



Legislation Text

File #: 22-1819, Version: 1

Chief Administrative Office, Facilities Division, recommending the Board consider the following:

- 1) Approve and authorize the Chair to sign the Purchase and Sale Agreement and Joint Escrow Instructions 7029 with the owners Carlton Commercial Properties LLC, of Assessor's Parcel 070-270-031 (commonly known as 3883 Ponderosa Road in Shingle Springs) for \$5,392,500 and direct staff to continue its due diligence;
- 2) Approve and authorize the Chair to sign the attached budget transfer reducing the Capital Designation by \$6,000,000 and increasing appropriations in the Accumulative Capital Outlay fund by the same amount to allow for the purchase and tenant improvements (including move costs) for the building located at 3883 Ponderosa Road (4/5 vote required);
- 3) Authorize an escrow deposit of \$100,000;
- 4) Authorize the Facilities Division Manager to sign any subsequent escrow and related documents;
- 5) Find that the proposed property acquisition of 3883 Ponderosa Road in Shingle Springs is categorically exempt from review pursuant to California Environmental Quality Act Guideline Section 15301(a); and
- 6) Approve the attached revised Facilities Capital Workplan which includes the addition of the purchase of the Carlton Building as well as the addition of the Heath and Human Services Agency Senior Nutrition project (Legistar 22-2273).

FUNDING: Capital Designation.

DISCUSSION / BACKGROUND

On September 20, 2022, the Board decided to utilize the dormant juvenile hall located at 299 Fair Lane as a temporary Navigation Center until a permanent one can be constructed. It is anticipated that this location will be the eventual permanent site of the El Dorado County Psychiatric Hospital. This required the County to work with the Superior Court to relocate the juvenile court to Building C, in the space currently occupied by the Registrar of Voters. As such, as part of this endeavor, the Division was instructed to negotiate the purchase of 3883 Ponderosa Road to house the Registrar of Voters for election operations.

Purchase and Sale Agreement (PSA) No. 7029 provides for a purchase price of \$5,392,500, an escrow deposit of \$100,000 and term of 60 days to close. Should the Board choose to execute the PSA, the Division shall perform due diligence, including submittal to the County Planning Commission, and return to the Board for close of escrow and further direction.

Additionally, a third party holds a lease for a portion of this space and would provide the County approximately \$63,228 in additional annual revenue. There are no negative impacts to the County's use of this site with the third-party lease in place and the County could decide not to renew it in the future should more space be needed. The lease will need to be amended to meet some County space needs and regulatory requirements. This will be an item that is part of the contingency / escrow process.

Facilities is estimating only moderate tenant improvements as the site already contains the County's

Child Support Services Department. The location will improve the operations of the Registrar of Voters as they'll have more space. Currently the department has a very rough estimate of approximately \$600,000 for tenant improvement and move costs related to the relocation of Elections.

CEQA Analysis:

The property is used as administrative offices. The proposed acquisition of the property for use as an office building by the County is categorically exempt from review pursuant to CEQA Guideline 15301 (a) which exempts project activities that involve negligible or no expansion of use beyond that existing at the time. A notice of exemption will be filed following Board approval.

ALTERNATIVES

The Board could decline the PSA and the County could consider amending the existing lease for space at 3883 Ponderosa Road.

PRIOR BOARD ACTION

Legistar 22-1693 - September 20, 2022: Direct staff to implement a temporary Navigation Center at 299 Fair Lane as quickly as possible after December 15, 2022.

Legistar 22-1674 - September 20, 2022: Recommendation to Enter into Negotiations

OTHER DEPARTMENT / AGENCY INVOLVEMENT

NA

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

The initial purchase, tenant improvement and move costs will be funded from the Capital Designation fund. Currently the Capital Designation has funds totaling approximately \$29,600,000. If this item is approved, the fund will have a remaining balance of approximately \$23,600,000.

The County will be collecting rent from Child Support Services totaling approximately \$221,000 annually, as well as the rent from the third party totaling approximately \$63,000 annually, for a total recovery of approximately \$284,000 annually. Revenue collected for rent will be deposited back into the Capital Designation fund.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Return the executed PSA to the Division for processing.

STRATEGIC PLAN COMPONENT

Infrastructure - Analyze need, coordinate and plan for County facilities, parks and trails including ongoing maintenance, operations and replacement.

Good Governance - Approach large, complex and/or system-wide matters as one organization - Departments will collaborate on projects and efforts that have cross-departmental impacts.

CONTACT

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