

**Real Property Acquisition Questionnaire\* for ASR # 23-001161**  
**Board Meeting Date October 31, 2023**

**Property exchange between the County of Orange and The City of Mission Viejo to facilitate the expansion of the City's Lower Curtis Park.**

1. What property interest is being considered for acquisition (fee, lease, license, easement)?  
**Fee**
  - a) Why is this property being considered for acquisition?  
***This acquisition of three parcels consisting of 13.88 ac., 1.54 ac., and a 2.16 ac. parcels are part of a property exchange with the City of Mission Viejo to facilitate the City's expansion of Lower Curtis Park.***
  - b) How and who identified this property for a potential acquisition?  
***The City of Mission Viejo with input from U.S. Fish and Wildlife Service (USFWS) and the County of Orange.***
  - c) What factors are key in recommending this property for acquisition?  
***This property exchange between the County and the City of Mission Viejo will facilitate the expansion of City's Lower Robert A. Curtis Park. The proposed project will allow this park to accommodate additional sports fields and/or general use areas.***
  - d) How does the proposed acquisition fit into the County's/District's strategic or general plan?  
***This easement is consistent with the County's General Plan.***
  - e) What are the short and long term anticipated uses of the property?  
***This property will continue to be used for Park purposes only.***
  - f) Are there any limitations on the use of the property for its intended purposes?  
***Yes. This property will continue to be used for Park purposes only.***
2. What analysis has been performed as to whether to acquire the proposed real property interest?  
***The County property is located within the boundaries of the Southern Subregion Habitat Conservation Plan ("HCP"). The City worked with U.S. Fish and Wildlife Service (USFWS) to determine the amount and location of the land to be exchanged and the steps that would be necessary to allow the exchange. USFWS determined that a minor amendment ("Minor Amendment") to adjust the boundaries of the HCP would be required and approved the size and location of the exchanged parcels.***
  - a) Have there been any internally or externally prepared reports regarding this property acquisition?  
***Minor Amendment to the Habitat Conservation Plan (HCP).***
  - b) Who performed the analysis?  
***City of Mission Viejo and U.S. Fish and Wildlife Service (USFWS)***
  - c) Provide details about the analysis and cost/benefit comparison.  
***N/A***
3. How was the acquisition price, or lease/license rent, determined?  
***N/A. This transaction is a property exchange.***
  - a) Who performed the appraisal or market study and what certifications do they possess?  
***County Valuation Staff, MAI, SRA, AI-GRS, R/W-AC***

- b) How does the price/rent compare with comparable properties?  
**N/A**
- c) Does the setting of the price/rent follow industry standards and best practices?  
**N/A**
- d) What are the specific maintenance requirements and other costs within the agreement and who is responsible? Provide an estimate of the costs to the County/District if applicable.  
**N/A**
4. What additional post-acquisition remodeling or upgrade costs will be needed for the property to meet its intended use?  
**N/A**
- a) Will any of the upgrades be required to meet County, ADA, or other standards and requirements?  
**N/A**
- b) Include estimates of the costs.  
**N/A**
- d) What department will be responsible for the costs?  
**OC Parks**
5. Can the County terminate the purchase/easement, lease/license?  
**No.**
- a) What would be necessary to terminate the agreement, and when can it be terminated?  
**No**
- b) Are there penalties to terminate the purchase/easement, or lease/license?  
**No.**
6. What department will be responsible for the acquisition payments?  
**N/A. Property exchange.**
- a) Are the acquisition costs budgeted in the department's budget?  
**N/A**
- b) What fund number will the funds for the acquisition ultimately be drawn from?  
**N/A**
- c) Will any restricted funds be used for the acquisition? (Check with the Auditor Controller's General Accounting Unit and Counsel if you have questions about whether restricted funds are involved.)  
**N/A**
- d) If restricted funds will be used, has County Counsel advised that this is an allowable use of the proposed restricted funds?  
**N/A**
7. Does the proposed purchase/lease/license/easement agreement comply with the CEO Real Estate standard language?  
**Yes.**

- a) List any modified clauses and reasons for modification.

**N/A**

8. If this is a lease, is it a straight lease, an operating lease, a lease with an option to purchase, or a capital lease (see details below)?

**N/A**

Capital Lease Determination: At the inception of any *potential* capital lease, it is important to contact the Auditor-Controller's Capital Asset Unit for further guidance to ensure that proper classification and accounting for the lease occurs. There are specialized accounting rules and required forms for capital leases. See further details in the County's Accounting Manual, Policy No. FA-1: *Accounting for Lease Purchases (Capital Leases)*, located on the intranet. For accounting purposes only, a capital lease exists if ANY one (1) of the following four (4) criteria is met:

- i) Lease transfers ownership to the County by the end of the term.
- ii) Lease contains an option to purchase the property by the end of the term for a price lower than the expected fair market value of the property? (For example \$1 or \$1,000, and based on this option price, for accounting purposes only, the ultimate purchase of the property is deemed reasonably assured at the inception of the lease.)
- iii) Lease term is equal to 75% or more of the remaining estimated useful life of the leased property.\*
- iv) Present value of the minimum lease payments is equal to 90% or more of the fair value of the property at the inception of the lease.\*

\*Criteria iii) and iv) don't apply if the lease term begins in the last 25% of a property's estimated useful life.

To validate whether a lease is a capital lease for accounting purposes, please contact the Auditor-Controller's Capital Asset Unit at [capitalassets@ac.ocgov.com](mailto:capitalassets@ac.ocgov.com).