



Legislation Text

File #: 2021-1169, **Version:** 1

To: Sonoma County Board of Supervisors

Department or Agency Name(s): General Services

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

Vote Requirement: 4/5th

Supervisorial District(s): Fifth

Title:

Approval of Sale of Real Property and Improvements at 601 Piezzi Road to City of Santa Rosa for Sewer Purposes

Recommended Action:

- A) Request Board of Supervisors approval to delegate authority to the Director of General Services to execute a sale agreement with the City of Santa Rosa for the disposition of County owned property (APN 130-230-064) located at 601 Piezzi Road, Santa Rosa, containing approximately 1,961 sq. ft. (.05 acres) previously improved with sewer facilities for sewer lift station and related public utility purposes;
- B) Adopt a Resolution of Notice of Intent to Sell with findings that the property is exempt Surplus Property pursuant to Govt Code 54221(f)(1)(D) and not needed for County purposes;
- C) Request Delegated Authority to Director of General Services to complete all steps and documents, including preparing a deed and all related transactional documents reasonably necessary to complete the conveyance on form and content approved by County Counsel; and,
- D) Authorize the Chair of the Board of Supervisors, or other presiding officer, to execute the deed in accordance with the terms of the Purchase and Sale Agreement.

(4/5th Vote Required) (Fifth District)

Executive Summary:

The City has requested the ability to acquire the County-owned parcel which contains less than 2,000 square feet (.05 acres) and is located in at 601 Piezzi Road Assessor's Parcel No. 130-230-064 (the "Property"). For the reasons more fully discussed below, General Services Department staff recommend that your Board authorize the Director of General Services to execute a purchase and sale agreement to sell the Property to the City in its as-is, where is, with all faults condition. The County makes no use of the Property while the City makes beneficial use thereof for critical municipal services for the public. The City has been continuously operating its sewer pump and related facilities at the Property since approximately 1986. This sale is exempt from the California Surplus Lands Act because the disposition is from one local agency to another local agency.

Purpose: Disposing of the Property will serve several important purposes: (i) to permit the City to continue providing necessary sewer related services to the community; and (ii) enable the County to generate revenue both from the sale of surplus land, and eliminate liability related to current operations at the Property and potential harm to persons or property.

Discussion:

Pursuant to an agreement with the City of Santa Rosa executed in 1984, the County constructed and installed a sewer system with sewer mains and related improvements for the benefit of the Willowside Estates Sewer Improvement District No. 1 (in the vicinity of the Santa Rosa Golf and Country club (generally located southwest of the intersection of Hall Road and Piezzi Road). Similarly, according to said agreement the City agreed to maintain and operate said sewer systems. The County completed its obligations under this joint improvement agreement. The county approached the City to offer the use of the Property under a license agreement at which time the City requested to purchase instead of license the land.

County staff concurred that conveyance of fee title to the parcel was preferable to a long term license, based on the City's an exclusive use of the Property and need to make future improvements thereon which would be expedited by City owning the Property. Similarly, the County can shift of the risks associated with ownership of a property it does not use by conveying title.

The Property is currently improved with several buildings, structures, pumps, propane tank, and fencing, all used in conjunction with the sewer lift station. The sale will be on an as-is, where-is basis, with all faults, with limited representations or warranties as to its condition as the county has not operated the Property in many years.

County and City have negotiated a purchase and sale agreement (PSA) which is attached to this Board Summary Report and staff recommend that the Director of General Services be authorized by the Board to execute the PSA in substantially the form attached hereto, upon approval by County Counsel. City has a contingency to conduct inspections and shall be required to satisfy itself concerning all due diligence matters including the environmental condition of the Property and access to the parcel. The City will have not more than 60 days after execution of the PSA to obtain all necessary environmental assessments and investigations on the Property, and deliver the same to County for informational purposes. The City shall obtain and pay for a title report, title insurance policy issued at closing. The PSA shall provide for a closing on or before March 1, 2022, or as soon thereafter as is practical, to allow time for final approvals by the County and City.

The County makes no use of the Property. General Services staff contacted County Parks and County Transportation and a Public Works about the potential sale of the parcel to the City; neither agency expressed an interested in acquiring the parcel or had any concerns about the disposition.

The City provided County with two appraisals of the Property each concluding a value of Four Thousand Dollars (\$4,000) for the Property. In the appraiser's opinion, this low value is due to the small size of the parcel, the existence of a drainage easement in favor of surrounding properties encumbering the vast majority of the Property resulting it there being no development potential and thus the parcel being unbuildable.

The proposed sale price of the Property is \$4,000, which is a fair market value of the Property, with the City to pay all costs of the transaction, including without limitation title, escrow, recordings, notary and related fees. PSA requires that the City cover County costs to process the transaction not to exceed \$5,500.

The County is authorized to sell this parcel containing less than 2,000 square feet (.05 acres) under an exemption to the Surplus Lands Act based on it being conveyed by one local agency to another local agency for said agency's use. (Cal. Gov. Code, § 54221(f)(1)(D). It is exempt from bidding and notice requirements

pursuant to Gov. Code § 25526.5 because the parcel is valued at less than \$25,000. The sale of surplus government property is exempt from the California Environmental Quality Act. 14 C.C.R. § 15312.

On May 27, 2021, General Services initiated communication with the California Department of Housing & Community Development (HCD) as required by State code to seek HCD's concurrence with the Board Resolution declaring that the Property qualifies at "exempt surplus land".

On June 8, 2021, HCD notified General Services that the transaction would qualify "exempt surplus land" under Government Code § 54221(f)(1)(D) based on its transfer to from one public agency to another.

On September 16, 2021, at HCD's suggestion General Services sent HCD the proposed Board Resolution to accompany the surplus sale of the Property.

On September 24, 2021, HCD provided comments on General Service's resolution which the County has incorporated into the Board Resolution accompanying this Board Item.

Strategic Plan:

N/A

Prior Board Actions:

Board Summary Report, Item No. 7 approved September 24, 2020 concerning the sale of 601 Piezzi Rd to the City of Santa Rosa and Resolution Number 20-0353 concerning Item 7.

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Budgeted Expenses	\$9,500		
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$9,500		
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

County intends to sell the subject Property "as is", "where is" with all improvements, after the City completes its due diligence and agrees to proceed. The City will pay County a purchase price of \$4,000 for the Property, which is the appraised value. At close of escrow, the City will reimburse the County for certain administrative costs to manage the transaction not to exceed \$5,500. The Real Estate budget contains sufficient

appropriations to cover the costs as stated above, no additional appropriations are needed at this time.

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:

- 1 - Resolution
- 2 - Notice of Intent

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

- 1 - Purchase Agreement
- 2 - Legal Description to Resolution
- 3 - Sewer Facility Agreement
- 4 - Notice of Exemption