

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **FEBRUARY 14, 2012**

From: **JD JAMES DURFEE/ MARK RIDEOUT** *MR*

Subject: **SURPLUS PROPERTY SALE – LOOMIS CORPORATION YARD**

ACTION REQUESTED / RECOMMENDATION: Pursuant to Government Code Section 25365, it is recommended that your Board take the following actions associated with sale of approximately 0.73 acres of surplus County property located at 3790 Taylor Road, Loomis, CA, APN 044-133-002 (Property), to the Town of Loomis:

- 1) Delegate authority to the Director of Facility Services, or his designee, to execute an Agreement for Purchase and Sale between the County of Placer and the Town of Loomis, for the sale of the Property for \$290,000 based upon the attached Material Terms; and,
- 2) Adopt a Resolution authorizing the Director of Facility Services, or his designee, to execute all documents and take all actions necessary to complete the sale of the Property.

BACKGROUND: The County of Placer holds a fee simple interest in the Property commonly referred to as the Loomis Corporation Yard, located in the Town of Loomis. The triangular parcel comprises approximately 0.73 acres, with 640 feet of frontage along Taylor Road (see Exhibit A - Purchase Property). In 1940, the County constructed a 1,479 sq. ft. wood framed building on the Property, which served the Department of Public Works (DPW) as office, storage and garage facilities until 2002. Since that time, public interest in leasing the Property prompted the County to redirect management to the Property Management Division.

In September 2007, Scott Paris Enterprises, Inc., doing business as High Hand Nursery, began a nine-year lease of approximately 0.40 acres of the Property, including the old DPW building. Through this lease, the County currently realizes \$1,778 in monthly rent, and the tenant enlarged and converted the building into a retail café/kitchen at its sole expense. High Hand Nursery's restaurant venture has proven to be a successful enhancement to its existing retail nursery business, and it provides an attraction to the Loomis commercial area. On a portion of the Property adjacent to the High Hand leasehold, the W&W Moulding business has an unpermitted encroachment that would ultimately require the County to negotiate a lease or remove the use.

The Town of Loomis (Town) interest in the Property dates back to 2001, when it asked the County to consider a property exchange. Those discussions resulted in an initial appraisal but an exchange was not completed. Recently, the Town expressed renewed interest in acquiring the Property and stated that the acquisition would allow them to proceed with plans to develop a municipal parking lot and enhance the commercial core.

On January 10, 2012, the Town Council authorized its staff to proceed with the acquisition for \$290,000. This value was based on the fair market value determination in a June 13, 2011 appraisal prepared for the Town.

Property Management believes the sale of this Property is beneficial to the County and Town, by reducing the County's property management obligations for a surplus property, and assisting the Town with its goals to enhance their commercial core. An additional benefit is the Town's willingness to acquire the Property subject to the current occupants (i.e., High Hand Nursery and W&W Moulding), and accept any environmental and title matters that may have presented future liability to the County.

In order to sell this Property to the Town, your Board must delegate authority to the Director of Facility Services, or his designee, to execute the Agreement for Purchase and Sale based on the attached Material Terms, as approved by County Counsel, and adopt the attached Resolution authorizing the Director to complete this transaction. This sale has been publicly noticed pursuant to Government Code section 6063.

ENVIRONMENTAL CLEARANCE: This action is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15312 (Surplus Government Property Sales).

FISCAL IMPACT: After deducting staff and legal costs associated with this transaction, the County will net approximately \$265,000 from this surplus property sale. These funds would provide additional revenues to the County General Fund, and the divestiture will eliminate potential future obligations associated with retaining this surplus property in the County's inventory.

JD:MR:LM:DB

ATTACHMENTS: MATERIAL TERMS AGREEMENT FOR PURCHASE AND SALE
RESOLUTION

cc: COUNTY EXECUTIVE OFFICE

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**MATERIAL TERMS
AGREEMENT FOR PURCHASE AND SALE
3790 Taylor Road, Loomis**

1. Purchase Property. Approximately 0.73 acres improved with a 2,064 square foot building and 17-space developed parking lot located at 3790 Taylor Road, Loomis CA, referred to as APN 044-133-002, as generally depicted on Exhibit A (PURCHASE PROPERTY).
2. Agreement. Agreement of Purchase and Sale (AGREEMENT) is made by and between the County of Placer (COUNTY) and the Town of Loomis (TOWN).
3. Purpose. The purpose of this AGREEMENT is to provide for the purchase and sale of the PURCHASE PROPERTY as conveyed through Grant Deed from COUNTY to TOWN.
4. Purchase Price. The PARTIES have agreed to Two Hundred and Ninety Thousand and No/100 Dollars (\$290,000.00) as the Purchase Price for the PURCHASE PROPERTY. The Purchase Price is based on appraised value as determined by Bender & Rosenthal, Inc. in their appraisal dated June 13, 2011. The Price includes reasonable compensation to the COUNTY for expenses incurred by COUNTY to effect this transaction including all reasonable staff, administrative, consulting, and attorney expenses.
5. Conditions to Close. The Close of Escrow shall be conditioned on all of the following: (1) the TOWN's written acceptance of the condition of title, and the physical and environmental condition of the Property; (2) the deposit of funds into Escrow by the TOWN, which shall total Two Hundred Ninety Thousand and No/100 Dollars (\$290,000.00); (3) the TOWN's approval of the PURCHASE PROPERTY subject to the current Lease Agreement No. CN028068 between Scott Paris Enterprises, Inc. (Tenant) and Placer County, and the unpermitted encroachment by W&W Moulding; and, (4) the COUNTY providing TOWN with an Estoppel Certificate prepared by the COUNTY signed by Tenant(s), acknowledging Tenant's lease agreement is unmodified and in full force and effect, and stating the amount of any prepaid rent or security deposit.
6. Escrow and Title. The purchase and sale of the PURCHASE PROPERTY shall be consummated by means of an escrow opened at Placer Title Company, ATTN: Debbie Yue, 193 Fulweiler Avenue, Auburn CA 95603, Escrow Order Number 102-36185.
7. Close of Escrow. Close of Escrow shall occur no later than ninety (90) days following the PARTIES' approval of the AGREEMENT.
8. Escrow Costs and Expenses. TOWN shall pay all escrow and title costs associated with this transaction, including the premium for title insurance as determined by TOWN. Such costs shall include recording fees, escrow fees, title

insurance, transfer taxes, and all costs associated with clearing title. Prior to Close of Escrow, TOWN shall deposit the Purchase Price into escrow.

9. Termination. Should the TOWN terminate the Agreement; TOWN will compensate COUNTY for actual staff, legal, consultant, and escrow expenses at an amount not to exceed Ten Thousand and No/100 Dollars (\$10,000.00).

10. Representations and Warranties. COUNTY shall provide no warranties as to the current condition of the PURCHASE PROPERTY. As a matter of disclosure COUNTY will provide TOWN with all reports and studies in COUNTY's possession. Such reports will include the August 1, 2000 Groundwater Sampling Report and Case Closure Report/Checklist, and the February 14, 2001 Proposed Groundwater Monitoring Well Abandonment reports prepared by Kleinfelder, Inc. for the COUNTY regarding the PURCHASE PROPERTY, as well as a copy of the California Regional Water Quality Control Board's Notice of No Further Action letter. Since the date of the above mentioned letters and studies, the COUNTY is unaware of any release or discharge of Hazardous Materials in, upon, on or below any portion of the PURCHASE PROPERTY, including, but not limited to, soils and ground or surface water in and around its property.

11. Indemnification of County. Except as otherwise expressly stated herein, TOWN agrees that it is purchasing the PURCHASE PROPERTY "as is" and "with all faults," with no warranties by COUNTY of any kind, express or implied, with respect to the PURCHASE PROPERTY or the condition thereof. By closing this transaction, The TOWN hereby (1) releases COUNTY and assumes all damages, claims, liabilities and obligations, whether known or unknown, arising from or related in any way to the PURCHASE PROPERTY or the condition thereof, including without limitation the physical condition of the PURCHASE PROPERTY, the presence and/or absence of Hazardous Materials in, on, under or affecting the PURCHASE PROPERTY, and the compliance of the PURCHASE PROPERTY with laws, ordinances, rules or regulations relating to the condition thereof; and, (2) assumes all damages, claims, liabilities and obligations arising from or related to the current parties in possession of the PURCHASE PROPERTY pursuant to the current Lease Agreement No. CN028068 between the COUNTY and Scott Paris Enterprises, Inc. and the unpermitted encroachment by W&W Moulding. The parties agree that each representation and warranty in this Section shall survive the Closing Date. For purposes hereof, "Hazardous Material" shall have the meaning ascribed to it below.
The term "Hazardous Material(s)" as used in this AGREEMENT means any substance which is: (1) defined as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law; (2) a petroleum hydrocarbon, including crude oil or any fraction thereof; (3) hazardous, toxic, corrosive, flammable, explosive, infectious, radioactive, carcinogenic, or reproductive toxicant; (4) regulated pursuant to any "Environmental Law(s)"; (5) any pesticide regulated under state or federal law; or (6) any tank or container which contains or previously contained any Hazardous Material(s). The term "Environmental Law(s)" means each and every federal, state, and local law, statute, ordinance, regulation, rule, judicial or administrative order or decree, permit,

license, approval, authorization or similar requirement of each and every federal, state and local governmental agency or other governmental authority, pertaining to the protection of human health and safety or the environment, now and forever.

Closing will be conditioned upon the TOWN waiving its rights under California Civil Code 1542.

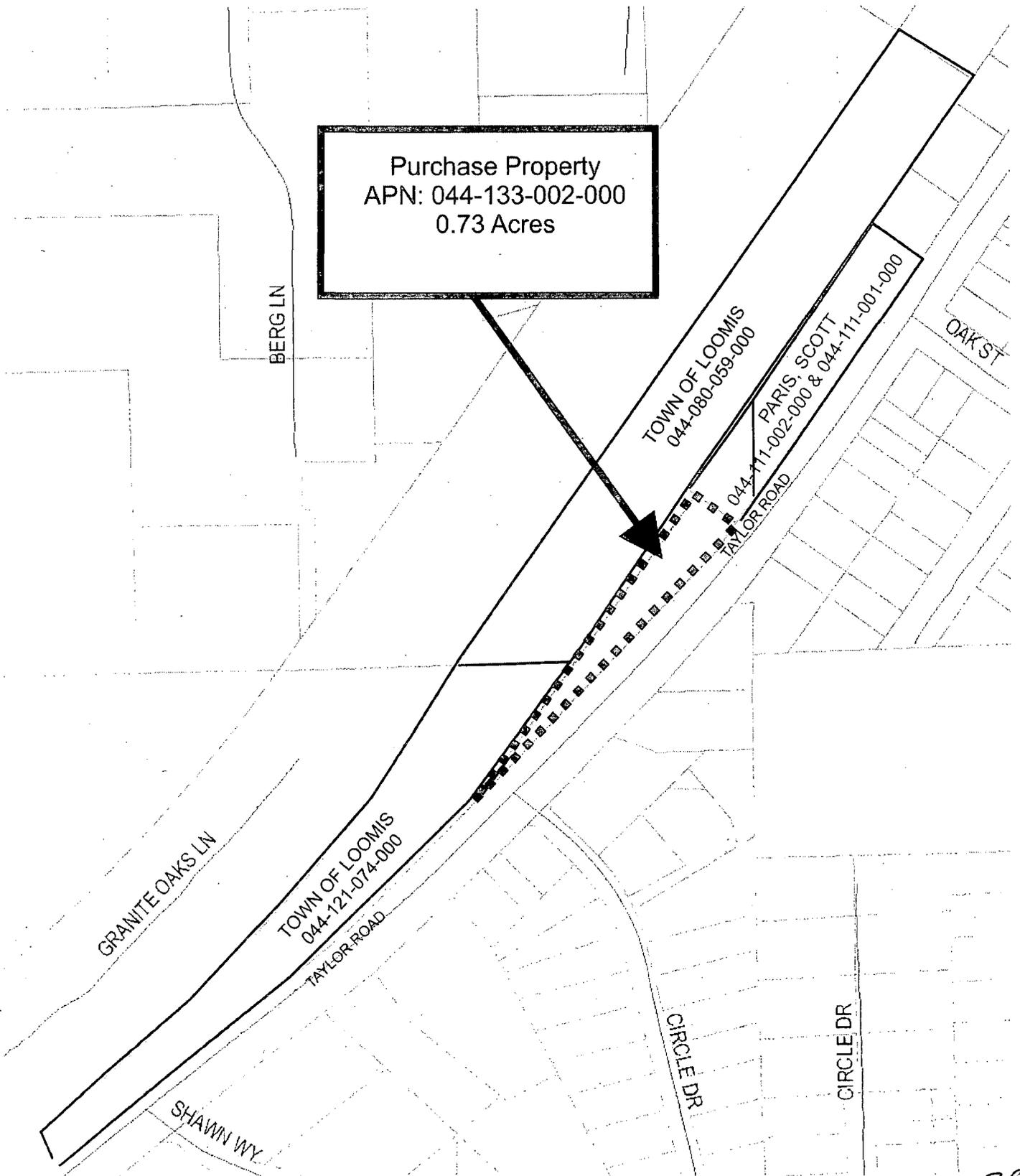
12. Continued Occupancy of Current Tenants. The TOWN agrees that the acquisition of the PURCHASE PROPERTY shall be subject to: Lease Agreement No. CN028068 between the COUNTY and Scott Paris Enterprises, Inc., for a 9 year term that commenced on 9/1/2007 and expires on 8/31/2016; and, a non-permitted encroachment over a portion of the remaining 11,680 square foot area at the southern tip of the PURCHASE PROPERTY. TOWN shall be solely responsible for any relocation assistance which may be due to this Tenant and the party encroaching on the PURCHASE PROPERTY. TOWN acknowledges receipt from COUNTY of Lease Agreement No. CN028068.

Attachment: Exhibit A – Purchase Property

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EXHIBIT A

PURCHASE PROPERTY



**Before the Board of Supervisors
County of Placer, State of California**

**IN THE MATTER OF: A RESOLUTION DELEGATING
AUTHORITY TO THE DIRECTOR OF FACILITY SERVICES, OR
HIS DESIGNEE, TO EXECUTE ALL NECESSARY DOCUMENTS
AND TAKE ALL ACTIONS TO COMPLETE THE SALE
BETWEEN THE COUNTY OF PLACER AND THE TOWN OF
LOOMIS FOR THE PROPERTY LOCATED AT 3790 TAYLOR
ROAD IN LOOMIS, CALIFORNIA.**

Resol. No: _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of
Placer at a regular meeting held _____, 2012 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest"

Clerk of said Board

WHEREAS, the County of Placer ("County") is the owner of the improved \pm 0.73 acre surplus real property in Placer County located at 3790 Taylor Road in Loomis, California, designated as Placer County APN 044-133-002 ("Purchase Property"); and,

WHEREAS, The Town of Loomis ("Town") desires to create an attractive and convenient shopping corridor and provide a location of the future development of a municipal parking lot to support local businesses; and,

WHEREAS, The Town is willing to acquire said Purchase Property subject to the current occupants; and,

WHEREAS, The County has determined that the Purchase Property is no longer necessary for County purposes and is willing to sell said Purchase Property for Two Hundred Ninety Thousand and No/100 Dollars (\$290,000.00), subject to Material Terms for an Agreement for Purchase and Sale (Purchase Agreement).

NOW THEREFORE, BE IT RESOLVED, that the Placer County Board of Supervisors does hereby authorize the Director of Facility Services, or his designee, as approved by County Counsel, to execute on behalf of the County the Purchase Agreement, and all other documentation, and to take all other actions necessary to complete the sale of the Purchase Property; and does hereby consent to the recordation of the deeds for said Purchase Property.

