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# **Leasing Property: Surplus Property, Joint Occupancy Agreements**

San Rafael City Schools

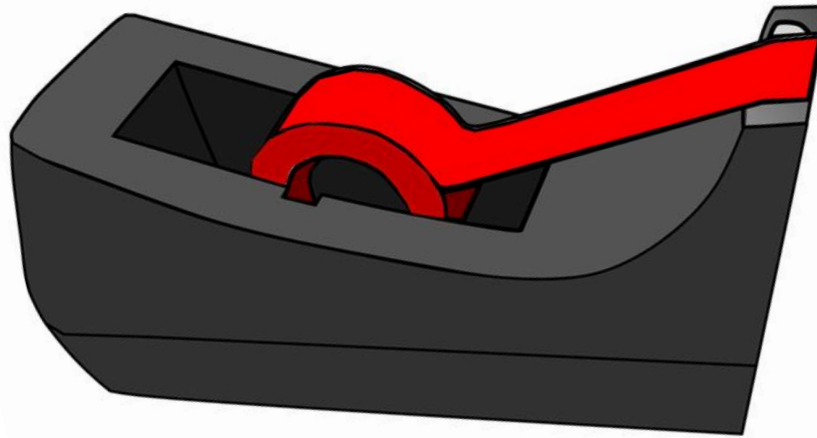
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# At the Outset...

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- Public property disposition, whether by sale or lease, is a **well-regulated** topic.



# Overview

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## ■ Leasing - Surplus Property

- Property has been deemed unnecessary for District use
- Select the lessor: public offering, or highest bidder

## ■ Leasing - Joint Occupancy Agreements (“JOAs”)

- Lessor will construct a facility for the District
- District will occupy and use the property
  - Uses: instructional, storage, maintenance, administrative
- Select the lessor: best meets District’s needs

# Leasing - Surplus Property

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- Step 1: Surplus Property Determination
- Step 2: Public Offerings
- Step 3: Public Bidding
- Total Timeline **Estimate** → 1 year+

# Leasing - Surplus Property: Step 1

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- **Step 1: Surplus Property Determination**

- Board appoints 7-11 Committee
- Committee prepares report
- Board reviews and takes action

- **Timeline**

- District's last 7-11 committee formed ***August 2007***
- 7-11 committee report presented ***March 2008***

# Leasing - Surplus Property: Step 2

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- **Step 2: Public Offerings**

- Board Action on Intent to Lease
- Public Offerings

- **Timeline**

- 3 weeks publication/notice
- 60 days for response
- 60 days to negotiate
  - 90 days if lease to purchase

# Leasing - Surplus Property: Step 3

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*If applicable...*

## ■ Step 3: Public Bidding

- Due diligence
  - Is CEQA required?
  - Evaluation of the bidder
- Resolution of Intent
- Bidding Process
- Board accepts bid
- Negotiate/Enter Lease or Purchase Agreement

## ■ Timeline

- Variable, estimated 60-90 days

# Leasing - Joint Occupancy Agreement (JOA)

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- Step 1: Resolution and Requests for Proposals
- Step 2: Proposal Review and SBE Approval
- Step 3: District Board Contract Approval
- Total Timeline **Estimate** → 6 months+



# Leasing - JOA: Step 1

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- **Step 1: Resolution and Requests for Proposals**
  - Board approves resolution of intent to consider proposals at a future meeting (at least 90 days later)
  - Publish resolution and date of meeting

- **Timeline**

- Approximately 3 months\*

*\*Additional time may be required for resolution/RFP preparation*

# Leasing - JOA: Step 2

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- **Step 2: Proposal Review and SBE Approval**
  - District reviews proposals, selects proposal deemed to “best meet” District’s needs
    - Negotiation permitted
  - Must submit Selected Proposal to the State Board of Education for approval
    - *Cannot* contract without SBE approval
  - State Board of Education has 45 days to approve or deny

## ■ **Timeline**

- 45 days (+ *any additional time needed for Board review and/or negotiation*)

# Leasing - JOA: Step 3

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- **Step 3: District Board Approves Contract**
  - After SBE approval, District Board may approve an agreement with the selected proposer

- **Timeline**
  - Variable, case-specific

# Summary: Key Points

LEASING - SURPLUS PROPERTY	LEASING – JOINT OCCUPANCY AGREEMENT
Construction of a facility not required (compatible with construction)	Construction of a facility for District required (District ultimately owns all facilities constructed)
Surplus determination required; District use of property not permitted	No surplus determination; District use of property required
7-11 Committee required	No 7-11 Committee required
Mandatory Public Offerings	No Mandatory Public Offerings
No SBE approval required	SBE approval required
<b>Selection:</b> Negotiated Public Offer (may require below FMV rent) or Highest Bidder	<b>Selection:</b> Who best meets the District's needs?

# Questions?

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Thank you!

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