



County of Monterey

Item No.17

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 25-480

December 09, 2025

Introduced: 12/2/2025

Current Status: Agenda Ready

Version: 2

Matter Type: BoS Agreement

- a. Find that the proposed purchase of real property is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines California Code of Regulations (CCR) section 15061; and
- b. Approve an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions between the County of Monterey and Dong Family Enterprises, LLC, a California Limited Liability Corporation, and the William H. Wong and Ruth J. Wong Trust, Amended and Restated March 21, 1984, to acquire one (1) parcel totaling approximately 1.07 acres including an approximately 8,459 square foot commercial building (the Property), located within the Alisal area of the County at 323 N. Sanborn Road, Salinas California, 93901, for the purchase price of \$2,227,500, including a separate estimate of \$30,000 for escrow and due diligence related fees, for use by the Health Department, Natividad Medical Center (NMC), and the Supervisorial District 1 Office, pursuant to Government Code Section 25350.60; and
- c. Authorize the County Administrative Officer (CAO) to execute an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions, and any related documents needed to complete the transaction, including, but not limited to, a Grant Deed and any future amendments to the Agreement subject to review and approval as to form by the Office of the County Counsel.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Find that the proposed purchase of real property is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines California Code of Regulations (CCR) section 15061; and
- b. Approve an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions between the County of Monterey and Dong Family Enterprises, LLC, a California Limited Liability Corporation, and the William H. Wong and Ruth J. Wong Trust, Amended and Restated March 21, 1984, to acquire one (1) parcel totaling approximately 1.07 acres including an approximately 8,459 square foot commercial building (the Property), located within the Alisal area of the County at 323 N. Sanborn Road, Salinas California, 93901, for the purchase price of \$2,227,500, including a separate estimate of \$30,000 for escrow and due diligence related fees, for use by the Health Department, Natividad Medical Center (NMC), and the Supervisorial District 1 Office, pursuant to Government Code Section 25350.60; and
- c. Authorize the County Administrative Officer (CAO) to execute an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions, and any related documents needed to complete the transaction, including, but not limited to, a Grant Deed and any future amendments to the Agreement subject to review and approval as to form by the Office of the County Counsel.

SUMMARY

The Public Works, Facilities and Parks (PWFP) Department has negotiated a proposed agreement for the Purchase and Sale of Real Property and Joint Escrow Instructions (Agreement) between the County of Monterey and Dong Family Enterprises, LLC, a California Limited Liability Corporation, and the William H. Wong and Ruth J. Wong Trust, Amended and Restated March 21, 1984, to acquire one (1) parcel totaling approximately 1.07 acres including an approximately 8,459 square foot commercial building (the Property), located at 323 N. Sanborn Road, Salinas California, 93901, for the amount of \$2,227,500. Approval of the staff recommendation will authorize the CAO to execute the Agreement, and any related documents needed to complete the transaction, including, but not limited to, a Grant Deed and any future amendments to the Agreement subject to review and approval as to form by the Office of the County Counsel.

DISCUSSION:

On October 20, 2025, the County of Monterey (County) PWFP Department staff received an email notice from the Sellers' representative that 323 N. Sanborn Road, Salinas, California (the Property) has been listed for sale on the open market at an asking price of \$2,025,000. The Health Department, NMC, and the Supervisorial District 1 Office are interested in moving forward in acquiring the Property for their future use.

The Property consists of one parcel of land totaling approximately 1.07 acres including one commercial building approximately 8,459 square feet in size and a cell tower. The Property is located directly adjacent to the County's new Alisal Integrated Health Center off N. Sanborn and Probation Youth Center off Circle Drive. The Property includes 8 separate suites (Pharmacy plus Suites A through G) with 5 tenants which includes an NMC based clinic in Suite E. Based on the Property's current occupancies, the estimated total net operating income generated is \$121,770. Following detailed program planning and assessment of the Property, the Health Department, NMC and Supervisorial District 1 Office plan on using the Property for future medical suites and offices. The planned use of this property is consistent with the County's strategic goals and the County's Facilities Master Plan which has highlighted the need for increased Health Services spaces within the County as well as the establishment of a Supervisorial District 1 primary Office in the Alisal area of the County. The Facilities Master Plan indicates significant cost savings could be realized through opportunistic acquisition of office buildings to meet County space needs in comparison to potential costs for new construction.

The CAO, in consultation with PWFP staff and the Office of the County Counsel, submitted a non-binding Letter of Intent (LOI) to purchase the Property to the Sellers' Representative on October 29, 2025 to ensure the County would be in a desirable negotiating position and to adhere to County real property acquisition standards and requirements. The Sellers' representative responded on November 10, 2025 and requested that the County and other Offerors submit a highest and best purchase Offer. In response to the Sellers' representative's November 10 communication, the County submitted a second LOI on November 14, 2025. Based on comparable sales and competition from competing Offerors, PWFP-Facilities-Real Property staff submitted the second LOI that included a purchase price of \$2,227,500. Potential funding sources for the purchase of the Property include Health Department Clinic Services Bureau departmental revenues. As the condition of the Property and future improvements are unknown at this time, the users of the Property will go through the

County's capital improvement process to implement capital improvements when applicable. The Health Department also intends to engage a property management company to address ongoing operations and maintenance needs of existing building occupants.

The purchase of the Property is contingent upon completion and approval of the County's due diligence activities and inspections, which may include an environmental phase 1 report, ADA accessibility study, preliminary title report, appraisal report, and review of Sellers' disclosures, all of which will be completed during the County's forty-five (45) day due diligence period during escrow. County's due diligence and escrow related costs are estimated at \$30,000. The close of escrow is tentatively scheduled to occur fifteen (15) days following the removal of all of the County's due diligence contingencies. PWFP-Facilities-Real Property staff have facilitated publication of the County's Notice of Intent to purchase the Property once a week for three successive weeks with at least five days between publication dates in a newspaper of general circulation pursuant to California Government Code Sections 25350 and 6063.

CEQA Guidelines CCR Section 15061(b)(3) provides for a common-sense categorical exemption for projects where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. This categorical exemption applies to government actions involving administrative activities that will not result in physical changes to the environment. The proposed purchase of the Property will not result in physical changes to the environment; therefore, the proposed activity is not subject to CEQA. Further, the proposed purchase of the Property is an administrative activity which will not have a significant effect on the environment, therefore, the proposed activity is categorically exempt pursuant to CEQA Guidelines CCR Section 15061(b)(3).

Staff recommends that the County work towards the acquisition of the Property due to its proximity to other County functions and the opportunity to develop more medical offices and a Supervisorial District 1 Office in the Alisal area of the County.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

The Office of the County Counsel and its Risk Management Division have reviewed and approved the proposed draft Agreement as to form and indemnification/insurance provisions respectively. The Auditor-Controller's Office has reviewed and approved the proposed draft Agreement as to fiscal provisions. PWFP - Facilities - Real Property staff will facilitate the escrow and due diligence period in consultation with the Health Department and NMC staff.

FINANCING:

The Board Report and the Agreement were developed by PWFP Department staff and funded as part of the Fiscal Year (FY) 2025-26 PWFP Adopted Budget, General Fund 001, Facilities Appropriation Unit PFP054. The Health Department Clinic Services Bureau Fund (001-4000-8592-HEA007) has sufficient revenues to fund the proposed purchase price, potential due diligence activities, and escrow fees. The proposed purchase price for the Property is \$2,227,500. Additional due diligence and escrow related costs are estimated at \$30,000. The Health Department will evaluate the need to increase appropriations; and, if needed will bring the appropriate actions to the Board for consideration in the coming months.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

This action supports the Board of Supervisors plan goal for sustainable infrastructure for the present and future by providing for the maintenance, replacement, sustainability, and resilience of infrastructure required for living, working, recreating in, and visiting the County of Monterey.

- ☐ Well-Being and Quality of Life
- ☒ Sustainable Infrastructure for the Present and Future
- ☐ Safe and Resilient Communities
- ☐ Diverse and Thriving Economy
- ☐ Dynamic Organization and Employer of Choice

Prepared by: Ivo N. Basor, PWFP-Real Property Specialist, (831) 796-6427

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

Reviewed by: Florence Kabwasa-Green, Chief of Facilities

Reviewed by: Lindsay Lerable, Assistant PWFP Director

Reviewed by: Andrea Rosenberg, Chief Ancillary and Support Services Officer, NMC

Reviewed by: Elsa Mendoza Jimenez, MPH, Director of Health Services

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

The following attachments are on file with the Clerk of the Board:

Attachment A - Purchase Agreement and Joint Escrow Instructions

Attachment B - Location Map

Attachment C - Public Notice

Attachment D - Letter of Intent #1

Attachment E - Letter of Intent #2