



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

(1) DEPARTMENT Central Services		(2) MEETING DATE 11/6/2018		(3) CONTACT/PHONE Phil D'Acri (805) 781-5206	
(4) SUBJECT Submittal of a Resolution of Intention to Purchase Real Property in the City of Atascadero, the adoption of which, will allow for the public notice of the County's intention to purchase this property located at 3500 and 3502 El Camino Real, Atascadero which the Health Agency's Drug and Alcohol Services and Driving Under the Influence Program are currently renting. District 5.					
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> Approve the Resolution and instruct the Chairperson to sign, thereby setting December 11, 2018 as the date to consider approval of the real property acquisition and execution of the appropriate documents. Instruct the Clerk of the Board to provide notice of the proposed acquisition for December 11, 2018. 					
(6) FUNDING SOURCE(S) Health Agency- Driving Under the Influence program reserves		(7) CURRENT YEAR FINANCIAL IMPACT \$20,000		(8) ANNUAL FINANCIAL IMPACT \$20,000 per year until January 2026	
(9) BUDGETED? No					
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)					
(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) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Zola Moore-Stansbury					
(18) SUPERVISOR DISTRICT(S) District 5					



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Central Services / Phil D'Acri
(805) 781-5206

DATE: 11/6/2018

SUBJECT: Submittal of a Resolution of Intention to Purchase Real Property in the City of Atascadero, the adoption of which, will allow for the public notice of the County's intention to purchase this property located at 3500 and 3502 El Camino Real, Atascadero which the Health Agency's Drug and Alcohol Services and Driving Under the Influence Program are currently renting. District 5.

RECOMMENDATION

It is recommended that the Board:

1. Approve the Resolution and instruct the Chairperson to sign, thereby setting December 11, 2018 as the date to consider approval of the real property acquisition and execution of the appropriate documents.
2. Instruct the Clerk of the Board to provide notice of the proposed acquisition for December 11, 2018.

DISCUSSION

The County Health Agency's Drug and Alcohol Services Division has been leasing the premises consisting of two adjoining and combined commercial office condominium units located at 3500 and 3502 El Camino Real in Atascadero, California (collectively, the "Property"), since August 20, 2014. The owners had indicated that they wish to sell the Property and have offered it for sale to the County under a "First Right of Refusal" provision in the lease.

The combined subject units identified as Units B-15 and B-16 have a total area of approximately 1,200 square feet (SF) of commercial real property. Assessor's Parcel Numbers are: 049-213-017 and 049-213-018.

The Property is within walking distance to another set of County owned units in the same condominium complex and the Property has already obtained the required Medi-Cal licensing to receive state funding for services provided. Should the County elect not to purchase the Property and wish to maintain this service in Atascadero, another leased location would need to be secured and the required Medi-Cal licensing would need to be obtained for that property. Additionally, there could be potential tenant improvement expenses associated with a new location along with the typical relocation costs.

On September 12, 2017, the Board of Supervisors authorized the County's Real Property Manager to negotiate a potential sale of the Property. The County hired an appraiser to determine the as-is market value. On October 2, 2018, the Board of Supervisors provided further authorization to the County Real Property Manager with respect to additional owner requested financing terms.

The County is interested in purchasing the Property at a sales price of \$160,000, and the owners are agreeable under the following terms: \$20,000 due at close of escrow and a note for the balance of purchase price in the amount of \$140,000 at a yearly interest rate of 0% (zero percent) to be executed by Buyer in favor of Seller and secured by a deed of trust on the property. Payments to be made annually in the amount of \$20,000, starting with a payment due on January 15th in the first calendar year after close of escrow and continuing each January 15th for the next 7 years.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the form and legal effect of the Resolution. Central Services Real Property Services Division staff have coordinated with the City of Atascadero for a General Plan Conformity report dated August 31, 2017. The Environmental Coordinator Office in County Planning and Building provided an Environmental Determination Notice of Exemption dated August 30, 2017. Public Works had inspected the property and Real Property Services Staff has conferred with the Health Agency, Auditor Controller Treasurer Tax Collector, and Public Works Departments regarding a proposed purchase.

FINANCIAL CONSIDERATIONS

The current monthly rental rate for the Property is \$891.56, which became effective on September 1, 2018.

The purchase of the Property would include eight payments in the amount of \$20,000 over an 8-year period, beginning in January 2019, for a total purchase price of \$160,000. The annual payments will be made using funds from the Driving Under the Influence (DUI) program designations (reserves), with no impact to the General Fund. A budget adjustment will be included in the December 11, 2018 Board item for the \$160,000 purchase price plus closing costs.

RESULTS

Approval of the Resolution of Intention to Purchase Real Property in the City of Atascadero will allow for the public notice of the County's intention to purchase this property located at 3500 and 3502 El Camino Real, Atascadero and will set December 11, 2018 as the date to consider approval of the real property acquisition. This action supports the County's desired community wide goal of a "Healthy Community" by ensuring the longevity of the current use of the Drug and Alcohol Services (D&AS) and Driving Under the Influence (DUI) Programs offered to the community at this location.

ATTACHMENTS

1. Attachment 1 - Location Map
2. Resolution of Intention to Purchase Real Property