

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

To: **BOARD OF SUPERVISORS**

Date: **MARCH 13, 2012**

From:  **JAMES DURFEE / MARK RIDEOUT** 

Subject: **UNION PACIFIC RAILROAD COMPANY – COLFAX BEACON HILL
COMMUNICATIONS TOWER SITE ACQUISITION**

ACTION REQUESTED / RECOMMENDATION: It is recommended that your Board take the following actions associated with acquisition of a 0.40± acre parcel located within the unincorporated area of Placer County near Colfax California, referred to as APN 100-110-012 from Union Pacific Railroad Company:

- 1) Delegate authority to the Director of Facility Services, or his designee, to execute a Letter of Understanding for the Purchase and Sale based upon the attached Material Terms subject to County Counsel's review and approval; 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 acquisition at a cost not-to-exceed \$150,000; and,
- 3) Approve the attached Budget Revision associated with this transaction; and,
- 4) Authorize the Property to be added to the Master Fixed Asset list following the close of escrow.

BACKGROUND: On May 26, 2009, your Board authorized Administrative Services to secure Public Safety Site (PSS) Lease Agreements to develop new digital technologies in remote mountaintop locations. These agreements are required to support phased implementation of the Countywide Radio Network Project (Network Project). The County's existing tower and shelter facilities were designed over 20 years ago, and do not meet new digital technology requirements. Similarly, they were not sized or engineered to support additional radio infrastructure. These PSS locations include Iron Mine, Foresthill, Mt. Pluto, Beacon Hill and Gold Run. New agreements for the Iron Mine and Foresthill sites have been successfully executed and work to finalize the Mt. Pluto and Gold Run agreements are currently underway.

The current PSS site on Beacon Hill is being utilized by various cellular companies, in addition to the County's older generation of law, fire and general government radio systems. The Telecommunications Division (Telecom) determined that this site would not, however, support the additional services needed for the Network Project. Telecom began negotiations with representatives from Union Pacific Railroad Company (UPRR) to secure the long-term lease of their adjacent parcel, where the County could construct a new tower and communication facility.

The UPRR site is a 0.40± acre parcel situated southwest of Hill Drive and east of Ben Taylor Road, in an area known as Beacon Hill just outside the Colfax City limits (see Exhibit A - Purchase Property)(Purchase Property). The Purchase Property includes a currently non-operational communications tower and it is zoned F-B-43 PD=1, which allows for radio tower use with a minor use permit. Telecom staff has determined that the Purchase Property can support the Network Project with construction of a new tower and antennas, emergency generator, environmental controls, and security fencing once all necessary environmental and development approvals are obtained.

UPRR recently notified Telecom that they are no longer interested in a long-term lease agreement, but prefer to sell the Purchase Property in fee to the County for \$150,000. To validate UPRR's asking price, staff secured an appraisal that established the Purchase Property's 'as-is' market value at \$140,000. The appraised value was derived by using an income approach valuation based on land rents that are typically paid by cellular/communications companies. While UPRR's asking price is slightly greater than the appraised value, staff believes that the acquisition of the Property for \$150,000 is appropriate. This is primarily because it represents a unique opportunity for the County to obtain an existing tower site that possesses the necessary site attributes required for the Network Project. This Purchase Property's ideal topographical location, its compatibility with neighboring uses, and the benefits of an acquisition versus a long-term lease, makes the acquisition of this Purchase Property for \$150,000 a prudent investment for the County. This acquisition will also make strides towards achieving the Network Project goals.

In order to acquire the Purchase Property, your Board must delegate authority to the Director of Facility Services, or his designee, to execute the Letter of Understanding for the Purchase and Sale based on the attached Material Terms subject to County Counsel review and approval, and adopt the attached Resolution authorizing the Director to complete this transaction. This acquisition has been publicly noticed per Government Code section 6063.

ENVIRONMENTAL CLEARANCE: This action is exempt from CEQA pursuant to CEQA Guidelines 15301 (Existing Facilities).

FISCAL IMPACT: The total acquisition cost of the Purchase Property is estimated not-to-exceed \$190,000 which includes the \$150,000 purchase price, escrow, title, County staff expense, and professional services to perform an environmental site assessment. Funding for this acquisition is available in the Countywide Radio Project Budget Unit (06246). A budget revision to the Countywide Systems Fund to support this purchase is attached.

JD:MR:LM:MM:DB

ATTACHMENTS: MATERIAL TERMS OF AGREEMENT FOR PURCHASE AND SALE
EXHIBIT A – PURCHASE PROPERTY
RESOLUTION
BUDGET REVISION

Cc: COUNTY EXECUTIVE OFFICE
AUDITOR – CONTROLLER
ADMINISTRATIVE SERVICES DEPARTMENT

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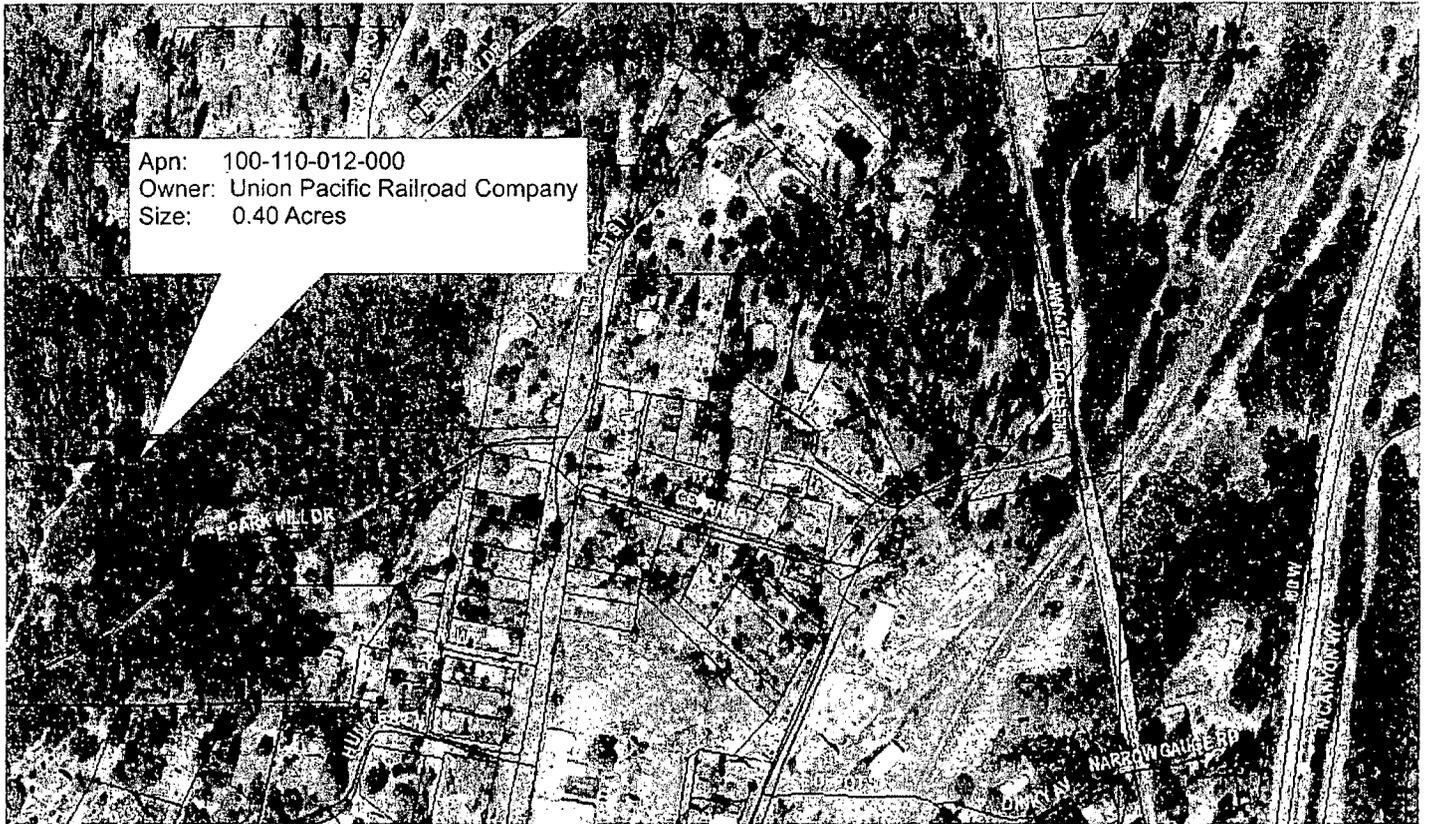
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MATERIAL TERMS
LETTER OF UNDERSTANDING FOR PURCHASE AND SALE (AGREEMENT)

1. Parties: County of Placer (County) and Union Pacific Railroad Company (UPRR).
2. Purchase Property: 0.40± acre parcel, and associated road and utility easements, located southwest of Hill Drive and east of Ben Taylor Road, in an area known as Beacon Hill in the unincorporated area of Placer County near Colfax, CA, referred to as APN 100-110-012, as depicted on EXHIBIT A (Purchase Property).
3. Purpose: To support the construction of a new public safety communications facility in support of the Countywide Interoperable Radio Network Project in accordance with the Essential Services Act of 1986.
4. Purchase Price: The Parties have agreed to One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) as the purchase price for the Purchase Property.
5. As Is Sale – Release – Indemnity: The County is receiving the Purchase Property “As-Is” and UPRR is not making any representations or warranties with respect to the use, physical and environmental condition, title, occupation, or compliance with applicable statutes, laws, codes, ordinances, and/or regulations. County will indemnify, defend and save harmless UPRR from liability, loss, costs or destruction or damage arising in connection with acquisition of the Purchase Property by the County.
6. Escrow: Parties agree that the purchase and sale of the Purchase Property shall be consummated by means of an escrow opened at Placer Title Company #102-36733, ATTN: Debbie Yue, 193 Fulweiler Avenue, Auburn CA 95603.
7. Feasibility Review Period: Close of Escrow will not occur until the County is satisfied regarding the condition of the Purchase Property, including its environmental and physical condition, and that UPRR may transfer the Purchase Property with clear title.
8. Environmental Site Assessment: County shall deliver to UPRR results of any and all reports evaluations, test and studies generated in connection with any environmental assessments prior to disclosure.
9. Closing Costs: County shall pay all recording fees, escrow fees, transfer taxes, the premium for County's Title Policy, document preparation costs, and all other related closing costs and all costs to place the Purchase Property in the condition for conveyance required by the Agreement. County shall pay for consultant costs associated with the Phase I Environmental Site Assessment. County and UPRR shall each pay its own legal and professional fees and fees of other consultants incurred with regard to this transaction.
10. Close of Escrow: If performance conditions are not met by May 31, 2012, the County or UPRR shall have the option to cancel escrow and terminate this Agreement or extend the Close of Escrow date to a mutually agreed upon date.

**EXHIBIT A
PURCHASE PROPERTY**

**PROPOSED
BEACON HILL RADIO TOWER SITE
COLFAX, CA**



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 NECESSARY TO COMPLETE THE
ACQUISITION BETWEEN THE COUNTY OF PLACER AND
UNION PACIFIC RAILROAD COMPANY FOR THE PROPERTY
LOCATED IN COLFAX, CALIFORNIA.

Resol. No: _____

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, Union Pacific Railroad Company (UPRR) is the owner of approximately 0.40± acres of real property improved with a decommissioned radio tower located southwest of Hill Drive and east of Ben Taylor Road, in an area known as Beacon Hill in the unincorporated area of Placer County near Colfax, CA, referred to as APN 100-110-012 (Purchase Property); and,

WHEREAS, UPRR desires to sell the Purchase Property to the County for the purchase price of One Hundred Fifty Thousand and No/100 Dollars (\$150,000) (Purchase Price); and

WHEREAS, the County desires to acquire the Purchase Property from UPRR for the Purchase Price; and,

WHEREAS, County ownership of the Purchase Property would allow for the demolition of the decommissioned tower to accommodate for the construction of a new public safety radio tower facility in support of the Countywide Interoperable Radio Network Project in accordance with the Essential Services Act of 1986.

NOW THEREFORE, BE IT RESOLVED, that the Placer County Board of Supervisors does hereby authorize the Director of Facility Services, or his designee, subject to County Counsel review and approval and upon satisfaction of the provisions contained in the Letter of Understanding Agreement for the purchase and sale, and to execute on behalf of the County all documentation, including the Letter of Understanding Agreement, and to take all other actions, necessary to acquire the Purchase Property; and does hereby authorize the disbursement of County funds necessary to complete the transaction; and does hereby consent to the acceptance and recordation of the deeds for said Purchase Property.

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FOR CASH TRANSFERS & RESERVE CANCELLATIONS PLEASE PROVIDE THE FOLLOWING
Fund/subFund - OCA - PCA - G/L - Sub G/L

PLACER COUNTY

PAS DOCUMENT NO.

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
10	BR	380,000.00	2

Cash Transfer Required

Reserve Cancellation Required

Establish Reserve Required

Auditor-Controller

County Executive

Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT

APPROPRIATION ADJUSTMENT

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
											10	014		250	101	303010		4001			190,000.00
											10	015		250	101	303010		2555			190,000.00
TOTAL										0.00	TOTAL										380,000.00

REASON FOR REVISION: Technical Budget revision to increase Countywide Radio Project's FY11/12 budgeted appropriation for the Beacon Hill site acquisition. Costs include land purchase, title, surveying, and related engineering services to perform environmental review.

Prepared by Melissa Nunnink Ext 4208
 Department Head *[Signature]*
 Board of Supervisors _____

Date: 2/22/12

Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

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Distribution: ORIGINAL ONLY to Auditor