



Monterey County

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Board Report

Legistar File Number: A 16-057

March 22, 2016

Introduced: 3/8/2016

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

Adopt a Resolution to:

- a. Find that the exchange and lease of properties is categorically exempt from environmental review under CEQA Guidelines Section 15332.
- b. Approve and authorize the Contracts/Purchasing Officer to execute a twenty-five year (25) Lease Agreement with the City of Salinas for city owned property located at 331 North Sanborn Road in Salinas, California for the future operation by the County of a public health clinic or other County-operated public service;
- c. Approve and authorize the Contracts/Purchasing Officer to execute a twenty-five (25) year Lease Agreement with the City of Salinas for county owned property located at 312 East Alisal Street in Salinas, California for the future operation by the City of Salinas of a City public safety facility;
- d. Authorize the Auditor-Controller to make lease payments of \$1.00 per year to the City of Salinas for the lease of 331 North Sanborn Road in Salinas, California and in accordance with the terms of an approved Lease Agreement;
- e. Authorize the Contracts/Purchasing Officer or the Contracts/Purchasing Supervisor to execute and extend the above mentioned Lease Agreements for five (5) additional five (5) year terms under the same terms and conditions, and make minor revisions to the Lease Agreements if deemed necessary by the Contracts/Purchasing Officer to be in the best interest of the County; and
- f. Adopt a resolution to approve and authorize the Resource Management Agency Director to execute a Property Exchange Agreement in substantially the format attached, Grant Deed, and any related transfer and recordable documents on behalf of the County of Monterey upon completion of all conditions.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Find that the exchange and lease of properties is categorically exempt from environmental review under CEQA Guidelines Section 15332.
- b. Approve and authorize the Contracts/Purchasing Officer to execute a twenty-five year (25) Lease Agreement with the City of Salinas for city owned property located at 331 North Sanborn Road in Salinas, California for the future operation by the County of a public health clinic or other County-operated public service;
- c. Approve and authorize the Contracts/Purchasing Officer to execute a twenty-five (25) year Lease Agreement with the City of Salinas for county owned property located at 312 East Alisal Street in Salinas, California for the future operation by the City of Salinas of a City public

safety facility;

d. Authorize the Auditor-Controller to make lease payments of \$1.00 per year to the City of Salinas for the lease of 331 North Sanborn Road in Salinas, California and in accordance with the terms of an approved Lease Agreement;

e. Authorize the Contracts/Purchasing Officer or the Contracts/Purchasing Supervisor to execute and extend the above mentioned Lease Agreements for five (5) additional five (5) year terms under the same terms and conditions, and make minor revisions to the Lease Agreements if deemed necessary by the Contracts/Purchasing Officer to be in the best interest of the County; and

f. Approve and authorize the Resource Management Agency Director to execute a Property Exchange Agreement in substantially the format attached, Grant Deed, and any related transfer and recordable documents on behalf of the County of Monterey upon completion of all conditions.

SUMMARY/DISCUSSION:

The main purpose of the Lease Agreement for the 331 North Sanborn Road property (Att. A) is to satisfy the continued governmental use condition of the former Salinas Redevelopment Agency Long Range Property Management Plan, which approves the City entering into a lease with the County for the possible development and operation of a public health clinic or other County-operated public service. The main purpose of the Lease Agreement for the 312 East Alisal Street property (Att. B) is to reciprocate a leasing relationship mainly for the City's demolition and removal of all improvements and structures from this site in contemplation of the City's use of the property for its Public Safety Facility.

Annual rent for each Lease Agreement will be \$1.00/year for twenty-five (25) years. The City of Salinas will be responsible for the demolition of the existing structures located on both properties. The proposed Lease Agreements also provide for five (5) additional five-year (5-year) periods under the same terms and conditions.

The Property Exchange Agreement (Att. C) conditions that the City demolish and remove all improvements and structures from the 331 North Sanborn Road site and 312 East Alisal Street. It is anticipated that when the due diligence is completed and both properties are vacant and free of buildings and encumbrances, that the Property Exchange Agreement will be executed between the County and City, whereby the City will then receive the transfer of title to the County's property and County will then receive the transfer of title to the City's property.

This property exchange will support the Monterey County Health Department 2011-2015 Strategic Plan Initiatives:

#3 Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports two (2) of the ten (10) essential public health services, specifically;
#4 Mobilize community partnerships and action to identify and solve health problems; and
#7 Link people to needed personal health services and assure the provision of health care when otherwise unavailable.

Planned use of the Sanborn site is for the County Health Department to develop a health clinic. If the County determines that a health clinic is not feasible for the property, the County will explore options for other County-operated public service use. The planned use of 312 East Alisal is for the City to develop a public safety facility. Since the property exchange has been characterized based upon these uses, both the City and County will be kept informed of any change in the planned use consistent with the Memorandum of Understanding between the City and County adopted on February 9, 2016.

Under CEQA guidelines Section 15332, the project is categorically exempt from CEQA as an in-fill development.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has reviewed and approved the Lease Agreements and Property Exchange Agreement as to form and legality. Risk Management has reviewed these agreements as to conformance with insurance and indemnity requirements. The County Health Department and City staff have been actively involved in process and supports the property exchange. These actions were considered by the Capital Improvement Committee on March 14, 2016. The Salinas City Council is scheduled to hear this matter on March 22, 2016.

FINANCING:

There is no additional impact to the General Fund. Sufficient funds will be available in the Requested Budget for Fiscal Year 2016-17 for the Health Department, (4000-HEA007-8096) to cover the anticipated \$6,500 for title and escrow fees related to the property exchange. All costs associated with the demolition of the buildings located at 312 East Alisal Street and 331 North Sanborn Road will be paid by the City of Salinas. The property exchange, whether lease or conveyance, will result in a cost savings to the County due to the elimination of periodic maintenance, upkeep, and security at the 312 East Alisal Street property. Funding for the design and construction of a possible public health clinic on the 331 North Sanborn Road property will be determined at a later date.

Prepared by: George K. Salcido, Real Property Specialist (831)755-4859

Approved by: Benny J. Young, Interim Director of Public Works and Facilities

Approved by: Carl P. Holm, AICP, Resource Management Agency Director

Approved by: Elsa M. Jimenez, Interim Director of Health

Dated: February 24, 2016

Attachments:

Resolution

1. 331 North Sanborn Road Lease Agreement
2. 312 East Alisal Street Lease Agreement
3. Property Exchange Agreement
4. Location Map

