

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 5/21/2013	(3) CONTACT/PHONE Janette Pell, General Services Agency Director 805-781-5200	
(4) SUBJECT Request to approve a resolution to surplus and sell 48 County-owned real properties in the unincorporated area of Cayucos to a qualified land conservancy, authorizing the Chairperson of the Board to open written bids received by 5:00 PM on May 20, 2013 by the General Services Agency and to conduct an auction. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the Resolution authorizing the surplus and sale of 48 parcels in the Cayucos hillsides and authorize the Chairperson to open written bids, conduct an auction, and to sign the Quitclaim Deed that shall be prepared by the County Real Property Manager following the auction.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$5,000 minimum revenue	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est. <u>15 min.</u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>5/3/2005</u>	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 2 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency
Janette Pell, General Services Agency Director
805-781-5200

DATE: 5/21/2013

SUBJECT: Request to approve a resolution to surplus and sell 48 County-owned real properties in the unincorporated area of Cayucos to a qualified land conservancy, authorizing the Chairperson of the Board to open written bids received by 5:00 PM on May 20, 2013 by the General Services Agency and to conduct an auction. District 2.

RECOMMENDATION

The County of San Luis Obispo owns 48 parcels of vacant land located outside of the Urban Reserve Line in the hillsides above Cayucos. The parcels are located in the antiquated subdivisions of Morro Strand and Morro Rock View, which were subdivided in the 1920's. No homes, roads, or utilities have been developed in the two subdivisions, and they are located in a Geologic Studies Area. A location map is shown in Attachment 1.

The parcels are scattered throughout the hillsides and range in size from approximately 1600 square feet to one-quarter acre, totaling approximately 3.89 acres. A map showing their general location is attached. The properties are zoned Rural Lands, and none of them meet the minimum size of one acre in order to be buildable. In accordance with the Board's 1988 tax default acquisition policy, the General Services Agency has been acquiring tax defaulted properties in "paper subdivisions" such as Morro Strand and Morro Rock View so that they would not be purchased by unsuspecting buyers who may not realize how difficult it is to build on them. Some parcels have also been acquired through donation.

The Estero Area Plan Update, approved by the Board of Supervisors in January 2009, identifies the Cayucos Hillsides as part of the Highway 1—Cayucos Critical Viewshed. The area plan policy regarding County-owned lots in these subdivisions located outside of the Urban Reserve Line shall be to "retain them in public ownership, pursue strategies such as agreements with non-profit conservation organizations to maintain the properties in open space use, or enable mergers with adjacent agricultural land that permanently retain the properties in agriculture or open space use."

In 2005, the County auctioned 145 similar parcels in bulk and sold them to the Cayucos Land Conservancy with an open space deed restriction. The County did not transfer all County-owned parcels at that time because some of them were thought to be needed for a pending County Public Works project. Public Works has now identified the parcels to retain for their project, and this leaves 48 parcels that are surplus. Two of these parcels are located in the Morro Rock View Subdivision and forty-six are located in the Morro Strand Subdivision. The properties are listed by parcel number in Exhibit "A" to the sample quitclaim deed that is attached to the Resolution of Approval to Surplus and Sell.

On April 16, 2013 per Resolution 2013-72, the Board of Supervisors approved the County's intention to sell these 48 properties in bulk and declared them to be surplus to the needs of the County, as required in the surplus and sale procedure described in California Government Code, Section 25526 et.seq. The Board's resolution authorized a public auction to be held on May 21, 2013 with written bids to be submitted to the General Services Agency no later than 5:00 PM on May 20, 2013. The resolution requires that bidders be restricted to nonprofit organizations whose mission is land

conservancy, with a history of successful land management. The minimum bid has been set at \$5,000, which is an amount sufficient to reimburse General Services staff costs related to the sale and to pay the \$1,000 Surplus and Sale fee authorized in the County's fee schedule. A bid form may be obtained by calling County Real Property Services at (805) 781-4688 or by e-mailing Linda Van Fleet at lvanfleet@co.slo.ca.us. Notice of this auction has been published by the Clerk of the Board in accordance with California Government Code, Section 6063, for three consecutive weeks in a newspaper of general circulation.

Exhibit "B" to the sample quitclaim deed attached to the Resolution of Approval to Surplus and Sell shows the open space deed restriction that will apply to these properties. The deed restriction prohibits the construction of buildings, structures, roads or other development except for minimum support facilities, parking, fencing, trails, and signs. Motor vehicle activity is narrowly restricted and passive recreational activities are generally allowed. The wording of the deed restriction is consistent with the wording used in the previous sale of 145 parcels to the Cayucos Land Conservancy in 2005.

Approval of the attached resolution will authorize the Chairperson of the Board to open sealed bids received by the General Services Agency and then to hold the public auction. Following the opening of the written bids, the Board will call for oral bids. Oral bids must exceed the highest written bid by no less than five percent (5%). All bids, written or oral, must be accompanied by a cashier's check payable to the County of San Luis Obispo in an amount no less than \$5,000. In the event of that bidding increases the sales price, the amount in excess of \$5,000 may be paid by corporate check. Funds paid by the successful bidder are non-refundable, and funds paid with bids that are rejected will be returned.

The purchaser will pay all closing costs related to the sale, and the deed must record no later than June 7, 2013. The purchaser may elect to pay for escrow services and title insurance, if desired.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Planning Director filed a determination of general plan conformity report with the Planning Commission on March 14, 2013 that states that the proposed surplus and sale of these properties to a land conservancy for open space conforms to the general plan. The Board found this sale to be Categorically Exempt pursuant to the California Environmental Quality Act, Section 15312 (a)(b)(3), as recommended by the County Environmental Coordinator and as stated in Resolution 213-72 adopted on April 16, 2013. A notice of intention to sell these parcels was sent to the California Natural Resources Agency on January 10, 2013 in accordance with California Government Code, Section 54222(b)(4), and the agency did not express an interest. The County Tax Collector's Office has confirmed that no legal challenges have been filed to the tax default status of any of the parcels. The Cayucos Advisory Council supported the effort to transfer these properties to a land conservancy for open space when it was initially proposed in 2004. County Counsel has approved the Resolution and Quitclaim Deed as to form and legal effect.

FINANCIAL CONSIDERATIONS

The cost of advertising the auction is estimated to be \$200, which is budgeted in the General Services - Real Property Services budget for Publications and Legal Notices. The anticipated sales price of at least \$5,000 is budgeted as revenue in the General Services—Real Property Services budget for Sale of Surplus Property. There was no cost to the County to have acquired the properties through tax default because it was paid from the General Services Agency to the Tax Collector, at no net cost to the County general fund. Since these parcels are owned by the County, they are no longer on the property tax rolls, and their future ownership by a land conservancy will likely continue to exempt them from property taxes.

As far as potential property tax revenue if these properties were to become homes, the potential for development of these properties is limited. It would first require a property owner to accumulate approximately 20 lots to create a building site of at least one acre. The site would need adequate road access to be developed and would need a well, septic system, and power, with engineering that would meet the results of the geologic studies report. Some homes may be built in the future in Morro Strand and Morro Rock View Subdivisions, but the property tax revenue from such limited development is not likely to be significant.

As for the fair market value of these parcels, although these properties sell individually on the open market for generally \$5,000 to \$6,000 each, sales activity is very sporadic and an average of only two sales per year in these subdivisions

have been reported in the multiple listing service over the past six years. In general, more properties are lost by the owners to tax default each year than are sold. The minimum bid of \$5,000 for today's auction acknowledges the public benefit being sought by the open space deed restriction and reflects the fact that the properties are being sold in bulk with restrictions that significantly reduce their future uses.

RESULTS

Approval of the attached Resolution authorizes the surplus and sale by auction of 48 scattered parcels of County-owned vacant land totaling approximately 3.89 acres in the hillsides above Cayucos to a qualified land conservancy. The parcels, which are considerably smaller than the one-acre minimum lot size required to develop in Rural Lands zoning, are located outside of the Urban Reserve Line and will be sold with open space deed restrictions. The Resolution authorizes the Chair of the Board to sign the Resolution and the Quitclaim Deed and instructs the Clerk of the Board to record the Quitclaim Deed.

ATTACHMENTS

1. Location Map
2. Resolution and Quitclaim Deed