



Revision to ASR and/or Attachments

Date: June 11, 2021
To: Clerk of the Board of Supervisors
CC: County Executive Office
From: Frank Kim, County Executive Office *Michelle Aguirre*
Re: ASR Control #: 21-000457, Meeting Date 6/22/21, Item No. # 7
Subject: Approve Termination and Developer Agreement for Sale of Property

RECEIVED
2021 JUN 11 PM 12:59
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

Explanation:

Edits were made to update the Background Information, Financial Impact and Attachments listing.

☐ Revised Recommended Action(s)

☒ Make modifications to the:

☐ Subject ☒ Background Information ☐ Summary ☒ Financial Impact

BACKGROUND INFORMATION:

Under Disposition of Property, second paragraph:

The District also requests the Board adopt a Resolution declaring the intention to sell the surplus Property (Attachment B) through a competitive bid process. The release of the **Request for Offers** (Bid Instructions) (Attachment E) and sale of the Property will adhere to the Procedure for Sale of Property (Attachment F) and utilize the Offer and Agreement to finalize the purchase the Property (Attachment G).

In addition, the District requests the Board approval of a Professional Services Agreement with Park Places Partners, Inc. dba Land Advisors Organization (LAO) (Exhibit C) to assist with the disposition of the Property. LAO, a licensed real estate broker, has extensive experience in the disposition of large developable properties throughout the Inland Empire, and has relationships with major developers with proven

ability to manage properties of this type. LAO will be paid a fixed base price of \$250,000 and a success fee equal to three percent for every dollar above the minimum asking price of \$25 million. LAO's fees will be paid from the Property sale proceeds. LAO will work with the District and LCDLDC Greenspot, as needed, to develop a Disposition Strategy, Marketing Plan and Timeline, which includes releasing and marketing the Request for Offers (Bid Instructions), facilitating meetings and site tours, and compiling sealed written offers and oral bids for Board review. Upon the Board's acceptance of the highest bid, LAO will manage the sales transaction to ensure successful close of escrow.

The Resolution declares the District's intent to sell the Property and states:

- The Property being sold is a 1,657 acre of parcel located within the City and owned by the District;
- Pursuant to Government Code Section 54220 et seq., the District has complied with the Surplus Land Act and declares the Property is no longer required for public use and is surplus to Flood Control and County purposes;
- The Property has a minimum sale price of \$25 million;
- The Property will be sold through a competitive bid process as outlined in the Procedure for Sale of Property (Exhibit F);
- LAO, a licensed real estate broker, will be instrumental in obtaining offers from qualified buyers and will be paid a fixed base price of \$250,000 and a success fee equal to three percent for every dollar above the minimum asking price of \$25 million;
- Sealed offers will be received and considered, and oral bids shall be called; and
- The final acceptance of the highest bid shall be made at a subsequent Board meeting.

Approval of the Termination Agreement with LCDLDC Greenspot and the Professional Services Agreement with LAO will allow the District to terminate the Developer Contract, pursue disposition of the Property and generate revenue to fund payments to LCDLDC Greenspot and LAO, and contribute to the District recouping its costs associated with acquiring and entitling the Property. Once bids are received, they will be presented to the Board for final approval of the preferred bid.

Compliance with CEQA: This action is not a project within the meaning of CEQA Guidelines Section 15378 and is therefore not subject to CEQA, since it does not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The approval of this agenda item does not commit the County to a definite course of action in regard to a project since the approval includes the termination of an Agreement to allow the District to terminate the Developer Contract with LDC Greenspot, adoption of a resolution declaring the intent to dispose of the surplus flood control property through a competitive Request for Offers (Bid Instructions) and approval of the Professional Services Agreement to allow LAO to manage the disposition of the Greenspot Property on behalf of the District. This proposed activity is therefore not subject to CEQA. Any

future action connected to this approval that constitutes a project will be reviewed for compliance with CEQA.

FINANCIAL IMPACT:

Revenue associated with this contract termination was not included in the FY 2021-22 Budget. All payments including the Initial Payment and Sale Proceeds Payment(s) to LCDLDC Greenspot and Broker Fees to LAO will be paid from the Property sale proceeds.

The State of California and the Local Sponsors (Orange County Flood Control District, San Bernardino County Flood Control District, and Riverside County Flood Control and Water Conservation District) shall split the net surplus revenue remaining from the sale of the Property as follow:

- State of California 70%
- Local Sponsors 30%

~~The approval of this agenda item does not commit the County of Orange or District to a definite course of action in regard to a project since the required Board approval, on behalf of District, of said proposed actions herein include approval of the Termination Agreement with LCD Greenspot, adoption of a Resolution declaring District's intent to sell surplus flood control property through a competitive bid process and approval of the Professional Services Agreement with LAO.~~

Attachment(s):

Attachment E – Request for Offers (Bid Instructions for Sale of Real Property)

☐ Revised Attachments (attach revised attachment(s) and redlined copy(s))