

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

To: **BOARD OF SUPERVISORS**

Date: **December 11, 2012**

From: **JAMES DURFEE / MARK RIDEOUT** 

Subject: **UPDATE ON THE EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT – PLACER COUNTY GOVERNMENT CENTER**

ACTION REQUESTED / RECOMMENDATION: Receive a progress report of the Exclusive Right to Negotiate Agreement (ERNA) discussions between the County and Conkey Real Estate Development, LLC (Conkey). No Board action is requested.

BACKGROUND: On November 8, 2011, your Board authorized the execution of an ERNA between the County and Conkey to explore the feasibility of a Costco Wholesale Club store on approximately 16 acres at the Placer County Government Center (PCGC) located at the intersection of Willow Creek Drive and First Street, southwest of Home Depot. Through the Comprehensive Facilities Master Planning process, this area has been identified for additional private commercial development (See Exhibit A). At that time your Board approved an ERNA for a term of one (1) year effective on March 1, 2012, with two (2) six month options to extend. The purpose of this Agreement was to allow a period of time to investigate the feasibility and terms for the use of the County's property and to complete performance objectives which included preliminary analyses and studies such as grading, topography, utility, traffic and circulation plans, etc. Conkey paid fifteen thousand dollars (\$15,000) as consideration for the ERNA.

This report provides an update as to the progress between County staff and Conkey during this ERNA period. County staff has met numerous times with Conkey to discuss infrastructure capacity, site development constraints, potential impacts to PCGC, and the basic frameworks for transactional documents. Key deal points have been reached which include the payment of rent, a developer fee, and demolition/infrastructure offsets. These points will be included in a more comprehensive set of material terms that are currently being negotiated.

Given the progress on the negotiations with County staff, Conkey desires to proceed at his own risk, in advance of the Board's approval of material terms, to initiate applications through the Community Development Resource Agency (CDRA) for environmental review and entitlement of this project. To effectuate this step, Facility Services will be required to sign the application on behalf of the County as property owner. Conkey understands that his submission of any applications to CDRA does not in any way bind the County or the Board of Supervisors to terms negotiated with staff and does not guarantee that a lease agreement will be approved for this property. County staff will continue to negotiate in good faith, terms and conditions of transactional documents and will bring forward a negotiated comprehensive set of material terms your Board for consideration in the near future.

ENVIRONMENTAL CLEARANCE: This action is categorically exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15306 - Information Collection which exempts basic data collection, research, and resource evaluation activities not resulting in a serious or major disturbance to an environmental resource.

FISCAL IMPACT: None. This is an informational report only.

EXHIBIT A
COMMERCIAL DEVELOPMENT AREA

Commercial Development Area

