



San Bernardino County

Legislation Text

File #: 854, Agenda Item #: 64

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF THE BOARD GOVERNED COUNTY SERVICE AREAS AND RECORD OF ACTION

August 20, 2019

FROM

LUTHER SNOKE, Interim Director, Special Districts Department

TERRY W. THOMPSON, Director, Real Estate Services Department

SUBJECT

Acquisition of Land in Oak Hills for CSA 70J Reservoir 3A Expansion Project

RECOMMENDATION(S)

Acting as the governing body of the Board Governed County Service Area 70J Oak Hills (CSA 70J):

1. Authorize the Real Estate Services Department to acquire 1.62 acres of vacant land [portion of Assessor Parcel Number (APN) 0357-621-63] located at 6535 Oak Hill Ranch Road in the unincorporated area of Oak Hills for a purchase price of \$65,000, plus escrow and title fees estimated to be \$1,500, plus \$100 as independent consideration, for the construction of a water tank for the CSA 70J Reservoir 3A Expansion Project, in accordance with Government Code Section 25350.
2. Approve the Purchase and Sale Agreement and Joint Escrow Instructions between the County of San Bernardino and Milca Galvez and Mabel Ramos and authorize the Chairman of the Board to execute said Agreement.
3. Confirm a finding of exemption and direct the Clerk of the Board to post a Notice of Exemption as required under the California Environmental Quality Act.
4. Authorize the Director of the Real Estate Services Department to execute escrow documents and any other documents necessary to complete this transaction.

(Presenter: Terry W. Thompson, Director, 387-5252)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The cost to acquire the approximate 1.62-acre portion of vacant land located at 6535 Oak Hill Ranch Road in the unincorporated area of Oak Hills (portion of APN 0357-621-63) (Property) in fee simple is \$65,000, plus escrow and title fees estimated to be \$1,500. CSA 70J will also pay \$100 as independent consideration directly to the property owners for the County's right to purchase the Property and to terminate the Agreement prior to the expiration of the due diligence period. Appropriation for the cost of acquiring this property is included in the 2019-20 Capital Improvement Program budget for CSA 70J.

BACKGROUND INFORMATION

Approval of this item will authorize the acquisition of 1.62 acres of vacant land for the construction of a new two-million gallon water reservoir tank to meet the water storage capacity requirement outlined in the Water Master Plan for CSA 70J completed in April of 2017.

The Water Master Plan for CSA 70J update identified several improvements necessary to meet the future and current growth of the area. CSA 70J provides all of the water service to the unincorporated area of Oak Hills, the I-15 freeway corridor, and portions of the City of Hesperia. One of the required improvements was the construction of a two-million gallon storage reservoir tank to provide additional water storage, fire flow storage, and emergency storage. Currently, the CSA 70J water system consists of 3.94 million gallons of water storage but is in current need of 6.45 million gallons of water storage to meet the water storage capacity requirement identified in the Water Master Plan. The remaining water storage deficit will be mitigated with future water storage projects programmed over the next five years.

CSA 70J, through the Special Districts Department, requested assistance from the Real Estate Services Department (RESO) to acquire the northern portion of the Property directly adjacent to the two existing 16-foot water storage tanks. CSA 70J has identified this location specifically so that the existing system can be improved to meet the Water Master Plan and the needs of the surrounding community.

The Property was appraised by Ader Appraisals, dated July 6, 2018, and reviewed by RESO. The value conclusion was not approved by the Property owner, who felt she was not sufficiently compensated for the portion of her land needed for the Reservoir Expansion Project (Project), as well as the new large storage tank to be located next to her Property. Nevertheless, the location of the Property offered substantial cost savings for the Project because it is adjacent to existing storage tanks and system. Alternative sites for the tank proved to be too costly for the Project and it was deemed reasonable to agree to a purchase price above the appraised value.

Additionally, approval of this item will authorize the Director of RESO to execute escrow documents, such as amended escrow instructions, property disclosures, notices (such as an election to proceed), contingency waivers, and settlement statements. The Director will not be authorized to execute any documents that would bind the County to any actions not contemplated by, or arising from, the transaction which is the subject of these recommendations.

The County can purchase this Property pursuant to Government Code Section 25350. The County has complied with the publication requirements of Government Code Section 6063.

The acquisition of this Property was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt from further environmental review in accordance with Section 15004 (b)(2)(A) and 15301 of the CEQA guidelines. The notice of exemption is for the acquisition of the Property only, site development will require an additional CEQA review.

PROCUREMENT

RESO sent Requests for Proposal for appraisal services to four appraisers to value the Property. Three proposals were received by RESO by the due date. The selected appraiser had the most competitive fee and completion time, and has prepared satisfactory work for the County in the past.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Dawn Martin, Deputy County Counsel, Luke Wooley, Deputy County Counsel and Robert Messinger, Principal Assistant County Counsel, 387-5455) on June 28, 2019; Special Districts (Luther Snook, Interim Director, 386-8811) on June 12, 2019; Purchasing (Michael Candelaria, Buyer III, 387-0321) on June 25, 2019; Finance (Tom Forster, Administrative Analyst, 387-4635 and Ginger Roosa, Principal Administrative Analyst, 387-4883) on July 29, 2019; and County Finance and Administration (Matthew Erickson, County Chief Financial Executive Officer, 387-5423) on August 5, 2019.

(CQ: 501-2493)