

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Chief Executive Office

BOARD AGENDA:5.B.9
AGENDA DATE: September 11, 2018

SUBJECT:

Approval of a Notice of Intent to Purchase Real Property and Set a Date to Consider the Purchase of Real Property at 10th Street Place, 1010 10th Street, Modesto, California

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0452

On motion of Supervisor Monteith , Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini


Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:

ATTEST: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA:5.B.9
AGENDA DATE: September 11, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Approval of a Notice of Intent to Purchase Real Property and Set a Date to Consider the Purchase of Real Property at 10th Street Place, 1010 10th Street, Modesto, California

STAFF RECOMMENDATION:

1. Approval to set the date of October 9, 2018 to consider the purchase of the first floor property at 10th Street Place, located at 1010 10th Street, Modesto, California from the private owner, Civic Partners Modesto, Inc.
2. Direct the Clerk of the Board to advertise the Notice of Intent to Purchase Real Property, (Attachment 1) as required by Government Code Section 6063 and 25350, for three subsequent weeks as required by law.

DISCUSSION:

Completed in 1999, 10th Street Place, located at 1010 10th Street in Modesto, California, serves as the Government Center for Stanislaus County and the City of Modesto. The building was jointly developed and paid for by Stanislaus County, the City of Modesto and the City of Modesto Redevelopment Agency, in partnership--a private sector company, Civic Partners Modesto, Inc., (Civic Partners). The private owner, Civic Partners exercised an option in their contract with the Successor Agency to the City of Modesto in April 2017, to purchase the former Redevelopment Agency's interest in the building.

The building design includes six stories of office space for the County and the City, shared Chambers for the Board of Supervisors and the City Council, retail space on the first floor and an outdoor public plaza. The total building square footage is 250,000 square feet.

In March 2018, Civic Partners approached the County, through their Commercial Real Estate Agent, with an offer to sell the 28,607 square feet of condominium retail air space on the first floor of 10th Street place for a price of \$4,477,000. The County agreed to consider jointly with the City of Modesto, the potential purchase of this space for future growth needs at the City-County government center.

This first floor space consists of eight retail suites, owned and operated by Civic Partners. Seven of the eight suites are leased to private tenants. The rental income is \$387,587 annually, and the lease terms range from one to five years. The private retail tenants would remain in their suites until such time as the lease terms are complete and space for government center needs are present.

An independent appraisal was performed of the retail space by a local appraiser for the County, through its outside legal counsel, Burke, Williams & Sorenson LLC. The comprehensive appraisal included comparable properties with its appraisal method and affirmed the seller's asking price.

The seller's asking price of \$4,477,000 is equivalent to \$157 per square foot, which is less than the cost of new construction. Recent construction estimates for other like, new projects have exceeded \$400 per square foot. This space will also allow for flexibility for future growth at the government center.

On June 29, 2018 the Chief Operations Officer issued a preliminary Letter of Interest to Civic Partners of the County's interest in the property. The letter stated that further discussions would be needed with the seller and with the City of Modesto as a possible partner. Those discussions are underway, and a recommendation to purchase this property will be made on October 9, 2018. The law requires that the consideration of a real property purchase must be publicly noticed for three consecutive weeks prior to the consideration by the Board of Supervisors.

This action recommends that the Board of Supervisors direct the Clerk of the Board to advertise the County's interest in considering purchase of the property consistent with Government Code Section 6063 and 25350. If approved, advertisements will run on September 18, 2018, September 25, 2018, and October 2, 2018. Staff will return to the Board on October 9, 2018, with recommendations to initiate the purchase transaction and request authority to enter into escrow. The completion of the sale and close of escrow is expected in December.

POLICY ISSUE:

Government Code Sections 6063 and 25350 requires the County to advertise the intent to purchase real property, for three consecutive weeks, in the local newspaper.

FISCAL IMPACT:

Funds for the purchase of this property are available in the Fiscal Year 2018-2019 General Fund, and have been assigned for this purpose if the Board of Supervisors decides to proceed with the purchase in the future.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board's priority of *Delivering Efficient Public Services and Community Infrastructure* by advertising the County's intent to purchase real property, consistent with Government Code Section 6063 and 25350, for future County operations.

STAFFING IMPACT:

This action will be successfully delivered by staff in the Chief Executive Office.

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer, (209) 525-6333

ATTACHMENT(S):

1. Notice of Intent to Purchase Property

STANISLAUS COUNTY NOTICE OF INTENTION TO PURCHASE REAL PROPERTY


NOTICE IS HEREBY GIVEN that on October 9, 2018, commencing at 9:00 a.m., or soon thereafter as the matter may be heard, the Board of Supervisors of Stanislaus County will meet in its Chambers at 1010 Tenth Street, Basement Floor, Modesto, California to consider a proposal to execute an agreement to purchase the real property located on the first floor at 1010 10th Street, Modesto, California (A.P.N. 105-037-033 and 105-037-034) for the price of \$4,477,000. The vendors are Civic Partners Modesto, Inc. For further information, interested persons may contact the County's Chief Operations Officer, Patricia Hill Thomas at (209) 525-6333 or at 1010 10th Street, Modesto, California.

BY ORDER OF THE BOARD OF SUPERVISORS

DATED: September 11, 2018

ATTEST: ELIZABETH A. KING,
Clerk of the Board of Supervisors
County of Stanislaus,
State of California

BY:


Pam Villarreal, Assistant Clerk

**DECLARATION OF PUBLICATION
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of THE MODESTO BEE, printed in the City of MODESTO, County of STANISLAUS, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of STANISLAUS, State of California, Under the date of February 25, 1951, Action No. 46453; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

Sep 18, 2018, Sep 25, 2018, Oct 02, 2018

STANISLAUS COUNTY NOTICE OF INTENTION TO PURCHASE REAL PROPERTY

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BY ORDER OF THE BOARD OF SUPERVISORS DATED: September 11, 2018. ATTEST: ELIZABETH A. KING, Clerk of the Board of Supervisors County of Stanislaus, State of California. BY: Pam Villarreal, Assistant Clerk. Pub Dates Sep 18, 25, Oct 2, 2018

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at

MODESTO, California on

October 2nd, 2018

(By Electronic Facsimile Signature)

Cynthia A. Villarreal