

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

To: **BOARD OF SUPERVISORS**

Date: **APRIL 15, 2008**

From:  **JAMES DURFEE / ALBERT RICHIE** 

Subject: **PCWA AND SUNCAL PROPERTY TRANSACTIONS – EXTEND CLOSE OF ESCROW**

ACTION REQUESTED / RECOMMENDATION: It is recommended that your Board authorize the Director of Facility Services to revise the Close of Escrow date to May 31, 2009 for the following transaction Agreements associated with County owned real property at the antenna site in Penryn, California:

1. Transfer of Real Property between the County and Placer County Water Agency (PCWA) for the exchange of 1.66± acres of County property within a portion of APN 031-190-012 for 1.76± acres of PCWA property within a portion of APN 031-190-011.
2. Agreement of Purchase and Sale between the County and SunCal Bickford Ranch LLC (SunCal) for the sale of approximately 1.45± acres of surplus County property within a portion of APN 031-190-012.

BACKGROUND / DISCUSSION: On October 7, 2002, the County accepted the 4.71 acre parcel underlying the 300-foot tall tower located off Clark Tunnel Road in Penryn, which provides cable TV and other communication services to western Placer County (see Exhibit A-1 "Original County Property"). This acquisition was important for the County as it secured a key location for the continued operation of the County's public safety communications equipment shelter and antennas at this site.

Through the Bickford Ranch planning process, an area located adjacent to the Original County Property was identified for a water tank to serve future Bickford residents. The developer subsequently agreed to construct a 2.9-million gallon water tank and deed the underlying 1.78 acre parcel of land and the tank to PCWA (see Exhibit A-2 "Original PCWA Tank Site"). Since that time, the Bickford Ranch property was transferred to SunCal Companies, and PCWA has continued with planning for its Foothill Phase II Treated Water Pipeline that will improve water delivery in western Placer County. In early 2005, the Property Management Division was approached by PCWA and representatives of SunCal with a request to cooperate in property transaction projects that would accommodate furtherance of both party's goals. This involved exchange of the Original PCWA Tank Site with an equally sized portion of County-owned property (see Exhibit A-3 "Proposed PCWA Exchange") that would permit the construction of a larger tank with capacity to serve both the Bickford Ranch development and the Foothill Phase II Treated Water Pipeline project. Following this transaction, the County would sell surplus County-owned property to SunCal so they may construct a landscape berm for visual screening between future homeowners, and the tower and future water tank (see Exhibit A-4 "Proposed SunCal Property").

On May 9, 2006, your Board authorized the Director of Facility Services to execute two transaction documents, and adopted a Resolution authorizing the Director to execute all documents and take all actions necessary to complete the property transactions projects as requested by PCWA and SunCal:

1. Agreement for Transfer of Real Property between the County and PCWA to exchange the 1.76-acre Original PCWA Tank Site for the County's 1.66-acre property. Presently, the 1.76-acre PCWA Tank Site parcel is owned by SunCal who agreed convey this parcel to PCWA prior to Close of Escrow.

2. Agreement of Purchase and Sale between the County and SunCal to sale approximately 1.45 acres of surplus County Property allowing SunCal to construct a landscape berm in the western portion of the County Property.

As directed by your Board, Property Management staff drafted these Agreements for review and approval by PCWA and SunCal. The parties subsequently conducted their review, but delayed approval for PCWA to investigate alternatives to its tank project, and for SunCal to pursue County approval of its large-lot map. The documents were ultimately approved by all parties on August 20, 2007. The subsequent downturn in the housing market resulted in SunCal's request to extend the Close of Escrow beyond the original August 30, 2007 close date. Facility Services granted a series of additional extensions, resulting in a January 31, 2008 Close of Escrow. Property Management staff sought completion of this transaction by communicating that if the January 31, 2008 date is not met, then the County would let the documents expire. Although PCWA was motivated to complete the transaction by this deadline, SunCal notified Property Management that all aspects of the Bickford project were on hold pending review of market conditions. They also indicated that while the investment associated with this transaction was small, its corporate office and financial partners could not support spending funds to complete this transaction at this time. SunCal requested that the transaction be deferred until spring 2009, when it anticipates major construction will resume. Staff agreed to extend the Close of Escrow until April 30, 2008, which allows for this presentation to your Board seeking authority to amend the Close of Escrow provisions.

With your Board's approval of staff's recommendations, Property Management will prepare an Amendment to each Agreement that allows extension of the Close of Escrow until May 31, 2009. These Amendments will be executed by the Director of Facility Services, and will stipulate that if Close of Escrow does not occur by May 31, 2009, then the County could terminate or extend escrow to a mutually agreed upon date as communicated by the County not later than ten days prior to the Close of Escrow. In recognition of the considerable staff time that the County has already invested to facilitate these transactions and in an effort to minimize further expenditure of time until Close of Escrow becomes imminent, the Amendment states that no actions relative to the Agreement will be taken unless SunCal, PCWA, or the County provides the other with a notice to resume no less than sixty-days prior to their desired Close of Escrow.

ENVIRONMENTAL CLEARANCE: The action taken by your Board to approve this Amendment to the transaction documents does not provide entitlements for the construction of the proposed water tank or the proposed berm. Any such construction will be subject to applicable County environmental review and permit processes. The exchange with PCWA and the transfer to SunCal are therefore each Categorical Exempt, on a separate and independent basis, pursuant to Sections 15301 (Existing Facilities) and 15312 (Surplus Government Property Sales) of the California Environmental Quality Act.

FISCAL IMPACT: PCWA and SunCal are each responsible for all County administrative, consultant, attorney, escrow and title costs associated with their respective transaction. This reimbursement and the nominal sale proceeds will be deposited with in Dewitt Enterprise Fund.

JD:AR:MR:LM:DB

ATTACHMENT: EXHIBITS

cc: COUNTY EXECUTIVE OFFICE
AUDITOR-CONTROLLER

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EXHIBIT A-1 – CURRENT OWNERSHIP

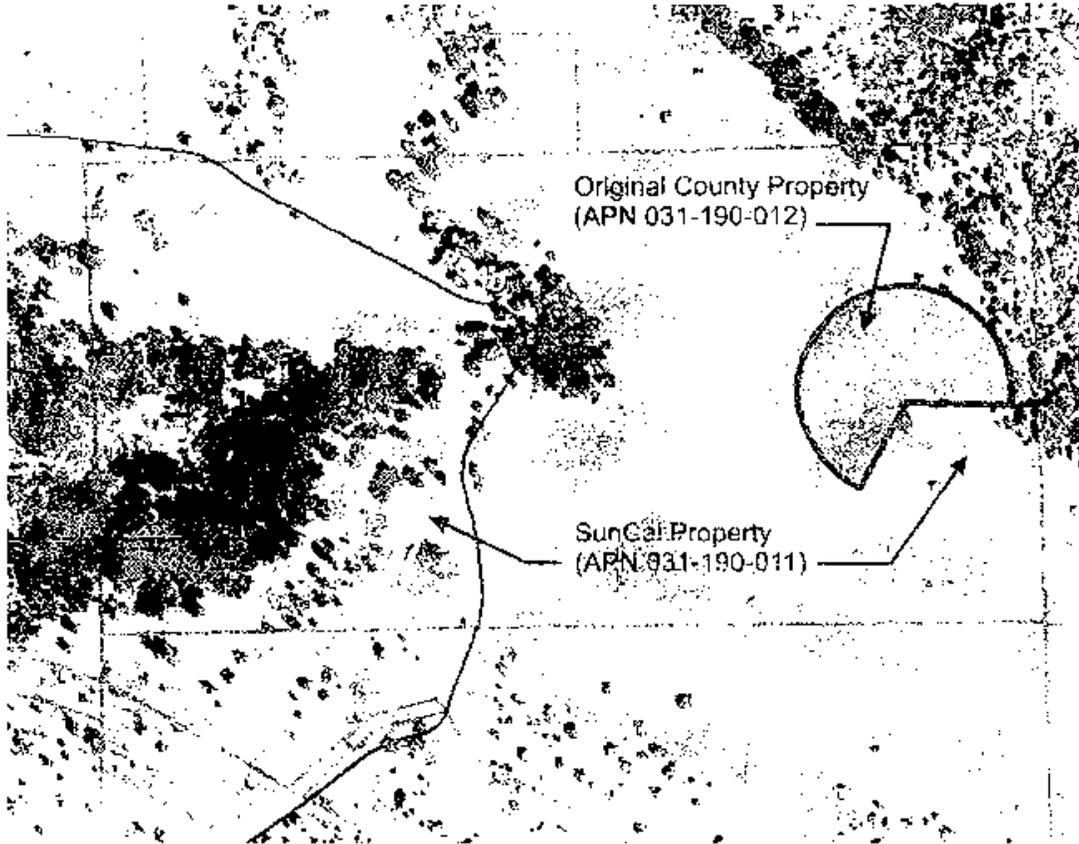


EXHIBIT A-2 – ORIGINAL PCWA TANK SITE

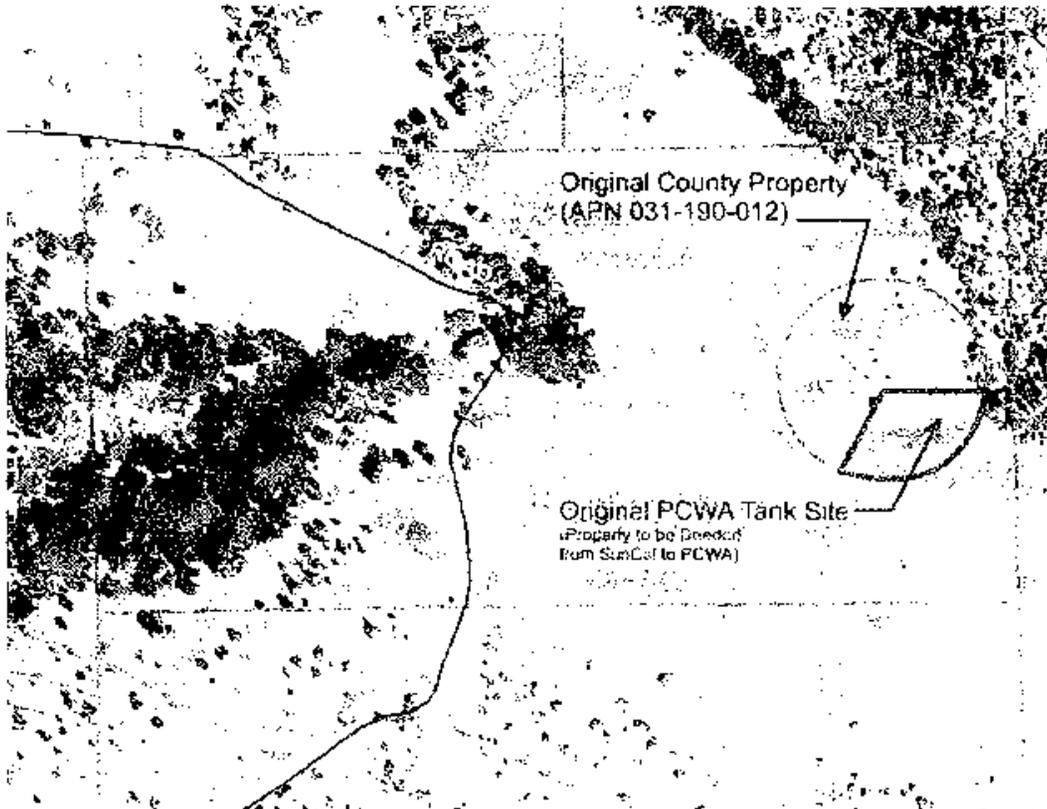


EXHIBIT A-3 – PCWA EXCHANGE

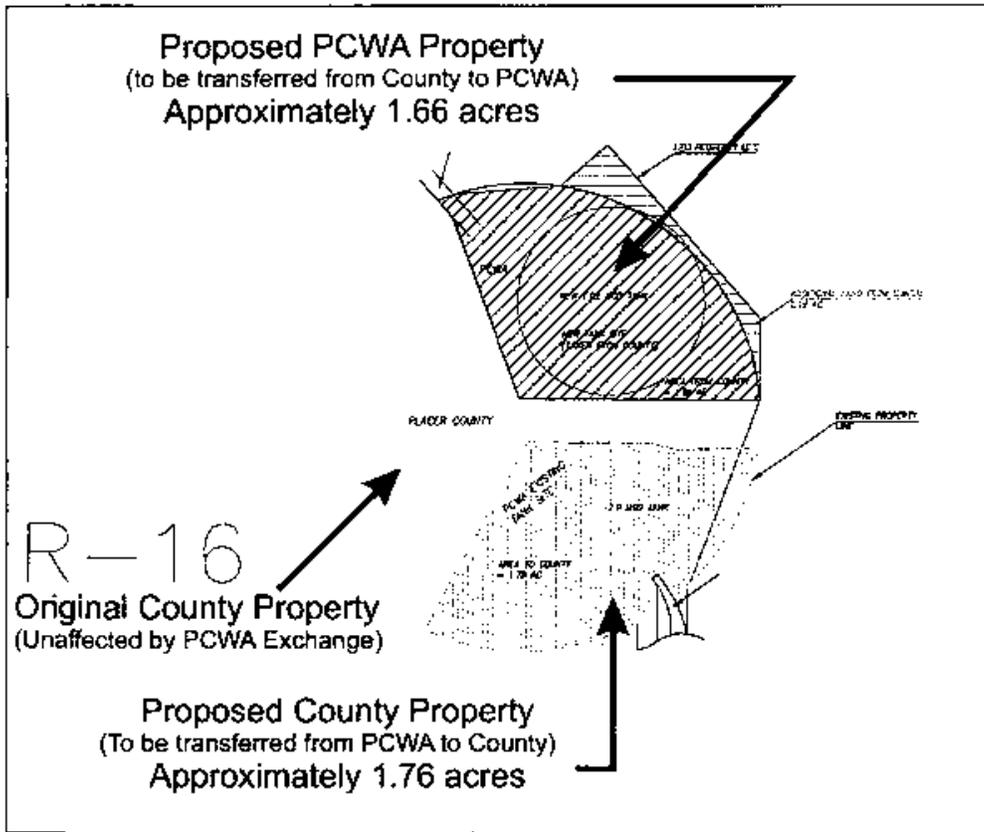


EXHIBIT A-4 – SUNCAL SURPLUS PROPERTY SALE

