



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 22-172

Board Meeting Date: 3/8/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Manager

Subject: Purchase and Sale Agreement for the Acquisition of the Big Wave South Parcel Near Half Moon Bay Airport

RECOMMENDATION:

Adopt a resolution:

- A) Declaring the Board of Supervisors' intent to purchase the approximately 5.27- acre Big Wave South Parcel (County APN 047-312-040), ("Property"), located in the unincorporated Princeton-by-the-Sea area of the County, on Airport Street, adjacent to the County's Half Moon Bay Airport, for a total purchase price of \$2,470,000; and
- B) Authorizing the President of the Board of Supervisors to execute a Real Estate Purchase and Sale Agreement and Escrow Instructions ("Agreement") with the owner of the Property, the Big Wave Group, for the County's acquisition of the Property; and
- C) Authorizing the County Manager, or his designee, to execute a Certificate of Acceptance upon satisfaction of certain conditions in escrow, to be recorded with the Grant Deed transferring title to the Property to County, as well as any and all notices, escrow instructions, and documents required to facilitate the purposes of the Agreement.

BACKGROUND:

In May of 2015, the Board of Supervisors granted several approvals related to development on two parcels of land owned by the Big Wave Group, a California non-profit corporation ("Big Wave"), located in the unincorporated Princeton-by-the Sea area of the County, adjacent to the Pillar Point Bluff and Pillar Point Marsh Preserves. Those parcels are known as the North Parcel and the South Parcel. The Board approvals included development of the North Parcel with a Wellness Center, which would include accommodations for developmentally disabled adults, as well as for support staff.

To help fund construction and operation of the Wellness Center, Big Wave approached County staff and offered to sell the approximately 5.27- acre South Parcel to the County. Staff has been

researching potential uses for the Property while analyzing the condition and value of the Property to the County. Pillar Point Ridge, west of the Property, lies between the marsh and the coastline and offers recreational hiking trails.

DISCUSSION:

The County's Waterfront Zoning District Regulations applicable to the Property allow marine-related assembly and educational uses. Potential uses include a community center, a nature center, general open space designation, and agricultural use. Any future development would be subject to a Coastal Development Permit at the time of project submittal.

The Purchase and Sale Agreement ("PSA") sets the purchase price for the Property at \$2,470,000, with a thirty-day escrow. The purchase price was established by appraisal and negotiations based on several factors and conditions. The County is supportive of Big Wave's efforts to bring the Wellness Center to fruition and recognizes the recreational, agricultural and conservation values of the Property.

There are several conditions that must be satisfied by Big Wave prior to closing escrow. Big Wave must comply with all conditions of approval set forth in the Joint Subdivision Improvement Agreement between the County of San Mateo and Seller, dated June 20, 2019 (hereinafter "Development Agreement"), including any subsequent amendments. All liens or encumbrances recorded against the Property, or the adjacent property currently identified as San Mateo County Assessor Parcel Number 047-311-060 (the "Big Wave North Parcel"), shall be removed, replaced or extinguished to the satisfaction of County.

An escrow or similar account ("Construction Account") will be established by Big Wave prior to closing escrow for the deposit by the Escrow Officer of the entire Purchase Price, except that proceeds will first be paid to the County for any outstanding fees owed to the County for approval of the subdivision that provides for construction of the Wellness Center and associated structures. Disbursements from the Construction Account may be used only to fund control and title fees to close, and disbursing the net balance to ConstructSure, LLC for construction costs to be paid on behalf of Big Wave. A license agreement will be granted by the County to Big Wave to allow the continued use of a portion of the Property for agricultural purposes.

On August 11, 2021, the County's Planning Commission considered conformity of the acquisition of the South Parcel with the County's applicable General Plan. The Commission considered the existing zoning as Waterfront/Airport Overlay/Design Review/Coastal Development, its General Plan Designation as General Industrial and General Open Space, and its existing land use as agricultural. Based on information provided by staff and evidence presented at the hearing, the Planning Commission found that the proposed acquisition of the South Parcel by the County for the purpose of potentially constructing a nature center and/or community center, as well as the long-term protection of natural and cultural resources on the Property, conforms to the County general Plan.

According to the terms of the PSA, escrow will be opened once a fully executed agreement is submitted and is set to close within thirty days, subject to extension by mutual agreement. Staff will work with Big Wave to ensure all conditions set forth in the PSA have been satisfied. Once those conditions are satisfied, a Certificate of Acceptance will be executed and recorded concurrently with the grant deed, thereby vesting title to the South Parcel in County.

FISCAL IMPACT:

The costs of the purchase the approximately 5.27- acre Big Wave South Parcel (County APN 047-

312-040) will be paid with County General Fund. The appropriation for this agreement has been included in the Fiscal Year 2021-22 budget.