



Board Agenda Item 12

DATE: June 20, 2017

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Public Auction and Sale of County Property - Ventura and Tenth Streets (Former Juvenile Hall)

RECOMMENDED ACTION(S):

- 1. Acknowledge receipt and consider all sealed bids and call for oral bids for the sale of approximately 12.586 acres with improvements of County owned property located in the south west corner of Ventura and Tenth Streets, Fresno, CA, commonly known as the former Juvenile Hall (APN's 470-054-04t, 14t, 16t, 9t, 10t, 11t, 12t, 13t; 470-124-07t, 09t; 470-021-01t; 470-133-01t), pursuant to Resolution 17-161 adopted by your Board on March 7, 2017 to sell such surplus property at a minimum sale price of \$1,500,000.**
- 2. Authorize the Chairman or the County Administrative Officer, or the Director of Internal Services/Chief Information Officer to execute the Sale Agreement, Grant Deed and any other documents associated with the sale, subject to final review and approval of such documents by County Counsel and the Auditor-Controller/Treasurer-Tax Collector.**

Approval of the recommended actions will authorize the sale to the highest bidder of the surplus County owned property shown in the first recommended action. Staff will work with the successful bidder to finalize the sale and purchase documents with review and approval by County Counsel.

In compliance with California Government sections 54220, et seq., staff notified governmental agencies that the property was for sale and the agencies had 60 days to notify the County of their intent to purchase the property. No agencies contacted the County about purchasing the property.

ALTERNATIVE ACTION(S):

If no bidders are interested at the minimum sale price, reduce the sale price to an amount approved by your Board. If the property is not sold and the juvenile justice facilities are left vacant, maintenance costs will continue, averaging \$126,679 per year over the past six years (\$122,229 for FY 2015-16).

FISCAL IMPACT:

The fiscal impact would be determined by the final sale price. County costs associated with the sale of the property include the cost of a Preliminary Title Report and advertising to sell the property, which together are estimated at \$17,500. Currently, annual cost to maintain the vacant 10th Street facilities average \$126,679, mainly for routine facility and landscape maintenance, utilities and security and is funded from General Fund Org 2540, Interest and Miscellaneous Expenditures. Probation and Internal Services Department (ISD) pay the operating costs for the space they occupy. It is recommended that the proceeds of the sale be deposited in Countywide Revenues Org 0415 and designated for future capital projects.

DISCUSSION:

The County used the 10th Street property beginning in the 1950's as a juvenile facility that consisted of dormitories, playgrounds, a school and other buildings to support the juvenile facility. The juvenile facility was closed in 2006 when the American Avenue Juvenile Justice Campus opened. Three buildings located at the property are occupied: Probation (2 buildings, 19,032 sf and 2,890 sf) and a building occupied by the ISD office (20,872 sf).

Probation is currently looking to relocate to another leased or purchased site. The ISD operation has relocated to the Pontiac building and staff are in the process of moving the remaining equipment.

The following public agencies were notified of the property sale: City of Fresno, County of Fresno, Fresno County Office of Education, Fresno Unified School District, California Resources Agency, California State Parks, California Department of Transportation, and Housing Authorities of the City and County of Fresno. The agencies were invited to a site visit on April 12, 2017, but no agencies were present. None of these agencies contacted the County about purchasing the property.

Since no governmental agencies indicated an interest in purchasing the property, the County is proceeding to sell the property by public bidding, consistent with the terms set forth in Resolution No. 17-161 adopted by your Board on March 7, 2017.

Public Bidding Procedures

The public bidding procedures to sell surplus property are as follows:

- A. Notice of the adoption of Resolution 17-161 specifying the minimum sale price of, \$1,500,000, and other terms/conditions of sale was given in accordance with statutory requirements. A site tour for interested parties was conducted on May 31, 2017 at 9:30 a.m.
- B. Written bids from interested parties shall be mailed or delivered to the Clerk to the Board, Hall of Records, Third Floor, 2281 Tulare Street, Fresno, CA 93721, by 9:00 a.m. on June 20, 2017 in a sealed envelope labeled "Bid to Purchase Surplus County Real Property 10th Street, Fresno, CA" and accompanied by a bidder's deposit in the sum of \$25,000 in the form of a certified or cashier's check payable to the County of Fresno.
- C. Upon opening of the written bids, the Board of Supervisors will request oral bids. Oral bidders who have not made a bidder's deposit must present a certified or cashier's check before making an oral bid and the check must be in the sum of \$25,000 and payable to the County of Fresno. The first oral bid must be at least 5% over the highest written bid for the property being sold.
- D. All unsuccessful bidders will have their bidder's check returned to them upon completion of the bidding. The deposit of the successful bidder is nonrefundable.
- E. The Board of Supervisors reserves the right to reject any and all bids if it deems it best for the public interest.
- F. The successful bidder will sign the form of Sale Purchase Agreement and Escrow Instructions and pay to the County the remaining balance of the purchase amount as provided in the sale and purchase agreement.
- G. County Counsel and Auditor Controller/Treasurer Tax Collector will review and approve all documents related to sale and conveyance of the property.
- H. Upon designation of a successful bidder, all terms and conditions of the Sale Agreement will need to be satisfied. If the first bidder cannot meet the requirements and deadlines of the sale, the Board of

Supervisors may accept the bid of the runner-up bidder, subject to the same requirements as apply to all bids for this property. In such event, the first bidder forfeits the deposit.

Closed Juvenile Justice Facilities, Ventura and 10th Streets - Exhibit "A"

- The majority of the Property was acquired February 16, 1897 for \$7,000 in gold coin. Additional areas were added for playgrounds and parking for the facility.
- Land area: Approximately 12.586 acres. Building Square Feet: 188,804 sf. - Vacant: 146,010 SF
- Occupied Buildings at site: Probation: 21,922 sf., Information Technology Services: 20,872 sf.
- Zoning: Majority of property NMX (Neighborhood Mixed-Use); Southwest Parking Area is RS-5 (Residential Single-Family).
- Use options: Use of the facility is limited because of costs to make necessary repairs and improvements. Fire suppression upgrade is estimated at \$1,250,000. Replacement of the chiller, boilers and other mechanical systems would be a major expense. Several County departments have looked at the 10th Street buildings, but expensive renovations would be necessary to change to office or other space use.
- Expenditures for maintenance at 10th Street are shown on Exhibit "B".

10th Street Property Appraisal

James G. Palmer, Palmer & Associates, an independent appraiser, engaged by the County, was directed to appraise the property as two parcels as shown on Exhibit "C" This appraisal method was selected to permit your Board to have options in selling the parcels. The fair market value of the property was determined as of April 18, 2014. The appraisal report identified the following:

Parcel 1 - North Parcel - Juvenile Justice Property (7.906 acres)

- Property Valuation, a negative (\$105,000 adjusted value), land \$1,378,000; buildings and improvements no value, demolition cost estimated at \$1,482,810.
- Highest and best use: Due to the age, condition, design and special purpose use, the structures and all of the improvements have outlived their economic and useful life. The structures and improvements should be removed, the land cleared, and the parcel rezoned for multifamily development.

Parcel 2 - South Parcel - Probation/Computer Services Property (4.680 acres)

- Property valuation, \$5,137,000 (Land \$815,000, Improvements \$4,322,000)
- Highest and best use: interim use as government offices on multiple family land.

REFERENCE MATERIAL:

BAI #9, March 7, 2017 (Including Resolution No. 17-161)
BAI #44, September 13, 2016
BAI #12, May 24, 2016
BAI #9, February 9, 2016 (Including Resolution No. 16-058)
BAI #9, July 15, 2014
BAI #7, September 17, 2013
BAI #16, February 8, 2011

ATTACHMENTS INCLUDED AND/OR ON FILE:

Agenda Exhibits A-C
On file with Clerk - Form of Sale-Purchase Agreement and Escrow Instructions

CAO ANALYST:

John hays