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April 7, 2011

Board of Supervisors County of El Dorado 330 Fair Lane Placerville, CA 95667

Re: Authorization to Commence Negotiations for Purchase of a Portion of

the Property Known As Assessor' Parcel Number 325-300-02,

Generally Located on Gold Nugget Way (Briggs);

Honorable Supervisors:

#### **Recommendation:**

Staff recommends that the Board authorize staff to enter into negotiations for the acquisition of an approximately 2 acre portion of the property located on Gold Nugget Way (APN 325-030-02), and authorize execution of a brokerage agreement with Grubb & Ellis Commercial Real Estate Services for assistance in negotiating the transaction.

#### Reasons for Recommendation:

This property is approximately 26.5 acres, located on Gold Nugget Way to the south of property owned by the County and occupied by the county jail. The County is proposing to buy approximately 2 acres of the northern part of the property for parking in conjunction with the proposed construction of a court house on the County owned property. As the project has not been finally approved by the state, and CEQA review has not yet occurred, we will have to negotiate an option or conditional sale of the property pending final state approval of the project.

Staff is asking for authority to enter into negotiations with the owner of the property to determine whether an acquisition is possible under terms deemed acceptable to the County. The terms of the negotiation will be discussed with the Board in closed session.

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The owners of the property are the Briggs Family Trust and Capitol Consultants Inc. The persons with whom the county negotiators are authorized to negotiate are John Briggs and Brian Briggs.

Staff is also asking the Board to approve and authorize the Chair to sign, the attached brokerage agreement with Grubb & Ellis Commercial Real Estate Services to represent the County in negotiations with the owners of the property. Grubb & Ellis will be represented by Sandy Sandoval and Greg Redman. Their resumes are attached. We are recommending their retention due to their experience in commercial transactions and also to maintain an arm's length business relationship with the sellers of the property. The agreement calls for compensation in the form of an 8% commission on the sale price of the property, payable if and when title to the property transfers. That is likely to be several years down the road since we can't take title to the property until the state has completed CEQA on the project and approves it. We are still in negotiations over the form of the contract, so we are requesting the Chair be authorized to sign the contract with such changes as are approved by County Counsel, except changes to the compensation.

## **Fiscal Impact**:

There is no fiscal impact to the authorization to negotiate. The fiscal impact of a potential acquisition of the property will be analyzed upon conclusion of negotiations. There is a potential fiscal impact to entering into the brokerage agreement depending upon whether we successfully negotiate an acquisition of the property and how much the purchase price is. There will also be negotiations with the seller of the property over who pays the commission.

### Steps to Be Taken After Approval:

Staff will meet with the Board in closed session to discuss the terms of negotiation and will proceed to contact the owner of the property. The County negotiators will be Sandy Sandoval and Greg Redman, Consultants, and Louis Green, County Counsel.

We would be pleased to respond to any questions the Board might have.

Respectfully submitted

Louis B. Green

County Counsel

Cc:

Terri Daly, CAO

Kelly Webb, CAO Analyst

Jim Ware, Dir. of Transportation

S:\Bd of Supervisors\Agenda Transmittals & Staff Reports\Briggs Property Auth. To Negotiate