



Board Agenda Item 12

DATE: June 30, 2026

TO: Board of Supervisors

SUBMITTED BY: Edward Hill, Chief Operating Officer/Interim Director of General Services
Steven E. White, Director, Department of Public Works and Planning

SUBJECT: Surplus and Exchange of County Land with POM Wonderful LLC

RECOMMENDED ACTION(S):

1. **Adopt and authorize the Chairman to execute Resolution finding and declaring the following under Government Code sections 25365(b) and 54221(f)(1)(C) for an exchange of real properties (4/5 vote):**
 - a. **The County-owned real property located in the vicinity of the southeast corner of South Del Rey and East American Avenues in the unincorporated community of Del Rey, California 93616 and which is approximately 2.204 acres of land (“County Property”), is not necessary for use by the County;**
 - b. **The County Property is exempt surplus land under Government Code section 54221(f)(1)(C);**
 - c. **Your Board intends for the County Property to be exchanged as exempt surplus land under Government Code section 54221(f)(1)(C) of the Surplus Land Act with 2.373 acres of open land also located in the vicinity of the southeast corner of South Del Rey and East American Avenues in the unincorporated community of Del Rey, California 93616, and owned by POM Wonderful LLC (“POM Wonderful Property”), which is land required for County use;**
 - d. **The County Property and the POM Wonderful Property described above and depicted in Exhibits A and B in the Resolution, respectively, are of approximately equal value and the exchange shall be on an “as is” and “where is” and “with all faults” basis, which will involve no exchange of money or other consideration;**
2. **Approve the form of the Real Property Exchange Agreement and the forms of both Grant Deeds (collectively, the form of the “Exchange Agreement”), which are on file with the Clerk of the Board;**
3. **Authorize and direct County Counsel, or County Counsel’s designee, to provide a copy of the adopted Resolution and the Board-approved unexecuted form of the Exchange Agreement to the California Department of Housing and Community Development (“HCD”), and any such other information that County Counsel, or County Counsel’s designee, deems necessary or appropriate and in the best interest of the County, or that HCD may request from the County; and**
4. **Authorize the Director of the Department of General Services (“Director”), or their designee, on behalf of the County, to approve and execute the final Exchange Agreement and the final grant deed conveying the County Property to POM Wonderful LLC, including**

any changes to the Board-approved form of such documents, as the Director or their designee deems necessary or appropriate and in the best interest of the County, all subject to approval as to legal form by County Counsel, and approval as to accounting form by the Auditor-Controller/Treasurer-Tax Collector (as applicable), and such executions of such documents by the Director or their designee to be accomplished only after the proposed exchange is approved by HCD (4/5 vote).

The General Services Department ("Department") recommends that your Board approve an exchange of County-owned real property, approximately 2.204 acres, located in the unincorporated area in the vicinity of the southeast corner of South Del Rey and East American Avenues in the unincorporated community of Del Rey, California 93616 ("County Property") with approximately 2.373 acres of land also located in the unincorporated area in the vicinity of the southeast corner of South Del Rey and East American Avenues in the unincorporated community of Del Rey, California 93616 and owned by POM Wonderful LLC ("POM Wonderful Property"). Both properties are reflected in Attachment A - Site View.

If your Board approves the recommended actions, and after HCD reviews and approves the adopted Resolution and the Board-approved unexecuted form of the Exchange Agreement, the parties may proceed with entering into the recommended Exchange Agreement, which provides for a property exchange for no monetary payment or other consideration. If the County receives a notice of violation from HCD, the Department will return to your Board for further direction and action, and the Department will not pursue the Exchange Agreement unless and until your Board and HCD are satisfied.

The recommended actions include required Board findings and declarations that the Property is County-owned real property, is not necessary for County use, that the Property is exempt surplus land (Government Code section 54221(f)(1)(C) of the Surplus Land Act), and that your Board intends for the County to exchange with other real property which is necessary for County use (Government Code section 25365(b)). This item pertains to County-owned real property in District 4.

ALTERNATIVE ACTION(S):

Your Board may decline to approve the recommended actions and direct the Department to pursue other real property sale opportunities or elect to keep the County Property.

As to other real property sale opportunities, the County may first attempt to sell the County Property under the standard "surplus land sale" procedures of the Surplus Land Act (i.e., not the "exempt surplus land" sale procedures in this item), which must be before any attempt to publicly sell the County Property.

Your Board may also wish to consider another way of acquiring the POM Wonderful Property; however, the Exchange Agreement is recommended, as the POM Wonderful Property is necessary for the County's use and exchanging it for County Property that is not necessary for the County use comes with no monetary obligation or other consideration.

FISCAL IMPACT:

There is no cost associated with the recommended actions. Recording costs for the grant deeds will be borne by POM Wonderful.

DISCUSSION:

Historical Background

The POM Wonderful Property is an approximately 2.373-acre portion of APN 350-230-01S, a 42-acre parcel containing POM Wonderful's juicing facility. On July 21, 2009, the Board approved POM Wonderful's request

to acquire a 2.5-acre County-owned storm-water drainage basin to accommodate the expansion of its POM Wonderful juicing facility. In exchange, POM Wonderful agreed to construct and convey to the County a replacement storm-water drainage basin of equal size located north of the existing basin on the POM Wonderful Property. At that time, staff advised the Board it would return upon completion of the new basin to facilitate POM Wonderful property exchange. POM Wonderful completed the construction of the replacement basin POM Wonderful in 2012.

Because the POM Wonderful Property is not a legal lot in accordance with the Subdivision Map Act of the State of California (the "Subdivision Map Act"), the exchange of the Properties must be effectuated through three separate lot line adjustment deeds, as detailed in the parties' draft Exchange Agreement, which is before your Board for consideration.

Property Valuation

Scott Appraisal Company valued both the County Property and the POM Wonderful Property on July 10, 2024. The appraisal states that the County Property has a market value of \$290,000, and the POM Wonderful Property has a value of \$310,000.

Required Board Findings and Declarations

Under the recommended Resolution, your Board is required to make the following findings and declarations so that the County may exchange the County Property with the POM Wonderful Property:

- Under the Surplus Land Act, your Board finds and declares that the County Property is:
 - County-owned property not necessary for County use;
 - Exempt surplus land that your Board intends to exchange with real property that is necessary for County use, the POM Wonderful Property (Government Code section 54221(f)(1)(C)); and
 - Not land that is subject to Government Code section 54221(f)(2).
- Under Government Code section 25365(b), your Board finds and declares that the County Property is:
 - Real property belonging to the County, not required for County use;
 - Real property that your Board may exchange with the POM Wonderful Property and which is required for County use;
 - The value of the POM Wonderful Property exchanged is equal to, or greater than, 75% of the value of the County Property offered in exchange; and
 - Real property that the Board intends to exchange with the POM Wonderful Property.
- Based on such findings and declarations, your Board intends to exchange the County Property with the POM Wonderful Property, as provided in the recommended Resolution.

Exchange

Under the recommended Resolution, the exchange of the County Property for the POM Wonderful Property will require no consideration, monetary or otherwise, and each party shall transfer its parcel to the other no later than 90 days following the effective date of the recommended Exchange Agreement (unless the deadline is extended by both parties).

Authority for the Exchange Agreement; State Law Requirements

The Surplus Land Act (Government Code section 54220 et seq.) provides the State law procedures that the County must follow before the County may relinquish the County Property by exchanging it with the POM

Wonderful Property, thus qualifying it as “exempt surplus land.” Although the recommended exchange process in this item is significantly less complex and time consuming than the standard procedures for the County to dispose of “surplus land” under the Surplus Land Act, there still are important steps that must be taken or observed.

First, your Board must make the findings and determinations in the recommended Resolution, as stated above, and adopt the recommended Resolution.

Second, since January 1, 2021, HCD has had the following enforcement powers:

- The County would submit the adopted Resolution and unexecuted Exchange Agreement to HCD under HCD’s Guide to Exemptions from the Standard Surplus Land Act Process. HCD would be expected to (1) verify that the County’s proposed exchange of the Property is an eligible exchange of surplus property, for property necessary for the County’s use (Government Code section 54221(f)(1)(C) of the Surplus Land Act) and thus qualifying it as “exempt surplus land,” and (2) ensure that the County’s proposed exchange of the County Property is not subject to the standard process under the Surplus Land Act.
- If HCD determines that the exchange of the County Property is not an eligible relinquishment of County surplus land and therefore does not qualify as “exempt surplus land,” HCD will, within 30 days of receipt of the County’s submission, send the County a notice of violation, with written findings, that will follow Government Code section 54230.5, and require the County to respond (e.g., corrective action, or explain that the exchange complies with the Surplus Land Act). If the County exchanges the County Property with the POM Wonderful Property, but HCD is not satisfied with the County’s response, HCD may take enforcement action, including imposing a penalty. The Director will not execute the recommended Exchange Agreement if HCD has an unresolved notice of violation.

Government Code section 25365 gives your Board substantive legal authority, separately from the Surplus Land Act, to exchange the County Property with the POM Wonderful Property, and Government Code section 25365 also requires the County to give publication notice of your Board’s consideration of this item.

Publication Notice

The Department published your Board’s intended actions under this item in the Fresno Business Journal on June 19, 2026, in compliance with Government Code section 25365.

Staff’s Recommended Next Steps

If your Board approves the recommended actions, County Counsel, or their designee, will submit to HCD the adopted Resolution, the unexecuted form of the Exchange Agreement, and any other necessary or appropriate information. If HCD approves the adopted Resolution and proposed Exchange Agreement, the Department will proceed with executing the recommended Exchange Agreement and recording of the grant deeds (and subdivision of the two parcels).

California Environmental Quality Act (CEQA)

On October 9, 2012, the Board adopted the Mitigated Negative Declaration prepared for Initial Study Application No. 6447 as part of General Plan Amendment No. 532 and Amendment Application (Rezoning) No. 3792. These actions amended the land use designation and rezoned a 2.20-acre parcel from the AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District to the M-3 (C) (Heavy Industrial, Conditional) Zone District to facilitate the relocation of the County-owned stormwater basin and the future property line adjustment.

REFERENCE MATERIAL:

BAI #6, October 9, 2012

BAI #16, July 21, 2009

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A - Site View

On file with Clerk - Resolution of Declaration & Board Intention

On file with Clerk - Real Property Exchange Agreement

CAO ANALYST:

Amy Ryals