



**GENERAL SERVICES AGENCY  
PROPERTY MANAGEMENT  
COUNTY OF TULARE  
AGENDA ITEM**

**BOARD OF SUPERVISORS**

KUYLER CROCKER  
District One  
PETE VANDER POEL  
District Two  
AMY SHUKLIAN  
District Three  
J. STEVEN WORTHLEY  
District Four  
MIKE ENNIS  
District Five

**AGENDA DATE:** November 6, 2018 - **REVISED**

|   |     |                                     |     |                                     |
|---|-----|-------------------------------------|-----|-------------------------------------|
| Public Hearing Required   | Yes | <input type="checkbox"/>            | N/A | <input checked="" type="checkbox"/> |
| Scheduled Public Hearing w/Clerk  | Yes | <input type="checkbox"/>            | N/A | <input checked="" type="checkbox"/> |
| Published Notice Required   | Yes | <input type="checkbox"/>            | N/A | <input checked="" type="checkbox"/> |
| Advertised Published Notice   | Yes | <input type="checkbox"/>            | N/A | <input checked="" type="checkbox"/> |
| County Counsel Sign-Off   | Yes | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/>            |
| Meet & Confer Required  | Yes | <input type="checkbox"/>            | N/A | <input checked="" type="checkbox"/> |
| Electronic file(s) has been sent  | Yes | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/>            |
| Budget Transfer (Aud 308) attached  | Yes | <input type="checkbox"/>            | N/A | <input checked="" type="checkbox"/> |
| Personnel Resolution attached   | Yes | <input type="checkbox"/>            | N/A | <input checked="" type="checkbox"/> |
| Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s) | Yes | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/>            |
| CONTACT PERSON: Maria Benavides    PHONE: 205-1124                                    |     |                                     |     |                                     |

**SUBJECT:** Tulare Akers Ground Lease Agreement

**REQUEST(S):**

That the Board of Supervisors:

1. Approve a Ground Lease Agreement with Paloma Development Co. Inc., for 2.26 acres of real property identified as Assessor's Parcel Number 087-460-007, located at 800 S. Akers Street in Visalia and referred to as Tulare Akers North Parking Lot.
2. Authorize the Chairman to sign the Ground Lease Agreement.

**SUMMARY:**

On December 19, 2017, the Board directed staff to release a Request for Proposals (RFP) for the development of a ground lease at 800 S. Akers, Visalia, CA, also known as the Tulare Akers North Parking Lot.

On February 27, 2018, pursuant to Government Code §25526, the Board adopted Resolution No. 2018-0142 declaring its intent to lease the property and a notice of intent was published pursuant to Government Code §6063. Sealed proposals were accepted by the Clerk of the Board of Supervisors at the County Administration Building, 2800 West Burrel, Visalia, California, at or before 5:00 pm on April 2, 2018.

Pursuant to Government Code §25530 et seq, the Board opened, examined, and declared two sealed proposals from Paloma Development Co., Inc. and Caddis Properties on April 3, 2018. To provide a recommendation to the Board of Supervisors, an Evaluation Committee, which included the Board Vice Chair, District 3 Supervisor, and County staff, reviewed and discussed both proposals.

**SUBJECT:** Tulare Akers Ground Lease Agreement  
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On May 15, 2018, the Paloma Development Co. Inc. was recommended as successful bidder and the Board directed staff to negotiate a contract for Board approval. The proposed ground lease agreement is a result of these efforts.

The proposed agreement stipulates an initial term of 50 years with one 20 year option for renewal. The lease rate will be \$75,000 (\$0.76 per square foot) per year with 2.5% annual escalation. Upon execution, Paloma Development Co. Inc. will have a six-month inspection period, after which time, development of the property and payment of rentals will commence. Paloma intends to develop the site for the mixed use of retail services, beverages and food. Proposed property uses will be reviewed first by the County.

The proposed agreement has been approved as to form by County Counsel. There is one deviation from the County contract protocol:

1. Attorney's Fees – The County agrees to pay attorney's fees.
2. Lessor Indemnification—The County agrees to indemnify the Lessee.

**FISCAL IMPACT/FINANCING:**

There is no Net County Cost to the General Fund. The proposed ground lease will generate a revenue for the County in the amount of \$75,000 per year with a 2.5% annual increase over the 50 year initial term.

Rental income will be deposited into General Services revenue line 001-087-5300-4807 for auditing and recordkeeping purposes before being transferred to the Tulare Akers Improvement Fund 596, as is the practice currently utilized for rental proceeds generated at the Tulare-Akers Professional Center. As of October 2018, the balance of Fund 596 is \$2.4 million.

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

The County's Strategic Business Plan includes the Organizational Performance Initiative. This agenda item contributes to this initiative in that it efficiently utilizes vacant space in County-owned facilities to generate revenue.

**ADMINISTRATIVE SIGN-OFF:**



\_\_\_\_\_  
John Hess  
General Services Agency Director

cc: County Administrative Office

Attachment(s)

A - Exhibit 1 – Vicinity Map

B – Tulare Akers Ground Lease Agreement

**BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF TULARE AKERS )  
GROUND LEASE AGREEMENT ) Resolution No. \_\_\_\_\_  
 ) Agreement No. \_\_\_\_\_  
 )

UPON MOTION OF SUPERVISOR \_\_\_\_\_, SECONDED BY  
SUPERVISOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE  
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST: JASON T. BRITT  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_  
Deputy Clerk

\* \* \* \* \*

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2. Authorize the Chairman to sign the Ground Lease Agreement.

# Exhibit 1

## Vicinity Map – Tulare Akers Professional Center 800 S. Akers, Visalia, CA

