

**PLACER COUNTY
SUCCESSOR AGENCY BOARD
MEMORANDUM**

TO: Placer County Successor Agency Board

FROM: Andy Heath, Successor Agency Officer
Laurie Morse, Property Manager, Department of Public Works and Facilities

DATE: October 20, 2015

SUBJECT: Approve the Disposition Processes for the Three Successor Agency Properties in Kings Beach

ACTION REQUESTED

Approve the following recommended Disposition Processes for the three Successor Agency Properties in Kings Beach, California, known as Swiss Mart, Eastern Gateway, and Everett (Town Center South):

Adopt a resolution to authorize the Successor Agency Officer, or designee, to select a qualified broker and execute an exclusive brokerage agreement with said broker to act as the Successor Agency's agent for the Swiss Mart property's sale, based on the Material Terms.

Adopt a resolution to authorize the Successor Agency Officer, or designee, to select a qualified broker and execute a real estate consulting services agreement with said broker to provide real estate consulting services for the disposition of Eastern Gateway and Everett (Town Center South) properties, based on the Material Terms.

BACKGROUND

Pursuant to Resolution No. 2012-015 adopted by the Placer County Board of Supervisors on January 24, 2012, upon dissolution of the Placer County Redevelopment Agency on February 1, 2012, the Placer County Successor Agency (Successor Agency) assumed the rights, obligations and interests of the Redevelopment Agency, including the following three properties in Kings Beach ("Successor Agency Properties" see Attachment 1):

- Everett (Town Center South) – APNS: 090-142-001, 090-142-002, 090-142-011, and 090-142-029
- Swiss Mart – APNS: 090-192-055 and 090-192-062
- Eastern Gateway – APNS: 090-370-005, 090-370-006, 090-221-012, 090-221-013, 090-221-014, 090-221-018, 090-221-020, 090-221-021, 090-221-026 and 090-221-027

The Oversight Board approved the Successor Agency Long-Range Property Management Plan (Plan) at its August 27, 2013 meeting and approved an amended Plan on February 26, 2014. The Plan was subsequently submitted to and approved by the California Department of Finance (DOF) on May 19, 2014. As required by statute, the Plan includes an inventory of all assets with acquisition dates, parcel location, history of environmental contamination, the potential for transit-oriented development, and a description of the proposed use or disposition of properties. Pursuant to statute, the proposed disposition of properties can include sale, use of the property to fulfill an enforceable obligation, transfer to the County for governmental use, or transfer of the property to the County for future development. The primary purpose of the Plan is to "address the disposition and use of real properties of the former redevelopment agency consistent with the redevelopment and community plans; including mixed use of commercial projects, catalyzing urban renewal proximate to transportation, and the reduction of blight".

Consistent with the approved Plan, Successor Agency and County staff have performed numerous tasks to prepare for the disposition of the Successor Agency Properties. Key activities included remediation of petroleum hydrocarbons impacting soil and groundwater associated with the Swiss Mart and Eastern Gateway properties. Both sites have received regulatory closure with the issuance of No Further Action Required documents by the California Regional Water Quality Control Board. Staff has obtained appraisals for the Successor Agency Properties and has given significant consideration into the best method for disposition of these properties.

The Plan states that disposition leading to development consistent with zoning will advance objectives of redevelopment plan and goals, implementation plan and Placer County community and area plans. Consistent with the Plan's stated objectives, staff believes the disposition should be carefully orchestrated to ensure that the future development of these properties is also consistent with and supports the policies of the recently adopted TRPA Regional Plan and related key concepts likely to move forward in the proposed Placer County Tahoe Basin Area Plan (Area Plan).

RECOMMENDED DISPOSITION PROCESSES

Given the timing of the proposed Area Plan and the collective desires of the community, the County and the local agencies serving the Kings Beach community, Successor Agency staff recommends proceeding with the disposition of the three properties in Kings Beach through two separate disposition strategies as described below:

1. Bid Sale Disposition Process – Swiss Mart

The Swiss Mart property is approximately 0.3 acres and has been appraised at \$600,000. Given the property's smaller size and value, staff recommends the sale of the Swiss Mart property through a public bid process. A minimum bid price of \$540,000 would be established. Staff anticipates release of the bid documents and bid opening during the first quarter of calendar year 2016.

2. Request for Information, Qualifications and Proposal Processes – Eastern Gateway and Town Center South (Everett)

Staff recognizes that these larger vacant properties have the greatest opportunity for environmental improvement and commercial development as contemplated in the County's proposed Area Plan and the Kings Beach Vision Plan. Successful development of these properties will require developers who have the knowledge and resources to complete the projects desired by the community. For the Eastern Gateway and Town Center South (Everett) properties, staff recommends identifying potential developers/buyers through the following Request for Information (RFI) processes:

- a. The Eastern Gateway Property is approximately 1.3 acres and has been appraised at \$1,700,000. This property is vacant and its disposition is not tied to or contingent on any other property. The RFI process will be initiated during the first quarter of calendar year 2016.
- b. The Town Center South (Everett) property is approximately 0.9 acres and has been appraised at \$1,075,000. Staff is recommending the proposed RFI for this property be issued concurrently with the County's issuance of a separate RFI for the adjacent 3.5-acre Kings Beach Center. As approved by the Long Range Property Management Plan, the Kings Beach Center is currently owned by the County of Placer for the purpose of development consistent with redevelopment and community plans. The County anticipates soliciting development opportunities for this site through an RFI process as well.

If an RFI process is used, the Successor Agency can then elect to proceed with a Request for Qualifications (RFQ), a Request for Proposals (RFP) or direct contract negotiations with a single party.

Proposals or agreement information from qualified developers would include specific terms and conditions for property acquisition, proposed project details, and development schedule.

Interested developers will be evaluated based on the following information:

- Vision for the property and proposed project summary
- History and experience of the development team
- History and past project experience, including development of commercial or mix-use projects
- Demonstrated understanding of the Tahoe Basin, TRPA codes and requirements, community plans and permitting
- Financial information, project resources, and banking and business references

Broker and Real Estate Consulting Services

To maximize exposure of the properties to qualified buyers and proposal respondents, staff recommends that the Successor Agency Board approve procuring a real estate broker(s) to assist with the disposition of these properties. This will provide the highest amount of exposure for the properties, thereby helping to ensure the highest returns (financial, environmental, and community serving) to the Oversight Board, Successor Agency, County and community.

1. Bid Sale - Swiss Mart

Staff recommends that the Successor Agency enter into an Exclusive Brokerage Agreement (Broker Agreement) with a qualified broker to act as the Successor Agency's agent in the marketing and sale of the Swiss Mart property based on Material Terms (see Attachment 2). In the event a sale is consummated, a real estate commission would be paid based on 6% of the sale price pursuant to the minimum bid requirements. The broker would agree to cooperate with any and all brokers representing qualified buyers, and would further agree to split 50/50 the real estate commission due. Additionally, any commission paid shall be deducted from the purchase price upon, and only in the event of, a close of escrow.

2. RFI - Eastern Gateway and Everett (Town Center South)

Staff recommends that the Successor Agency enter into a Non-Exclusive Real Estate Consulting Services Agreement (Consulting Services Agreement) with a qualified broker to provide assistance with marketing of RFI documents, interactions with potential developers, evaluation of submittals received, and consultation regarding the ultimate real estate transaction based on Material Terms (see Attachment 3). For the services provided through this agreement, the broker would be compensated on a time and materials basis for specified services, pursuant to the Consulting Services Agreement, in an amount not to exceed \$30,000. Furthermore, if the broker identifies a qualified buyer, he/she could act as the broker for the Successor Agency and the buyer, provided both parties agree and pursuant to a Purchase and Sale Agreement. In the event a sale is consummated, the amount paid to the broker for services provided to the Successor Agency pursuant to the Consulting Services Agreement would be deducted from the final commission earned through the sale. If the buyer is represented by a separate broker, the broker would agree to split 50/50 the real estate commission due. Any amount over and above the \$30,000 would be deducted from the purchase price upon, and only in the event of, close of escrow.

To proceed with the proposed Exclusive Brokerage Agreement and Real Estate Consulting Services Agreement, it is necessary for your Board to approve the attached Resolutions authorizing the Successor Agency Officer, or designee, to enter into the proposed agreements.

Staff suggests that the disposition processes, as outlined above, will facilitate the sale and project development of the three properties as contemplated by the Oversight Board, Successor Agency, County and the community.

The Oversight Board approved the Recommended Disposition Processes for the three Successor Agency Properties at its September 29, 2015 meeting and authorized the submission of the recommended processes and adopted Resolution No. 2015-05 to the California Department of Finance subject to approval by the Successor Agency Board.

ENVIRONMENTAL STATUS

This is an administrative action, does not constitute a project, and is not subject to environmental review per the California Environmental Quality Act Guidelines Section 15378(b)(5).

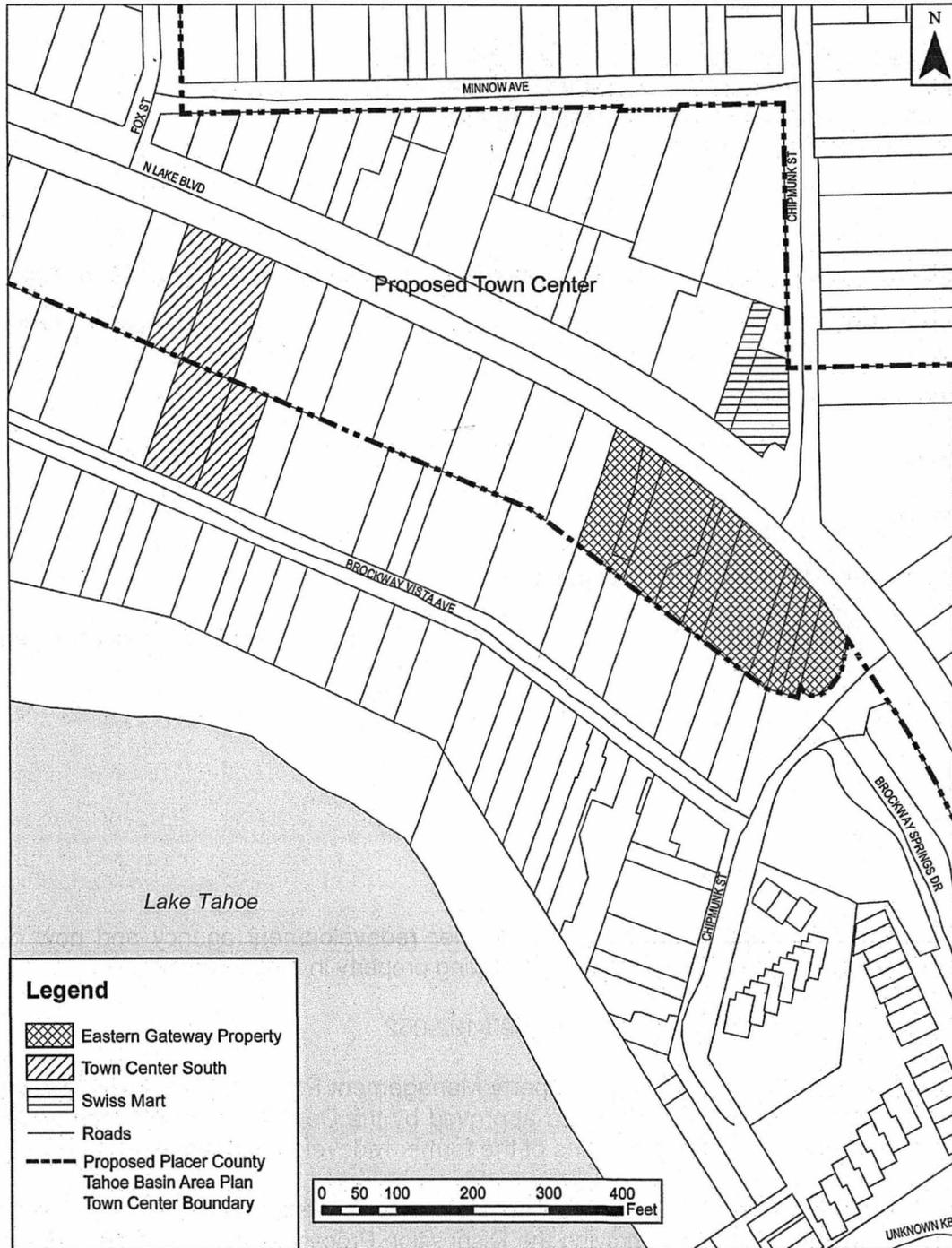
FISCAL IMPACT

The actions associated with this item have no adverse fiscal impact to Successor Agency funds or the County General Fund. Funding for staff time and real estate consulting services (not to exceed \$30,000) associated with the disposition of the three Successor Agency Properties is included in the Recognized Obligation Payment Schedule (ROPS) 15/16B period. Any Broker Commissions to be paid will be paid from the proceeds of the property sales.

In accordance with the Long Range Property Management Plan, net sale proceeds from these properties will be distributed to the taxing entities; provided that, distribution and use of disposition proceeds resulting from the sale of the Everett property may be restricted as this property was originally purchased with tax-exempt bond proceeds. Successor Agency and County staff will work closely with County, Successor Agency and appointed Bond Counsels to assure appropriate use of any disposition proceeds.

ATTACHMENT 1 – SUCCESSOR AGENCY PROPERTIES
ATTACHMENT 2 – RESOLUTION AUTHORIZING EXCLUSIVE BROKERAGE SERVICES FOR SWISS MART
ATTACHMENT 3 – RESOLUTION AUTHORIZING REAL ESTATE CONSULTING SERVICES FOR EASTERN GATEWAY AND EVERETT (TOWN CENTER SOUTH) PROPERTIES

**ATTACHMENT 1
SUCCESSOR AGENCY PROPERTIES**



**Before the Governing Board of the Successor Agency
to the Former Placer County Redevelopment Agency
County of Placer, State of California**

In the matter of:

Adopt a resolution to authorize the Successor Agency Officer, or designee, to execute an exclusive brokerage agreement with a qualified broker to act as the Successor Agency's agent for the Swiss Mart property's sale.

Reso. No. _____

Ord. No. _____

First Reading _____

The following Resolution was duly passed by the Placer County Successor Agency Board at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chair, Placer County Successor Agency Board

Clerk of said Board

WHEREAS, the real property owned by the former redevelopment agency and now owned by the Successor Agency includes the following the following property in Kings Beach:

- Swiss Mart – APNS: 090-192-055 and 090-192-062

WHEREAS, the amended Long-Range Property Management Plan, as approved by the Placer County Oversight Board on February 26, 2014 and approved by the Department of Finance on May 19, 2014, addresses the disposition of real properties of the former redevelopment agency.

WHEREAS, on September 29, 2015, the Placer County Oversight Board of the Successor Agency adopted Resolution No. 2015-05 approving the Disposition Processes for sale of the Swiss Mart property through a public bid process with a minimum purchase price of \$540,000.

THEREFORE BE IT RESOLVED, that the Placer County Successor Agency Board delegates authority to the Successor Agency Officer, or designee, to enter into an exclusive brokerage agreement with a qualified broker to act as the Successor Agency's agent in the Swiss Mart property's sale based on the attached Exhibit A – Material Terms, and subject to Successor Agency Counsel and Placer County Counsel approval.

THEREFORE BE IT FURTHER RESOLVED to submit this resolution and the Oversight Board's adopted Resolution No. 2015-05 to the California Department of Finance.

RESOLUTION EXHIBIT A
Material Terms for the Exclusive Brokerage Agreement
Marketing and Bidding of Swiss Mart Property

1. **Term:** The Exclusive Brokerage Agreement will be for one year or until one of the following occurs, whichever event is earlier:
 - a. Final brokerage payment is made pursuant to a purchase and sale agreement from the sale of the property.
 - b. Termination of the proposed bid/sale of the property by the Successor Agency.
 - c. Broker may terminate its services of the agreement only upon good cause or upon the mutual agreement of the Successor Agency, and shall provide 30 days advance written notice of any such intent to terminate.

2. **Services:** Provide brokerage services representing the Successor Agency in the bid sale of the following property in Kings Beach, California:
 - Swiss Mart: APNs 090-192-055 and 090-192-062

The broker shall assist in marketing the property; hold specific property showings; attend public and Successor Agency Board meetings associated with the sale of the property; assist with the bidding process; and assist with document preparation associated with the marketing, bidding, and sale of the property.

3. **Brokerage Fee:** Broker will be compensated from the sale of the property, only in the event of a close of escrow. The brokerage fee shall be 6% of the sale price of the property, subject to a minimum bid price of \$540,000. In the event that no bid(s) exceed the minimum bid, there will be no real estate commission due. The broker agrees to cooperate with any and all brokers representing bidders, if any, and to split 50/50 the brokerage fee due.

4. **Broker Authority:** Except as specified in the broker agreement or in writing, the broker shall have no authority to act on behalf of the Successor Agency in any capacity or have authority to bind the Successor Agency.

**Before the Governing Board of the Successor Agency
to the Former Placer County Redevelopment Agency
County of Placer, State of California**

In the matter of:

Adopt a resolution to authorize the Successor Agency Officer, or designee, to execute a real estate consulting services agreement with a qualified broker to provide real estate consulting services for the disposition Eastern Gateway and Everett (Town Center South) properties.

Reso. No. _____

Ord. No. _____

First Reading _____

The following Resolution was duly passed by the Placer County Successor Agency Board at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chair, Placer County Successor Agency Board

Clerk of said Board

WHEREAS, the real property owned by the former redevelopment agency and now owned by the Successor Agency includes the following two properties in Kings Beach:

- Everett (Town Center South) – APNS: 090-142-001, 090-142-002, 090-142-011, and 090-142-029
- Eastern Gateway – APNS: 090-370-005, 090-370-006, 090-221-012, 090-221-013, 090-221-014, 090-221-018, 090-221-020, 090-221-021, 090-221-026 and 090-221-027

WHEREAS, the amended Long-Range Property Management Plan, as approved by the Placer County Oversight Board on February 26, 2014 and approved by the Department of Finance on May 19, 2014, addresses the disposition of real properties of the former redevelopment agency.

WHEREAS, on September 29, 2015, the Placer County Oversight Board of the Successor Agency adopted Resolution No. 2015-05 approving the release of Request for Information/Qualifications (RFI/Q) for the Eastern Gateway and Everett (Town Center South) to identify potential developers/buyers.

WHEREAS, on September 29, 2015, the Oversight Board approved the Successor Agency to secure agreement(s) with broker(s) as needed to assist with the marketing of the Eastern Gateway and Town Center South (Everett) properties.

THEREFORE BE IT RESOLVED, that the Placer County Successor Agency Board delegates authority to the Successor Agency Officer, or designee, to enter into a real estate consulting services agreement pursuant to the material terms in Exhibit A with a qualified broker to provide real estate consulting services for the disposition of the Eastern Gateway and Everett (Town Center South) properties and subject to Successor Agency Counsel and Placer County Counsel approval.

THEREFORE BE IT FURTHER RESOLVED to submit this resolution and the Oversight Board's adopted Resolution No. 2015-05 to the California Department of Finance.

RESOLUTION EXHIBIT A

**Material Terms for the Real Estate Consulting Services Agreement
Marketing of Property and Request for Information of Potential Developers
Eastern Gateway and Everett (Town Center South) Properties**

1. **Term:** The Real Estate Consulting Services Agreement will be for one year or until one of the following occurs, whichever is earlier:
 - a. Final payment is made for real estate consulting services within the approved agreement amount.
 - b. Termination of the Request for Information (RFI) process for the properties by the Successor Agency.
 - c. Broker may terminate its services of the agreement only upon good cause or upon the mutual agreement of the Successor Agency, and shall provide 30 days advance written notice of any such intent to terminate.

2. **Services:** Broker shall provide real estate consulting services to the Successor Agency for marketing and exposure of the following two properties in Kings Beach, California:
 - Eastern Gateway: APNs 090-370-005, 090-370-006, 090-221-012, 090-221-013, 090-221-014, 090-221-018, 090-221-020, 090-221-021, 090-221-026 and 090-221-027
 - Everett (Town Center South) APN: 090-142-001, 090-142-002, 090-142-011, and 090-142-029

The real estate consultant shall assist with marketing the properties; hold specific property showings; attend public and Successor Agency Board meetings associated with the properties; assist with evaluation of the potential developer information or qualifications; and assist with document preparation associated with the marketing of the properties. Additionally, the broker may be asked to provide real estate brokerage services representing the interest of the Successor Agency on a case by case basis, and at the sole discretion of the Successor Agency. The broker is not precluded from entering into a similar agreement with the County of Placer if both agencies decide to market the Everett (Town Center South) and Kings Beach Center properties together.

3. **Real Estate Consulting Fee:** The broker shall be compensated on a time and materials basis according to an hourly consulting rate, pursuant to the Real Estate Consulting Services Agreement. The compensation for real estate consulting services will not exceed \$30,000. If the broker identifies a qualified buyer, he/she may be able to act as the broker for both the Successor Agency and the buyer, if both parties agree and pursuant to a separate Purchase and Sale Agreement. In the event a sale is consummated, terms of the Consulting Services Agreement require the broker to deduct from any sales commission due the broker, the amount paid for services provided to the Successor Agency under the Consulting Services Agreement. If the buyer is represented by a separate broker, the broker would agree to split 50/50 the real estate commission due. Any sale commission shall not to exceed 6%. Any sale commission shall be deducted from the purchase price, less the consulting fee amount, upon, and only in the event of, close of escrow.

4. **Real Estate Consultant Authority:** Except as specified in the real estate consulting agreement or in writing, the broker shall have no authority to act on behalf of the Successor Agency in any capacity or have authority to bind the Successor Agency.