MINUTE ITEM
This Calendar Item No. C44 was approved as Minute Item No. 44 by the California State Lands Commission by a vote of 3 to 0 at its 11/27/00 meeting.

CALENDAR ITEM
C44

A 19

S 5

11/27/00
RFP2000-01
J. Trout
D. Brown
A. Cueva

REQUEST DELEGATION OF AUTHORITY FOR EXECUTIVE OFFICER TO SOLICIT BIDS, AWARD AND EXECUTE AGREEMENTS FOR REAL ESTATE MARKETING CONSULTANT FOR THE STATE PARCEL AT BURLINGAME, CALIFORNIA

PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825

PROPOSED ACTIVITY:

The Commission holds title to approximately 8.8 acres of lands in the City of Burlingame. The site was originally leased to the Burlingame Group through three leases PRC 6504.1, 6505.1, and 6506.1. These leases were subject to a second deed of trust to First South Savings Association. Burlingame's successor, Burlingame Joint Venture I, defaulted their obligations to First South, which itself was subsequently placed into conservatorship by the Federal Home Loan Bank Board. The Resolution Trust Corporation was appointed as receiver of First South. The State filed a Proof of Claim for current and future obligations from the original leases. A settlement agreement was reached November 30, 1995 whereby the State received $700,000 of which $500,000 was for back rents and $200,000 was provided for site clean-up, maintenance, security and staff and consultant expenses to market the property. The $200,000 was placed in the Kapiloff Land Bank Trust Fund pursuant to Public Resources Section, 8625 (c).

An economic analysis of the project was prepared in 1999 and updated in September 2000 by Economics Research Associates. That report concluded that the development of this site is economically viable.

The proposed Real Estate Marketing Consultant will assist the staff of the Commission in marketing and conducting a competitive lease sale of this site in Burlingame within the Commission's jurisdiction. The Commission staff

CALENDAR PAGE 00281
MINUTE PAGE 009862

envisions a ground lease with the tenant building the improvements and paying rental to the State based on a percentage of profits or some other mechanism. Provisions will be made within the lease to ensure Public access to the Bay.

The bids shall be conducted consistent with procedures as specified in the State Administrative Manual and Public Contract Code. All bids proposals and evaluation sheets will be available for public inspection at the Commission's Sacramento office in accordance with Public Contract Code requirements. All costs are to be recovered from the Kapiloff Land Bank Fund.

STATUTORY AND OTHER REFERENCES:

A. Public Resources Code Section 6106 (Delegation to execute written instruments)
B. Public Contract Code Section 10335 et. seq. (Contracts for Services)
C. Public Contract Code Section10355 et. seq. (Consulting Services Contracts)
D. State Administrative Manual Section 1200 (Contracts)
E. Public Resources Code Section 8613 (b)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL CODE REGS. 10561 BECAUSE THIS ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.

2. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO SOLICIT BIDS AND PROPOSALS, AWARD AND EXECUTE CONTRACTS WITH THE QUALIFIED BIDDERS IN ACCORDANCE WITH COMPETITIVE BIDDING REQUIREMENTS OF THE PUBLIC CONTRACTS CODE AND CURRENT STATE POLICIES AND PROCEDURES.

3. AS TRUSTEES, AUTHORIZE THE EXPENDITURE FROM THE KAPILOFF LAND BANK FUND TOWARD THE CONSULTANT EXPENSE TO MARKET THE SUBJECT PROPERTY IN ACCORDANCE WITH PUBLIC RESOURCES CODE 8613 (b). EXPENSES NO TO EXCEED $100,000.