

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: February 7, 2012 – Consent **AGENDA NO.:** 29 **Revised Report Only**

SUBJECT: Adopt a Resolution:

- a. Declaring County-owned real property located at 26 Central Avenue in Salinas, California (former Monterey County Free Libraries Administration Building), APN 002-164-020 as surplus real property and no longer necessary for county or other public purposes;
- b. Declaring intent to sell the property at public auction to the highest responsible bidder, for cash;
- c. Directing all interested parties to appear on February 21, 2012 at 11:00 a.m. in the Monterey Conference Room at 168 West Alisal Street, Second Floor, Salinas, CA pursuant to Government Code Section 25363 (4/5th vote required);
- d. Establishing the minimum bid price at \$500,000;
- e. Authorizing the Contracts/Purchasing Officer or his designee to receive oral and written bids using the procedures outlined in this report, open written bids, call for oral bids, accept the highest responsible bid and close the auction on the date, place and approximate time as set forth above; and
- f. Authorizing the Contracts/Purchasing Officer to execute a Quitclaim Deed transferring the property after the sale has been reported to and confirmed by the Board.

DEPARTMENT: RMA - Public Works

RECOMMENDATIONS:

It is recommended that the Board of Supervisors adopt a Resolution:

- a. Declaring County-owned real property located at 26 Central Avenue in Salinas, California (former Monterey County Free Libraries Administration Building), APN 002-164-020 as surplus real property and no longer necessary for county or other public purposes;
- b. Declaring intent to sell the property at public auction to the highest responsible bidder, for cash;
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- d. Establishing the minimum bid price at \$500,000;
- e. Authorizing the Contracts/Purchasing Officer or his designee to receive oral and written bids using the procedures outlined in this report, open written bids, call for oral bids, accept the highest responsible bid and close the auction on the date, place and approximate time as set forth above; and
- f. Authorizing the Contracts/Purchasing Officer to execute a Quitclaim Deed transferring the property after the sale has been reported to and confirmed by the Board.

SUMMARY/DISCUSSION:

Real property located at 26 Central Avenue in Salinas (Assessor’s Parcel Number 002-164-020) contains a 9,539 square foot building with a full storage basement built in the 1940s and purchased by the County in 1951 for various County functions. It was used mainly by the

Monterey County Free Libraries (MCFL) as their administrative office and general warehousing activities from 1984 through 2007.

On November 9, 2004, the Board approved a Construction and Operations Agreement with the City of Marina. This Agreement committed the net proceeds from the sale of the 26 Central Avenue property to the City of Marina as contribution for the construction of a new MCFL Administrative Office facility adjacent to a new Marina Branch Library (both completed in July of 2007) located at Locke Paddon Park in the City of Marina. A copy of the November 9, 2004 Board Report, Order and Agreement is attached.

On May 8, 2007 and January 8, 2008, the Board adopted a Resolution declaring its intent to sell and authorizing the Contracts/Purchasing Officer to solicit bids for the 26 Central Avenue building pursuant to Government Code Sections 25526 and 25530 *et seq.* No bids were received for either offering, which may have been due to the down turn or the commercial real estate market and the buildings physical condition.

On April 9, 2008, the building was commercially appraised at a range of \$500,000 to \$600,000. The Department of Public Works recommends that the minimum bid be set at \$500,000 based on this appraisal and related economic factors. Recently, the City of Marina has expressed interest in ~~having the property sold at public auction for a minimum of \$500,000 in an effort to expedite a sale with possible buyers.~~ expediting the sale of the property.

With Board approval, the real property located at 26 Central Avenue will be sold “as is” at public auction, to the highest bidder, subject to the requirements of Government Code section 25363, a copy of which is attached. Public notice will be given. It will be the responsibility of the successful bidder to secure any surveys or appraisals. The buyer will be responsible for all costs of sale, including documentary transfer tax and recording fees. The proposed sale is Categorically Exempt from CEQA pursuant to CEQA Guidelines Section 15312 (Surplus Government Property Sales.)

The following are the recommended procedures for the public auction process:

1. Prior to the auction all bidders must remit a deposit of either \$500,000 in the form of either a letter of credit or a certified cashier’s check drawn on a Unites States bank payable to “County of Monterey” or remit a supply wire transfer in the same amount data to the County Treasurer with bank certification that the minimum bid amount is on deposit.
2. The Board Chair directs all interested parties to the Monterey Conference Room at 168 West Alisal Street, Second Floor, Salinas, CA, on February 21, 2012 at 11:00 a.m.
3. Written bids must be submitted on the County-approved form no later than 11:00 a.m. on February 21, 2012. The Contracts Purchasing Officer, or his designee, will open and read any written bid received with a minimum bid amount set at \$500,000.
4. After written bids are opened and read, oral bidding shall proceed in \$5,000 minimum increments.
5. The highest responsible bid will be chosen and the auction closed on the date, place and approximate time set forth above.
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7. The highest responsible bidder will be responsible for payment of any balance above the minimum bid amount of \$500,000, by way of wire transfer or certified cashier's check, within three working days of the auction. In the event that timely payment is not received, the sale will default to the next highest bidder in succession. Deposits for all unsuccessfully bidders will be returned at the conclusion of the sale.
8. The sale shall be reported to and confirmed by the Board of Supervisors pursuant to Government Code Section 25363 at the next scheduled meeting
9. The property will thereafter be transferred via Quitclaim Deed in the form attached.

OTHER AGENCY INVOLVEMENT:

~~The Monterey County Free Libraries and the City of Marina concur with the public auction process~~ The Monterey County Free Libraries concurs with the public auction process and County Counsel has approved the process as to form and legality. The City of Marina was advised of the intent to conduct this auction and received a copy of the staff report.

FINANCING:

County expenses incurred during current and prior fiscal years will be recovered from the proceeds of the sale. The building at 26 Central Avenue was commercially appraised at a range of \$500,000 to \$600,000 on April 9, 2008. The successful sale of the 26 Central Avenue property will meet the County's obligation in full for the construction of the new Monterey County Free Libraries Administrative Office Building which was reported to cost the City \$3.3 million. The remainder of the funding to construct the new Monterey County Free Libraries Administrative Office Building came from an \$8 million municipal bond issue passed by the voters of the City of Marina in November 2002. The Construction and Operations Agreement with the City of Marina provided for the County's recovery of advertising, appraisal(s), real estate services, inspections, environmental studies, and related costs of marketing the property. Said recovery cost is estimated at \$36,000.

Prepared by:

Approved by:

Richard P. Sauerwein Jr., P.E. (831) 796-3071
Architectural Services Manager

Paul H. Greenway, P.E.
Acting Director of Public Works

Benny J. Young
RMA Director

Dated: January 30, 2012

Attachments: Resolution; Copy of the November 9, 2004 Board Report, Order and Construction & Operations Agreement with the City of Marina; Quitclaim Deed;

Public Notice; Written Bid Form; Government Code Section 25363; Location
Map