

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

DEPT: Chief Executive Office

BOARD AGENDA # *B-5

Urgent ☐

Routine ☒

AGENDA DATE July 29, 2014

CEO Concurs with Recommendation YES ☒ NO ☐
(Information Attached)

4/5 Vote Required YES ☒ NO ☐

SUBJECT:

Approval to Declare County Property Located at 8224 West Grayson Road, Modesto, California, Commonly Known as the Former Honor Farm, as Surplus and Adopt a Resolution Declaring the County's Intent to Sell the Surplus Property, Set a Minimum Price, and Related Actions

STAFF RECOMMENDATIONS:

1. Declare the County-owned property located at 8224 West Grayson Road commonly known as the former Stanislaus County Honor Farm, comprised of Assessor's Parcel Numbers 017-060-002 and 017-060-013 (14.4 acres), and 7.2 acres on the eastern-most portion of Laird Park (Parcel 016-026-010) for a total of 21.6 acres.

(Continued on Page 2)

FISCAL IMPACT:

This action is consistent with the Honor Farm Surplus and Disposition Plan approved by the Board of Supervisors on June 17, 2014. The former Honor Farm is surplus to the County's needs and will be offered for public sale at the minimum price if this action is approved by the Board of Supervisors. The recommended minimum sale price for the 21.6 acre Honor Farm property at \$723,000 is based on the findings of an Appraisal study conducted by Gioni, Inc. Appraiser-Consultant updated as of July 22, 2014. The appraisal established a current market value of the property by comparing recent sales of comparable agricultural use properties in the region and determined that a value of \$30,000 per acre plus \$75,000 for the improvements that will remain on site upon sale is appropriate, totaling \$723,000. (Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-405

On motion of Supervisor O'Brien, Seconded by Supervisor Monteith
and approved by the following vote,
Ayes: Supervisors: O'Brien, Chiesa, Withrow, Monteith, and Chairman De Martini
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

1) ☒ Approved as recommended

2) ☐ Denied

3) ☐ Approved as amended

4) ☐ Other:

MOTION: This Item was removed from the consent calendar for discussion and consideration.

ATTEST:


CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACTS: (Continued)

2. Adopt a Resolution by a four-fifths vote declaring the County's intent to sell the County-owned facilities and properties that are presently vacant at the Sheriff's former Honor Farm site at 8224 West Grayson Road, Modesto. The Resolution shall further state:
 - a. The minimum sale price shall be set at \$723,000;
 - b. Sealed offers to purchase the property will be received and considered at the Chief Executive Office, 1010 Tenth Street, Suite 6800, Modesto, California on Wednesday, August 27, 2014 at 1:30 p.m.; and
 - c. Following the opening of sealed offers, potential purchasers will have an opportunity to participate in an oral auction, to be conducted by the County's Purchasing Agent, so long as any price offered is at least five percent (5%) higher than the highest written price.
3. Direct the Clerk of the Board to make the appropriate publications in accordance with Stanislaus County Code 4.24.0308 regarding the sale of surplus real property.

FISCAL IMPACT: (Continued)

It is the County's obligation to decommission the Honor Farm, and remove unsafe structures for the otherwise "as is" sale recommended. The total estimated project cost including engineering services, decommissioning and maintenance at the former Honor Farm site is \$823,021. Funding for the cleanup and close out activities will be funded from a variety of sources, including the possible proceeds from the sale. Other budgeted resources have already been identified including \$300,000 from the Plant Acquisition Budget previously approved by the Board on June 17, 2014. A comprehensive funding plan will be presented at the time of recommended sale as well as recommended award of the decommissioning and maintenance contract.

With the Board of Supervisors approval to declare the property as surplus and to call for offers, staff will concurrently issue a Request for Proposal (RFP) for the demolition and maintenance projects that must be completed as a condition of the sale of the property. Staff will return to the Board of Supervisors to accept an offer, and proceeds from the sale could ultimately offset the decommissioning and maintenance costs.

DISCUSSION:

The Stanislaus County Sheriff's Honor Farm was originally constructed on the eastern edge of Laird Park on Parcel 016-026-010 shortly after the property was acquired by the County in March of 1950. The Honor Farm was expanded with the construction of housing barracks and related improvements with the acquisition of an adjacent Parcel 017-060-002 in January of 1966, and of a 0.60 acre Parcel 017-060-013 in May of 1993.

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The combined properties were improved over time with up to 21 permanent and temporary structures ranging from 200 to about 7,500 square feet each, a self-contained Wastewater Treatment Facility, well, fire protection water storage tank, etc., with an estimated 40,000 square feet in shops, modular buildings and permanent structures. At its maximum, the Honor Farm maintained capacity for 350 inmates plus staff, and provided work programs in a minimum security, Type II detention facility.

Several factors reduced the number of inmates at the Honor Farm, including deteriorating condition of some structures, temporary reductions in Sheriff's custodial staffing and the increasing level of security required for persons in custody. A catastrophic fire destroyed the largest housing unit with 172 beds, Barracks 1 and 2, on June 26, 2010. On July 13, 2010, the Board of Supervisors authorized the Chief Executive Officer to contract for professional architectural services to assist the County in evaluating options for replacement of the lost detention capacity.

On July 17, 2012, the Board of Supervisors awarded a construction contract for the Honor Farm Jail Bed Replacement Project (now referred to as Sheriff's Unit Two.) The project was funded by proceeds of the fire insurance settlement and constructed a 192 medium security bed and programs unit at the County's Public Safety Center site at 200 East Hackett Road. The existing Honor Farm facility staff and inmate capacity relocated to the new Unit Two facility upon its opening in September, 2012, completely vacating the Honor Farm at 8224 West Grayson Road.

Preparations for Surplus

On April 1, 2014, the Board of Supervisors approved a contract with Black Water Consulting Engineers, Inc. to evaluate and determine the scope of work required for the decommissioning of the Honor Farm property, including the Wastewater Treatment Facility (WWTF), well, water storage tank and propane tank.

On June 17, 2014, the Board of Supervisors accepted the Engineer's report and approved initiation of the Surplus and Disposition Plan for the Former Honor Farm, including authorizing the Project Manager to proceed with maintenance and decommissioning activities for the property and related actions.

Nineteen of the original structures remain at the Honor Farm site following the Honor Farm closure, including one, Barracks 4, which is dilapidated and unoccupiable. Barracks 4 and a Paint Booth within the Shop building will require demolition and removal for safety reasons.

The County has continuously operated the Honor Farm Wastewater Treatment Facility under a Waste Discharge Requirements Order 5-01-018 Regional Water Quality Control Board since January 2001. The sewage system may be useful to a future user of the

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property. Over years of operation and without pond maintenance, biosolids (sludge) have accumulated in the WWTF ponds, reducing their capacity to contain wastes. Because of the WWTF's proximity to the San Joaquin River floodplain, the WWTF would not meet current permitting requirements if re-opening after closure was sought. A maintenance project to remove accumulated biosolids for drying and hauling off-site is required prior to transfer or closure of the WWTF. The permit and operational responsibility for the WWTF would be transferred to a new property owner, allowing the property to be conveyed in an "as is" condition at that time.

The total estimated project cost including engineering services, decommissioning and maintenance at the former Honor Farm site is \$823,021. Upon sale of the property and determination of the future user's needs, additional costs for either a) improving the WWTF for future use or b) closure of the WWTF will be incurred by the new owner as described in the Black Water Engineering report previously accepted by the Board of Supervisors on June 17, 2014.

Additionally, the Board authorized the Project Manager to adjust, finalize and record the necessary lot line adjustment in preparation for the surplus property disposition process. At the Board of Supervisors' June 17, 2014 direction, the Project Manager will process an application to adjust the property lines to fully encompass the Honor Farm facilities separate of the County's Laird Park.

During the property title research, it was also determined that an old alignment of Grayson Road and Shiloh Road continue to traverse Laird Park and a portion of the proposed Honor Farm property. Grayson and Shiloh Roads were re-aligned to their current sweeping curve; however, the former right-of-way was never abandoned as it remained wholly within Laird Park. Staff will return to the Board of Supervisors with a recommendation to abandon the former right-of-way prior to the final disposition of the Honor Farm property.

Property Disposition Process

By State law and County ordinance, the disposal of the County's public property must be conducted using a multi-step process, pursuant to Government Code 25520 and Stanislaus County Ordinance 4.24.030:

- 1) The Board of Supervisors must declare the property as surplus and provide public notice of the County's intent to sell the property;
- 2) The Board of Supervisors must set a minimum price;
- 3) The Board of Supervisors must set a time and place for the public opening of received offers to purchase from interested parties; and
- 4) If multiple offers are submitted, oral offers may be accepted if the offer amount is five percent (5%) higher than the highest written offer.

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- 5) Oral offers are accepted by the County Purchasing Agent and any successful offeror must increase the amount of its deposit to a sum that is 10% of the total purchase price offered.

The action recommended in this agenda item provides the required notification of the surplus property status, minimum sales price and procedure for offering to purchase.

Schedule

With approval of these recommendations, the Project Manager will prepare a Request for Offers (RFO) and the Clerk of the Board will publish a Notice of Intent to Sell consistent with the Government Code and County ordinance.

Public offers to purchase will be accepted and reviewed at the Chief Executive Office, 1010 Tenth Street, Suite 6800, Modesto, California on Wednesday, August 27, 2014 at 1:30 p.m. Following the opening of sealed offers at 1:30 p.m., potential purchasers would have an opportunity to participate in an oral auction later that same afternoon, to be conducted by the County's Purchasing Agent, so long as any price offered is at least five percent (5%) higher than the highest written offer received. The oral auction process will occur at 2:30 p.m. on August 27, 2014 at 1010 Tenth Street, Conference Room 2008 (Second Floor), Modesto, California 95354.

If a successful offeror is identified, the County would negotiate a Purchase Agreement and then return to the Board of Supervisors to approve the Purchase Agreement and authorize the Project Manager to proceed with any final re-use or decommissioning activities at the site. The County and the prospective purchaser would enter into escrow by Fall 2014 and would close escrow after all terms of the Purchase Agreement are met. Staff anticipates being complete with all project activities by or before early Spring 2015 and to close escrow with a Purchaser at that time.

Staff reviewed the property surplus and disposition plan with the Board's Capital Facilities Committee on June 4, 2014. The Committee, comprised of Supervisors O'Brien and Monteith, supported the disposition plan and encouraged staff to aggressively pursue a quick disposition and sale of the Honor Farm property.

POLICY ISSUES

These actions support the Board of Supervisors' priority to provide Efficient Delivery of Public Services through disposition of this property asset that is no longer required for County use, elimination of the cost for on-going security and utilities, and resolution of the county's ongoing responsibility for cleanup of the Wastewater Treatment Facility.

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STAFFING IMPACTS:

Existing Chief Executive Office staff will continue to manage the aspects of the Former Honor Farm Site and Wastewater Treatment Facility closure and decommissioning.

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer. Telephone: 209-525-6333

Honor Farm

Proposed Property Disposition

W GRAYSON RD

SHILOH RD

Stanislaus County
017-060-002

12.48 Ac

Honor Farm Property

21.60 Acres

Laird Park

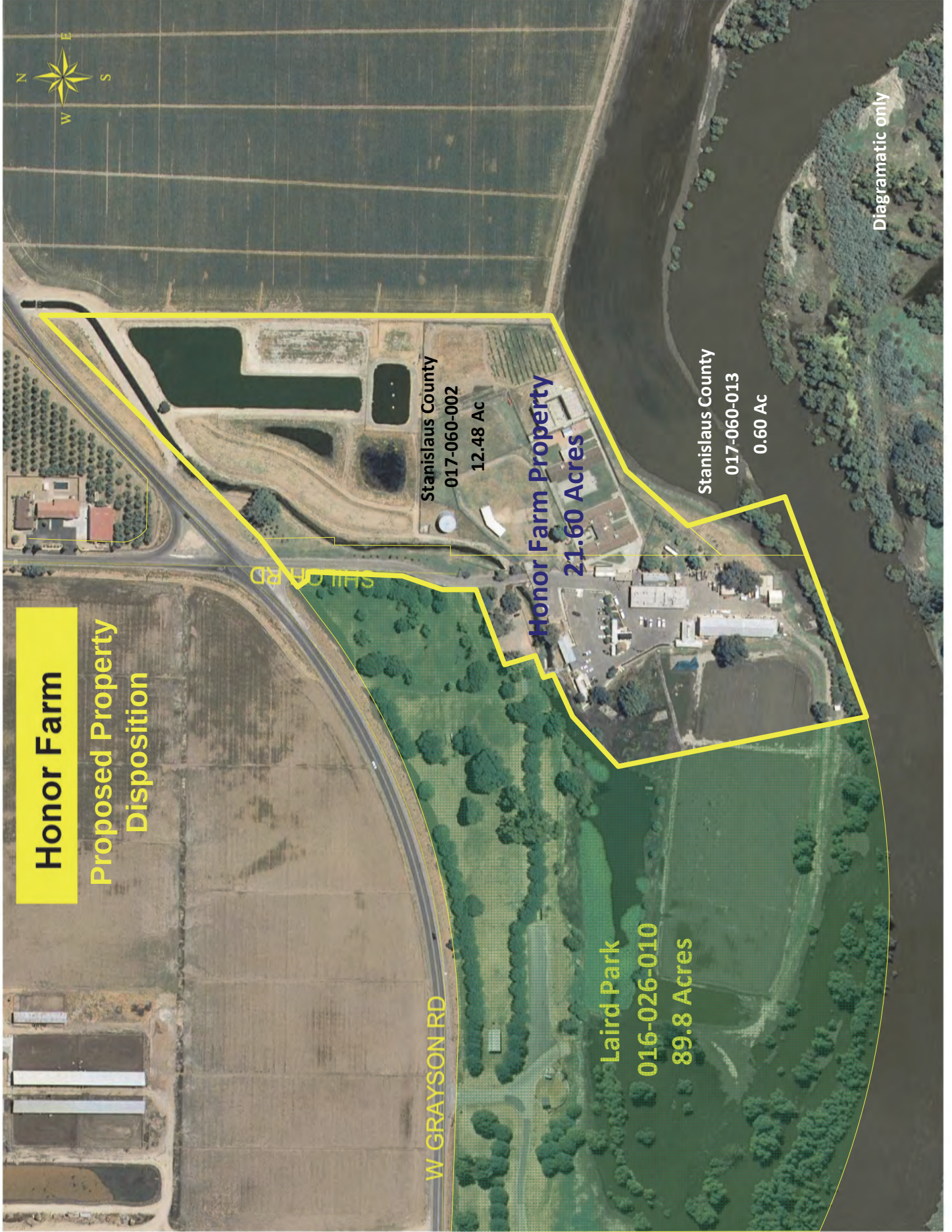
016-026-010

89.8 Acres

Stanislaus County
017-060-013

0.60 Ac

Diagrammatic only





BOARD OF SUPERVISORS

William O'Brien, 1st District
Vito Chiesa, 2nd District
Terry Withrow, 3rd District
Dick Monteith, 4th District
Jim De Martini, 5th District

1010 10th Street, Suite 6500
Modesto, CA 95354

Phone: 209.525.4494 Fax: 209.525.4420

STANISLAUS COUNTY BOARD OF SUPERVISORS NOTICE OF INTENTION TO SELL SURPLUS REAL PROPERTY

NOTICE IS HEREBY GIVEN that on July 29, 2014, the Board of Supervisors of Stanislaus County declared the County's intent to sell the former Honor Farm located at 8224 West Grayson Road, Modesto, California 95358 as surplus property.

- The minimum sales price for the subject property is \$723,000.00.
- Sealed proposals for the purchase of the Honor Farm will be received at the Chief Executive Office, 1010 10th Street, Suite 6800 (6th floor), Modesto, CA no later than August 27, 2014 at 1:30 p.m.
- Security of at least 10% will be required at time of offer; remittance of cash balance will be required by a closing date to be identified at the time of approval by the Board of Supervisors of the offer to purchase.
- The County reserves the right to reject all proposals in the event no offer meets the minimum required price.
- Following the opening of sealed offers, potential purchasers will have an opportunity to participate in an oral auction, to be conducted by the County's Purchasing Agent, so long as any price offered in the oral auction is at least 5% higher than the highest written price. The oral auction is scheduled for August 27, 2014 at 2:30 p.m. at 10th Street Place, 1010 10th Street, Second Floor, Conference Room 2008.
- For further information, interested persons may contact Patricia Hill Thomas of the Chief Executive Office at 209-525-6333 or at 1010 10th Street, Suite 6800, Modesto, California 95354.

BY ORDER OF THE BOARD OF SUPERVISORS

DATED: July 29, 2014

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk of the Board of Supervisors
of the County of Stanislaus, State of California

BY: Elizabeth King
Elizabeth King, Assistant Clerk of the Board

**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:

Aug 06, 2014, Aug 13, 2014, Aug 20, 2014

STANISLAUS COUNTY
BOARD OF SUPERVISORS
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BY ORDER OF THE BOARD OF SUPERVISORS, DATED: July 29, 2014.

ATTEST: Christine Ferraro Tallman, Clerk of the Board of Supervisors of the County of Stanislaus, State of California.

BY: Elizabeth King, Asst. Clerk
Pub Dates Aug 6, 13, 20, 2014

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

August 20th, 2014

(By Electronic Facsimile Signature)

