



AGENDA STAFF REPORT

ASR Control 07-002608

MEETING DATE: 01/15/08
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): 1
SUBMITTING AGENCY/DEPARTMENT: Resources and Development Management Department (Approved)
DEPARTMENT CONTACT PERSON(S): Jean Pasco (714) 834-2083
 Tony Ferrulli (714) 834-3790

SUBJECT: Acquisition: 433 Civic Center Drive West, Santa Ana

CEO CONCUR Concur	COUNTY COUNSEL REVIEW Approved Agreement to Form	CLERK OF THE BOARD Discussion 3 Votes Board Majority
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Budgeted: Yes **Current Year Cost:** \$2,115,000 **Annual Cost:** N/A
Staffing Impact: No **# of Positions:** **Sole Source:** No
Current Fiscal Year Revenue: N/A
Funding Source: Agency 059 - 100%

Prior Board Action: September 18, 2007

RECOMMENDED ACTION(S)

1. Approve and execute the Acquisition Contract with Silva Family Trust and form of Grant Deed and return two executed copies of the Acquisition Contract to the Resources and Development Management Department (RDMD) Corporate Real Estate.
2. Authorize the Chairman of the Board to accept the Grant Deed from the Silva Family Trust upon delivery by RDMD/Corporate Real Estate and return the deed for recording.
3. Authorize the Director RDMD or designee to execute any documents necessary to close the purchase transaction through the escrow holder.
4. Instruct the Auditor-Controller upon notification from RDMD/Corporate Real Estate to issue checks or similar wire transfers to escrow in the amount of \$2,100,000 from Clerk-Recorder project account Agency 059 and additional checks as required for escrow closing costs, fees associated with title insurance, and pay other fees to escrow associated with closing escrow from project account Agency 059
5. Find that the proposed project is Categoricaly Exempt from CEQA per Section 15305, Class 5 of the CEQA Guidelines.

6. Instruct the Auditor-Controller upon receipt of the brokerage fee of \$42,000 from LandAmerica Escrow to credit RDMD/Corporate Real Estate account Fund 135.

SUMMARY:

Approval of the Acquisition Contract and authorization to execute necessary documents and issue checks into escrow for the purchase price and all related escrow closing costs will complete the subject purchase of real property for the Clerk-Recorder Archives Division and will expand the public's access to County archive documents.

BACKGROUND INFORMATION:

The Archives Division of the County Clerk-Recorder's Office requires additional space to provide public displays, exhibits, a larger research room, and additional stack space for the Archives. Acquisition of the office building located at 433 Civic Center Drive West, Santa Ana will provide additional space to accommodate the Archives Division. The property is located across Civic Center Drive from the County Hall of Records and Finance (Building 12) and is surrounded on three sides by County-owned property.

The subject property is improved with an 8,812 square foot, 2-story office building, plus a partial basement, situated on approximately 20,036 square feet of land, and provides 34 parking spaces. The Clerk Recorder's Office currently leases parking spaces in the core Civic Center area from the private sector. Acquisition of this property will reduce the number of parking spaces being leased from the private sector and will result in an annual cost savings of approximately \$26,100.

The subject property is being purchased in an "as is" condition. RDMD staff conducted a physical inspection of the land and improvements, which concluded the property has been reasonably maintained. A safety inspection was performed by County Executive Office/Risk Management which indicated that a number of minor deficiencies must be corrected to meet County safety standards. The Clerk-Recorder's Office will correct these deficiencies prior to occupancy and refurbish the interior to meet their current and future operational requirements after the close of escrow.

As authorized by your Board on September 18, 2007, negotiations were initiated to purchase the property from the Silva Family Trust. The property was listed for sale at \$2,495,000. RDMD obtained an independent appraisal of \$2,200,000 and negotiated a purchase price of \$2,100,000, which is below the appraised fair market value after taking into consideration the physical condition of the property. Escrow, Title, and closing costs are estimated to be an additional \$15,000. The property also has added value to the County due to its adjacency to existing County-owned property and future redevelopment potential for the subject property and adjacent County-owned properties.

LEGAL REQUIREMENTS:

CEQA: In accordance with CEQA Guidelines, Section 15305, Class 5, the proposed project is exempt from the provisions of CEQA, which reflects the independent judgment of the lead agency, Orange County, and satisfies the requirements of CEQA because it involves a minor alteration in land use limitations.

GENERAL PLAN: Pursuant to Government Code Section 65402, the proposed project conforms to the City of Santa Ana General Plan.

SIXTY-DAY NOTICE: A Sixty-Day Notice, pursuant to Government Code Section 25351, was submitted to the City of Santa Ana. The City of Santa Ana approved and waived the sixty-day notice period.

LEGAL NOTICE: A legal notice of Intent to Purchase Real Property was published in the Orange County Reporter newspaper, pursuant to Government Code Section 25350.

HAZARDOUS MATERIALS ASSESSMENT:

A Hazardous Materials Assessment (Phase I Report) was performed by Converse Consultants and revealed no contamination requiring remediation. RDMD/Environmental Resources has reviewed the Phase I Report and recommends proceeding with the acquisition.

An asbestos inspection was performed by Facilities Operations which indicated that although asbestos exists in the building, the asbestos containing material is in "good" condition and the building is safe to occupy.

FINANCIAL IMPACT:

This real estate acquisition cost was budgeted by the Clerk-Recorder's Office for Fiscal Year 2007-08.

STAFFING IMPACT:

N/A

REVIEWING AGENCIES:

County Executive Office/Risk Management
Clerk Recorder

EXHIBIT(S):

Exhibit A - Acquisition Contract Summary
Exhibit B - Location Map

ATTACHMENT(S):

Attachment A - Acquisition Contract