's residential structure constructed in part on the Property.

Discussion:

Background. Sellers filed a government claim ("Claim") against the County related to damages Sellers sustained on October 14, 2018 when a Sonoma County Sheriff's Deputy's patrol car crashed into their residence, located at 665 Highway 1, Bodega Bay, CA, during a vehicle pursuit. The residence was constructed partially on real property owned by Sellers, and partially on adjacent County-owned tidelands property. The structure sustained substantial damage as a result of the collision.

In settlement of the Claim, County has agreed to pay a certain amount in settlement of the claim, and also to bring forth to the Board for approval the purchase of the Property on the terms set forth below. The settlement payment and the contemplated purchase are both

conditioned on the Seller's completion of demolition and removal of the damaged structure on the Property itself and within the County-owned tidelands onto which the structure is partially built. The purchase of the Property will allow the County both to settle the Claim and in the process thereof obtain ownership of a parcel that supports County's long term climate adaptation goals and stewardship of the state-granted tidelands.

If your Board does not approve the recommended action to begin the purchase process, the settlement agreement will be of no effect.

Property Description. The property proposed for acquisition is upland property, comprised of 2,000 sq. ft. of land, located at 665 Highway 1, in Bodega Bay ("Property"). The Property is situated along the coastal highway and east of County-owned Tidelands property. Currently, the Property contains a damaged residential structure, which is beyond repair and a visible blight along the coast.

Proposed Purchase Agreement Terms. Staff has negotiated a Property Purchase Agreement, the proposed terms of which are described below.

Purchase Price: \$220,000.

Security Deposit: None.

Closing Conditions: County's obligation to close is subject to Seller's performance as follows:

- 1) Completed and verified demolition of all structures and abatement of hazardous materials located on the Property, including the structures located on the portion of the real property that is owned by Sellers and the Tidelands portion of the property owned by the County.
- 2) Completion of the removal and disposal of all structures constructed on the County-owned Tidelands property and abatement of all hazardous materials on Tidelands property, as evidenced by and in full compliance with the California Coastal Commission.
- 3) Seller presenting to the County clean and marketable title for Seller's Property.
- 4) Seller will deliver into escrow a Grant Deed conveying the Property to the County.
- 5) The proposed Property Purchase Agreement provides that Seller make all reasonable efforts to complete the work within 30 days of your Board's approval of execution of the Property Purchase Agreement. The County shall have no obligation to pay the purchase price of \$220,000, if the Seller has not commenced work within 180 days of Board approval of the Property Purchase Agreement; or the Seller does not complete the work within 365 days of Board approval of the Property Purchase Agreement.

Closing Date:

Close of escrow is contingent upon the above conditions, and shall occur not more than thirty-five (35) days after verified completion of the demolition and abatement work,

unless all conditions to close of escrow have not been met by that time, notwithstanding the good faith and diligent effort of both parties.

Costs and Funding. The costs for the acquisition of the Property will be paid through Litigation Contingency Fund for acquisition and escrow costs as shown below.

Purchase Price	\$220,000
Plus. Est. Escrow Fees	\$ 2,092
Plus Est. Other closing costs	\$ 1,011
<u>Contingency for increased fees</u>	<u>\$ 1,897</u>
Equals total Est. Cash needed to close	\$225,000

General Plan and C.E.Q.A: Since the Property is located in the unincorporated area of Sonoma County, there is no government code requirement to obtain a general plan consistency finding. The acquisition of the Property by the County is exempt from C.E.Q.A. review. The described demolition and remediation work to be completed by Seller prior to the purchase of the Property has already undergone C.E.Q.A. review, and will be subject to any additional review necessary via the Seller's permit approval process.

Ongoing Maintenance of the Property

If the terms of the acquisition are met and the property is transferred to County ownership, then the County will assume ongoing maintenance of the cleared property site. Ongoing funding is necessary to cover the General Services Department's annual expense of periodic vegetation management and other safety measures. This is a General Fund expense and is estimated at approximately \$4464 annually.

Procedural Authority. Government Code Section 25350 requires the Board to publish a notice of its intention to purchase property valued at more than \$50,000, for three (3) successive weeks before consummation of the proposed purchase agreement. The notice of intent for this transaction has been published for the required period pursuant to the Board's action on March 23, 2021.

Prior Board Actions:

03/23/21—Declared intent to enter into the subject property purchase agreement; authorized the General Services Director to execute a Temporary Permit to Enter with Timothy Farfan and George Craig Miller; Adopted a resolution approving budget adjustments to the FY20-21 budget in the amount of \$225,000 using the Litigation Contingency Fund.

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY 21-22 Projected	FY 22-23 Projected
Budgeted Expenses	\$225,000	\$4,644	\$4,644
Additional Appropriation Requested			
Total Expenditures	\$225,000	\$4,644	\$4,644
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance		\$4,644	\$4,644
Contingencies	\$225,000		
Total Sources	\$225,000	\$4,644	\$4,644

Narrative Explanation of Fiscal Impacts:

Closing costs have been estimated and were described in the Board agenda item on 3/23/21. At the time the approved budgetary resolution to complete the purchase identified funds from the Tidelands Special Revenue fund available balances. Subsequently, the CAO has identified the Litigation Contingency Fund as the most appropriate funding source for the purchase of the land. If approved by your Board as proposed, the one-time costs for acquisition of the Property will be paid out of the Litigation Contingency Fund. After acquisition of the Property, General Services anticipates \$4,644 per year for vegetation management, safety measures, and debris removal. This annual expense will be paid for from the General Fund and will be included in the Budget Supplemental.

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

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

Attachment A: Budget Resolution - Modified

Related Items “On File” with the Clerk of the Board:

None.