The Ohlone Community College District (“District”) owns real property comprised of approximately 15.9 acres of vacant real property on the south/southwest side of the Ohlone College Newark Center for Health Sciences and Technology located on Cherry Street between Mowry Avenue and Stevenson Boulevard in the City of Newark, County of Alameda, State of California and is a portion of APN 901-0185-13-9 (“Property”) as depicted in Exhibit A, attached hereto.

Previously, on October 14, 2020, the Board, after consultation with its real estate development consultants, adopted Resolution No. 10/20-21 authorizing the ground lease of the Property for an office, research & development, advanced manufacturing project. The District did not receive any proposals for the ground lease of the Property and District staff and its consultants have discussed the Property and its development potential with City of Newark Community Development Department staff and a more compatible use of the Property is a market-rate multi-family residential project, which requires that the Property be declared surplus.

The District has evaluated the Property and it is not needed for school classroom buildings and may be declared surplus, subject to Board of Trustees approval, for purposes of leasing the Property for a commercial multi-family residential project. The Project, once developed and in service, will allow the District to maximize potential income and will provide ongoing cash flow that will help the District meet the educational needs of its students and the community.

The lease of surplus District property is normally subject to the public bidding requirements in Education Code sections 81360 et seq. The District and its real estate development consultants have determined that complying with the procedures set forth in Education Code section 81360 et seq. for the lease of the Property for a commercial multi-family residential project, specifically the public auction requirement, will likely “chill” proposals from developers and will not be in the best interest of the District given the size, features and development constraints of the Property. The District believes a successful ground lease of the Property for a multi-family residential project will require an aggressive marketing effort leading to extensive negotiations with potential lessees/developers of the Property to achieve a “best value” proposal that meets the District goals for rental income, compliance with affordable housing unit requirements, mitigation of environmental conditions and date of substantial completion.
The public bidding requirements in the Education Code may be waived by the Board of Governors of the California Community Colleges (Board of Governors) upon written request by the Board after providing 30-days’ written notice of a public hearing and making findings after the public hearing that the waiver request is in the best interest of the District and will not increase state costs or decrease state revenues. The District believes that processing the waiver of the parts of Part 49, Chapter 2 as provided in proposed resolution will best allow the District to lease all or a portion of the Property and achieve its goals through targeted direct broker marketing and developer negotiations prior to award of the lease.

In the event the waiver request is approved by the Board of Governors, District staff will prepare and present to the Board of Trustees at a future meeting a proposed resolution setting forth “best value” criteria for a multi-family residential project on the Property and calling for proposals from developers consistent with the approved waiver.

RECOMMENDATION

The Superintendent/President that the Board of Trustees: (1) adopt Resolution No. 03/21-22 Declaring Real Property Surplus and Intention to Lease Surplus Real Property and Authorizing Submission of Request for Waiver of Certain Public Bidding Requirements in Relation to the Lease of Surplus Real Property; (2) authorize the Superintendent/President, or his designated representative, to give notice of the public hearing for the waiver request to the Board of Governors substantially in the form attached as Exhibit B to the resolution; and (3) authorize the Superintendent/President, or his designated representative, to take all other action as necessary to give full effect to the resolution.
EXHIBIT A

DEPICTION OF SURPLUS PROPERTY