

County of El Dorado
Procedures for Leasing or Purchasing Real Property

Real Property Leasing:

Summary of procedures / steps followed to lease property for department operations:

1. Department head indicates a need for new space or to renegotiate existing lease.
2. For new space a form is submitted to the Facilities Division from the Department called: Request for Lease Space. (Found on the Facilities Division's web page)
 - a. This form outlines the need, such as new program or expansion of existing operations, as well as staffing , estimated square footage, and parking spaces needed.
 - b. Form also identifies funding sources and anticipated ancillary costs.
 - c. The form is signed by the department head and submitted to the Chief Administrative Office for concurrences.
3. The Facilities Manager meets with the department head and key staff to discuss their space needs. Discussion identifies:
 - a. Program needs.
 - b. Existing deficiencies needing improvement.
 - c. Proximity to other existing programs or staff.
 - d. Proximity to clientele; ease of access.
 - e. Possible location concerns.
 - f. Other special requirements.
4. Facilities will exhaust all efforts to identify available space within an existing County facility before starting a search for new space. Any identified space will be discussed with that department head to determine if it suits the needs of the program.
5. Depending upon the outcome of the above, the need of the department, and other circumstances surrounding the existing space, the Facilities Division may pursue two different courses of action. Either handle a renegotiation independently or retain the services of an outside real estate professional (Broker).
6. With certain leases that are coming up for renewal and depending upon the ongoing relationship with the lessor, Facilities may choose to negotiate directly with the lessor rather than retaining the assistance of a Broker. This would take into consideration some of the following:
 - a. The departments desire to stay in their current location.

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- b. Lease rates are considered at or near market.
 - c. No considerable improvements will be required.
 - d. The lessor has worked collaboratively with the department over the prior lease term.
 7. If it's determined that the complexity or requirements are outside of staff's immediate ability, Facilities management may choose to work with a Broker to address the needs. A letter of representation is provided to the Broker which states that it is their obligation to negotiate their fee from the lessor / seller. There is also language that the County could compensate them to a certain extent if it's necessary in the final negotiation. The agreement will also state that they do not have the ability to bind the County to an agreement.
 8. In the search for new lease space or when renegotiating a more complex lease, Facilities will meet with the Broker to discuss the needs and terms under which the department can operate. The following may take place next:
 - a. A search for alternate locations that fit the criteria defined by Department Management.
 - b. Obtaining floor plans of the new locations and walking the space with Department representatives to determine needed layout of that facility.
 - c. Consideration in obtaining evaluations from specialty consultants such as ADA, acoustical engineers, structural engineers, etc.
 - d. If multiple properties are identified the Broker may prepare a "Drive Time Analysis" based off of the Departments known zip codes of its clientele.
 - e. A space planner is involved in the walk through of the preferred properties to provide the required drawings and to draft the required specifications (specs).
 - f. Once a new floor plan and specs are defined, a letter of intent is prepared by the Broker and Facilities staff. Lease rates are established based off of industry experience and knowledge of the market as well as allowances for the required improvements.
 - g. A letter of intent is sent to the respective Lessors to commence negotiations. Competitive rates are eventually determined and all variables are discussed with key department management and staff.
 - h. Decisions are reached to either stay in their current location or move to a more competitively priced or suitable location.
 9. Facilities staff will work with the Procurement Division and County Counsel to draft a new / current lease agreement and assist the department in obtaining final approvals and signatures from the Lessor.
 10. The department will prepare the Board item to bring back to the Board of Supervisors for the ultimate decision of renewing or relocating the department.

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11. If relocation is decided upon a CEQA document must be prepared and recorded. Depending upon the office location, the respective City may need to be notified and City Council approval obtained.
 12. On behalf of the department, Facilities staff will assist with the coordination of the build-out of required tenant improvements.

Real Property Acquisition:

Summary of procedures to acquire real property for the County of El Dorado:

Real Property acquisitions are rare in nature and usually tied to a special set of circumstances. This document does not include Right-of-Way acquisitions, as these are handled by Transportation.

Various types of transactions include:

- EID sale of surplus land for a future park site.
- A building in close proximity to the Placerville Government Center for an interim solution for renovation projects or a potential site to relocate General Fund programs currently leasing office space.
- Identifying a future Sheriff Administration Center site location.

The following are general procedures and considerations when the County is contemplating the acquisition of real property.

1. The Facilities Division will meet with the Department Head or other stakeholders to discuss the circumstances warranting the need. Discussion identifies:
 - a. Program needs.
 - b. Consistency with General, Park or Facilities Plan.
 - c. Funding.
 - d. Proximity to other programs, facilities, or staff.
 - e. Proximity to clientele and ease of access.
 - f. Location concerns.
 - g. Other special requirements.
2. Facilities will exhaust all efforts to identify available space within an existing County facility or available County owned property before starting a search for new. Any identified space will be discussed with that department head to determine if it suits the needs of the program.
3. Depending upon the identified circumstances, the Facilities Division may pursue two different courses of action. Either handle the negotiation independently or retain the services of an outside real estate professional (Broker).

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4. With certain transactions Facilities may choose to negotiate directly with the seller rather than retaining the assistance of a Broker. This would take into consideration some of the following:
 - a. The entity selling the identified property. (i.e. EID selling surplus site for future park)
 - b. Complexity of the transaction
 5. If determined that the complexity or requirements are outside of staff's immediate ability, Facilities management may choose to work with a Broker. A letter of representation is provided to the Broker. The letter provides an exclusive right to represent, will state that they do not have the ability to bind the County to an agreement and states that it is the Broker's obligation to negotiate their fee from the seller. There is also language that the County could compensate the Broker to a certain extent if it's necessary in the final negotiations.
 6. In the search for property for a specific purpose, Facilities will work with the Broker, and the department / stakeholder (The land team) to discuss the needs and terms under which the user prefers to operate. A criteria will be established to identify the necessary requirements of the ideal location. For land only, the following are some factors that may be taken into consideration:
 - a. Site size and expansion potential
 - b. Public accessibility
 - c. Traffic impacts, utilities & infrastructure,
 - d. Drive time analysis
 - e. Environment (CEQA) considerations.
 - f. Development risk,
 - g. Purchase & Development Costs (Including off-site costs)
 - h. Long term costs.
 7. When searching for a lot the land team can utilize the Brokers database to identify available parcels that meet certain minimum criteria such as location or size. Additionally, a Broker can identify other parcels that may not be for sale but meet the defined criteria. They have the ability to contact these land holders to see if they are interested in selling.
 8. If the search criteria includes a building then additional evaluation could be performed to provide a greater understanding of the structure. These evaluation factors may include:
 - a. Consistency of the buildings size and expansion potential with the need of the department.
 - b. Public accessibility and compliance with current codes.
 - c. Possibly retain the services of an Architect or engineer to evaluate the structural integrity of the facility along with the remaining useful life of the main building systems such as Mechanical, Electrical, Plumbing and roof systems.

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- d. Obtain floor plans of the location and walk the space with Department representatives to determine the needed layout of that facility.
 - e. Have a space planner attend the walk through of the preferred properties to provide revised drawings and draft the required specifications (specs). Facilities staff may provide a cost estimate of the necessary improvements.
 9. Staff may use a rating system to identify the ideal parcels (with or without a building). Depending upon the acquisition circumstances, several parcels may be considered simultaneously for Board of Supervisor consideration. Before commencing negotiations, additional steps should be addressed before coming to the Board.
 - a. Determine if the location and intended use is consistent with the County or City's General Plan.
 - b. Determine if there are any decision makers, (someone within the selection and acquisition process) that have a conflict of interest. Also consider all parcels within 500 feet of the given parcel.
 - c. Determine the potential price range of all parcels in consideration.
 10. An open session meeting will be set with the Board to address the need for the parcel / building and to ask for permission to negotiate. Subsequent to this, a closed session meeting with the Board will be set to discuss price and terms.
 11. A letter of intent is sent to the respective seller to commence negotiations. Competitive prices are eventually determined and all variables are discussed with key stakeholders.
 12. Set a meeting with the County Surveyor and County Assessor to discuss any concerns or information they may have about the parcel or its assessment of value. If it's deemed necessary an independent appraisal should be obtained.
 13. Once the ideal location has been selected and final price and terms have been posed, the department and Facilities team will come back to the Board for approval.
 14. Facilities staff will work with the Broker and County Counsel to draft a Purchase and Sale Agreement (PSA) consistent with the agreed upon letter of intent.
 15. It is recommended that when structuring the PSA that the County provides itself an extended "Due Diligence" period. This period should be long enough to confirm the work outlined in items # 5 and # 7 above. Additionally, obtain and evaluate preliminary title reports, environmental reports, and any other reports or surveys available.

16. Depending upon the office location the respective City will need to be notified and the City Planning Department approval obtained.

17. A notice will be posted in the local newspaper publication for 3 consecutive weeks before closing.