COMPTON UNIFIED SCHOOL DISTRICT

ITEM NO. 16/17-5105

RESOLUTION NO. 16/17-87

RESOLUTION OF THE BOARD OF TRUSTEES OF THE COMPTON UNIFIED SCHOOL DISTRICT OF INTENTION TO SELL SURPLUS REAL PROPERTY AND CALLING FOR BIDS FOR 515 E. COMPTON BLVD., COMPTON, CA, ASSESSOR'S PARCEL NUMBER 6166-022-900

June 14, 2017

WHEREAS, the Compton Unified School District ("District") is the owner of a fee simple interest in certain real property consisting of approximately 13,986 square feet located at 515 East Compton Boulevard, Compton, California, with Assessor's Parcel Number 6166-022-900 ("Property"), and as legally described and depicted on the aerial attached hereto as **Exhibits "A-1"** and **"A-2"**; and

WHEREAS, on January 13, 2015, the Board of Trustees ("Board") approved "Resolution No. 14/15-24 Authorizing Formation of an Asset Management Advisory Committee Pursuant to Education Code Section 17388 et seq." and authorized the appointment of a surplus property Asset Management Advisory Committee ("Advisory Committee") to consider and make recommendations to the Board regarding surplus property; and

WHEREAS, the Advisory Committee met on August 13, 2015, August 24, 2015, September 14, 2015, January 15, 2016, February 29, 2016, and March 14, 2016 to consider and make a recommendation regarding the surplus status of the Property in accordance with the requirements of Education Code sections 17388, et seq.; and

WHEREAS, on February 15, 2017, the Board approved Resolution No. 16/17-46 to Authorize Acceptance of the Advisory Committee's Report to declare the Property surplus and declared the Property surplus to the District's educational needs; and

WHEREAS, after approval of Resolution No. 16/17-46, the District offered the Property to various public entities, agencies and non-profit corporations (collectively "Priority Entities") entitled to first offering priority as set forth in Education Code sections 17464 et seq., and Government Code sections 54220 et seq.; and

WHEREAS, no Priority Entities expressed an interest in entering into an agreement for lease or purchase of any portion of the Property, and the time for doing so expired on May 22, 2017; and

WHEREAS, the Board may, pursuant to Education Code sections 17455, et seq., offer for sale or lease by a public bidding process pursuant to statute any site that has been determined to be surplus property of the District; and

WHEREAS, the Property does not include any vacant classrooms and the District does not need to make the offer(s) indicated in Education Code section 17465; and

WHEREAS, pursuant to Education Code section 17470, the District will take reasonable steps to ensure that the former owner of the Property from whom the District acquired the Property receive notice of the public meeting at which bids will be received and considered by the Board, in writing, by certified mail, at least sixty (60) days prior to that meeting; and

WHEREAS, the District now intends to proceed with the sale of the Property to members of the public in accordance with law;

NOW, THEREFORE, BE IT RESOLVED that the District's Board of Trustees ("Board") hereby finds, determines and orders as follows:

Section 1. The foregoing recitals are adopted as true and correct.

Section 2. The Board hereby declares its intention to sell the Property in accordance with the terms of this Resolution.

Section 3. **Receipt of Sealed Bid Proposals.** The District will accept sealed bid proposals from non-Priority Entities ("Bidders") for the Property, by 4:30 pm on July 7, 2017, at the Purchasing Department, 2nd Floor, located at 501 S. Santa Fe, Compton, CA 90221. The Superintendent or his designee is hereby authorized to open and examine the bid proposals at the public Board meeting on July 12, 2017, and immediately thereafter, the Superintendent or his authorized designee shall call for oral bids.

Section 4. **Bid Security.** All Bids, whether written or oral, shall be accompanied by a certified or cashier's check made payable to the Compton Unified School District in the amount of **Ten Thousand Dollars ($10,000)** ("Bid Security"). The Bid Security of the successful Bidder will be retained by the District and delivered into Escrow and credited to the required Purchase Price Deposit.

Section 5. **Board's Acceptance of Highest Bids.** If upon the call for oral bidding, any responsible person(s) offers to purchase the Property upon the terms and conditions specified for a price that exceeds the highest written proposal by at least five percent (5%), then the oral bid which is the winning bid shall be presented to the Board for approval. The highest oral bid for the Property, if any, shall be reduced to writing and signed by the offeror prior to the Board's acceptance of that bid. The Board may select the highest qualified bid or, if deemed to be in the best interest of the District, reject any and all written or oral bids and withdraw the Property from sale or call for a re-bidding.

Section 6. **Protest Period.** Any protest related to the successful Bidder's bid shall be made by 4:00 pm. on the third (3rd) business day after the Bid Opening Date. Any protest received after this time period will not be considered by the District.

Section 7. **District's Mandatory Forms.** All bids must be made using District bidding instructions and on District bid forms attached hereto as **Exhibits "B-1"** and **"B-2."** Bidders must also accept District's standard form of Purchase and Sale Agreement ("PSA") attached hereto as **Exhibit "C."** Although a Bidder may propose changes to the PSA, unless otherwise agreed to by the District, the Bidder shall agree that the existing terms and conditions of the PSA will be binding upon the successful Bidder. Any proposed changes to the PSA must be submitted with a Bidder's Bid Proposal. Any proposed material change to the existing terms and conditions of the PSA shall render such bid a counteroffer that may or may not be considered by the District, at the District's sole discretion. The District reserves the right to make non-substantive changes to the PSA. The successful Bidder shall be required to execute the PSA as a requirement for final acceptance by the Board. Any Bid that does not conform to these requirements will be considered non-responsive.

Section 8. **Proof of Funds.** Bidders must supply proof of funds equal to or greater than the amount of bid with their sealed bid proposals. This proof of funds shall be in a form sufficiently reliable so the District's Board is convinced of its sufficiency (e.g., a notarized letter of credit from a recognized bank; a cashier's check from a recognized bank, etc.) The District shall require verification of the proof of funds immediately following the Bid Deadline Date, in no event longer than two (2) business days after the Bid Deadline Date.

Section 9. **Pre-Bid Meeting.** Prospective Bidders interested in purchasing the Property are encouraged to attend a pre-bid meeting to be held at 9:00 am, June 26, 2017, at the District Office-Business Services Conference Room, 2nd Floor, located at 501 South Santa Fe Avenue, Compton, California 90221. Site-specific information regarding the Property will be available via the District's website (http://www.compton.k12.ca.us) for prospective Bidders to download. Additionally, copies of all written information discussed at the pre-bid meeting shall be maintained at the Business Services Department and will be available for review following the pre-bid meeting during regular District operating hours.

Section 10. **Request for Property Information.** All requests for the Bid Proposal or the PSA shall be submitted via email to Alejandro Alvarez, Ed.D., Deputy Superintendent at alalvarez@compton.k12.ca.us and Bertha Reynoso, Business Services Analyst at breynoso@compton.k12.ca.us.

Section 11. **Conditions to the Sale of the Property.** The following shall be the minimum conditions to the District's obligation to sell the Property:

a. The Property will be sold at a minimum acceptable purchase price of **Two-Hundred Seventeen Thousand Dollars ($217,000) ("Purchase Price")**. The District shall require full payment of the Purchase Price at the Close of Escrow.

b. The Property shall be sold in its **"AS-IS"** condition:

   i. The District shall not be responsible for inspections, certifications or work relating to the physical condition of the Property;
   ii. The District shall not warrant the physical or environmental condition of the Property;
   iii. The District shall not warrant that the components, systems, or appliances and/or other enumerated features of the Property are free from damage or defect; and
   iv. The District shall not warrant the zoning or land use provisions or restrictions affecting the Property or any other matters affecting or concerning the Property.

c. The District may pay real estate commissions on the sale of the Property, in an amount not to exceed three (3) percent.

d. The Closing Date for the purchase and sale transactions shall be nine (9) months after the Effective Date of the PSA. The time period from the Effective Date of the PSA to the Closing Date shall be the successful Bidder's Feasibility Period. During the Feasibility Period, the successful Bidder shall, at its sole cost and expense, act diligently and in good faith to conduct its due diligence to satisfy itself regarding the condition of the Property for the successful Bidder's intended use of the Property. The Parties may allow for an extension of the Feasibility Period for up to an additional three (3) months if necessary for Bidder to complete its due diligence during this time.

e. The successful Bidders shall agree to the District's form of PSA.

Section 12. **Escrow.** Within ten (10) calendar days following the Effective Date of the PSA, the District and the successful Bidder shall cause Escrow to be opened for sale of the Property by delivering into Escrow a fully executed original of the PSA, and the successful Bidder depositing into Escrow ten percent (10%) of the amount of the Purchase Price, less the amount of the Bid Deposit. The failure of the successful Bidder to timely and comply with the requirement to deposit the Purchase Deposit shall result in the immediate and unconditional forfeiture to the District of the entire Bid Security, whereupon all remaining obligations of the District and the successful Bidder shall automatically be null and void without any further action by either party.

Section 13. **Notice.** The District's Superintendent or his designee is authorized and directed to give notice of the District's intent to sell the Property by posting copies of this Resolution in at least three locations within the District not less than fifteen (15) days before the bid auction and by publishing notice in any newspaper of general circulation located within the District, once a week for three weeks.

APPROVED, PASSED AND ADOPTED by the Board of the District on this 14th day of June, 2017, by the following vote:

AYES: 4

NOES: 0

ABSTENTIONS: 0

ABSENT: 3

Satra Zurita
President

Micah Ali
Vice President

Margie Garrett
Clerk

Sandra Moss
Legislative Representative

Charles Davis
Member

Mae Thomas
Member

Alma Taylor Pleasant
Member

Darin Brawley
Superintendent