



## BID OPENING STATE OF CALIFORNIA

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### **Commercial Rural Highway District With A Manufactured Housing Architectural Overlay (CRH/MHA) Zoned Land Vacant 1.52 Acres Lakefront Property Millerton Lake, Madera County SSL# 924**

**BIDS MUST BE POSTMARKED BY OR DELIVERED TO THE STATE  
BY 5:00 P.M. ON FRIDAY, SEPTEMBER 21, 2012**

Project Manager: Karen M. Patche, (916) 375-4120, [Karen.Patche@dgs.ca.gov](mailto:Karen.Patche@dgs.ca.gov)

#### **Overview and Historical Information:**

The State of California ("State") Department of General Services (DGS) is making available for sale, by sealed public bid, approximately 1.52 acres of land ("Property") located on the lakefront of Millerton Lake on Hidden Lake Boulevard, <http://goo.gl/maps/5ZQmU>, and identified in the Madera County Assessor's records as Assessor Parcel Number (A.P.N.) 051-121-010-000, and in the subdivision's Tract Map as "Out Lot L" in the Hidden Lake Estates subdivision. The location of the subdivision is on the northwestern shoreline of Millerton Lake in Madera County. Interested parties may access the subdivision from Hildreth Road/CR-210, a county road, to Hidden Lake Boulevard. Millerton Lake is approximately 20 miles northeast of Fresno. Residents of the Hidden Lake Estates subdivision have Friant, California, mailing addresses.

The State Department of Parks and Recreation (DPR) acquired "Out Lot L" from the subdivision's developer, Madera Development Company (no longer in business), on February 1, 1966, to manage the property as part of the nearby Millerton Lake State Recreation Area (SRA). The reason for the State's acquisition of the property is not entirely clear, but it is thought the acquisition of the land from the developer was to allow public access to the lake and SRA with the DPR overseeing the activities on the lake adjacent to the parcel. The development of the property for lake access never occurred and the property is surplus to the State's land needs.

#### **Property Data:**

The Property is an irregularly-shaped parcel that gently slopes from the northwest to southeast towards Millerton Lake. The parcel has approximately 343.70 feet of road frontage along Hidden Lake Boulevard. In the late 1960s, the subdivision developer contracted a concessionaire to install and operate boat slips in the lake next to the parcel. The boat slips were subsequently removed by the concessionaire. Either the developer or concessionaire

constructed a small restroom facility on the property to service the public using the boat slips, but the DPR sealed access to the restrooms many years ago after the concessionaire removed the boat slips. There is no septic system on the property as an above-ground storage tank was reportedly used to service the facilities and was pumped out when necessary. The tank was removed from the property when the boat concessionaire closed business on the lake.

### **Entitlements:**

The Property currently has no water entitlement and no electricity. There is a dedicated road easement affecting a 10-foot strip of land along the westerly property line adjacent to the street. This easement seems to be for the installation of public utilities. Interested parties should check with the local utility companies to find out how to obtain utility service on the site. Sewage disposal for the subdivision is through individual septic tanks. Maintenance District-1 (MD-1) provides water service to the subdivision. Interested parties are encouraged to contact MD-1 with questions about how to obtain water service entitlement to the site.

The zoning designation for the Property is *Commercial Rural Highway District with a Manufactured Housing Architectural Overlay (CRH/MHA)*. According to the Madera County Planning Department, the current zoning of the property allows “by right” restaurant, motel, or service station use [activities not requiring a zoning permit]. Uses allowed with a zoning permit are one single family dwelling. Uses allowed with a Conditional Use Permit (CUP) include any commercial use determined by the zoning administrator to be directly oriented to the commercial needs of highway users, development of cemeteries and mausoleums, laboratories for testing and experimental analytical purposes, private clubs and outdoor recreation facilities, outdoor theaters, public and semipublic buildings and uses, or communications tower/wireless communications facility. See Chapters 18.40 and 18.84 of the county’s regulations (see Madera County’s website for more information).

Interested parties should check with the Madera County Planning Department to make sure the Property is suitable for their planned use.

### **Disclosures, Representations, and Warranties:**

The State obtained the enclosed information from sources deemed reliable; however, the State makes no guarantees, warranties, or representations nor expresses or implies any opinion concerning the accuracy or completeness of the information provided. It is furnished solely as an aid to parties interested in purchasing the Property. Interested parties are responsible for undertaking all investigations off the Property to assist in determining if the property will support the party’s intended use and are responsible for contacting the State should any information directed by the State to the DGS’ website is not available. The State will allow the successful bidder to conduct on-site investigations, subsequent to the State’s approval of the

sale and only upon the execution of a Purchase and Sale Agreement (“Agreement”) and Right of Entry provided by the State.

1. In the original preliminary report, Chicago Title Company included the subdivision’s CC&Rs as exceptions to title, but the DGS provided sufficient evidence to the title company to have these restrictions removed as encumbrances to the property’s title. (See Preliminary Report issued by Chicago Title Company dated June 14, 2012, Title No. 12-50606922-A-TL, posted to the DGS’ website). The restrictions were inconsistent with the zoning and previous use of the property by the boating concessionaire, so the developer could not have intended the CC&Rs to encumber the site because it would have restricted the concessionaire’s and State’s intended use of the property as access to the lake and public recreation. The escrow instructions provided to the escrow company when the State acquired the site showed evidence the developer did not intend to encumber Out Lot L with the CC&Rs and the developer removed the CC&Rs in amended escrow instructions prior to the State’s acquisition of the property. Therefore, the property is not subject to the CC&Rs of the subdivision and do not appear in the property’s title.
  
2. There are 7 title exceptions identified in the amended preliminary report from Chicago Title Company, all of which have no adverse effect on the use and enjoyment of the property. **Exceptions 1, 2, and 3** are included in all preliminary reports on a property’s title and relate to property taxes. The State of California is exempt from property taxes and no taxes will be due at the close of escrow. **Exception 4** is a road easement dedicated in the Tract Map for the subdivision and affects a 10-foot strip of land along the westerly property line adjacent to Hidden Lake Boulevard. The easement is typical to all parcels in the subdivision and provides an easement for the installation of utilities to the property. The easement has no adverse effect on the property. **Exception 5** discloses a lot split of a larger parcel (which formerly was part of the larger parcel that included the State’s property) to create two new parcels to the south of the State’s property now owned by the County of Madera. The County’s parcel immediately south of the State’s property is 1.00 acre and is not a building site. The 1964 parcel split has no effect on the State’s 1.52 acre parcel. **Exception 6** is the developer’s conveyance of a new road alignment to accommodate the County’s subsequent relinquishment of the existing county road easement in the subdivision. The developer’s conveyance of the new road to the county was to create access to the subdivision from the intersection of Road 210 (Hildreth Road) and Hidden Lake Boulevard located in Township 10 South, Range 21 East, *Section 15*, to the subdivision located in T.10S., R.21E., *Section 23*. The county road easement in the subdivision that existed prior to 1965 was subsequently abandoned by the county. The reference to Out Lot L on page 3 of the deed’s legal description refers “to a point on Out Lot L as said Out Lot is shown on a map of Tract No. 20 ‘Hidden Lake Estates’.” The transfer of the new road alignment was recorded on January 7, 1965, which was before the second parcel split of Out Lot L to create A.P.N. 015-121-011-000 (see Exception 7). Out Lot L is the most easterly parcel in Tract 20 and its reference in the deed is for road locational purposes only. The road serves as access to the parcel. Therefore, Exception 6 has no adverse effect on the State’s property. **Exception 7** discloses another parcel split recorded on August 30, 1965, which created A.P.N. 051-121-011-000 (a

private residential parcel), which was developed with a single family residence in 2007. The 1965 parcel split has no adverse effect on the State's property.

3. Maintenance District 1, Hidden Lakes (MD-1), is currently under a building moratorium pending resolution of water system issues affecting water quality and capacity. Building is limited to those parcels identified as having already begun the permitting process prior to December 6, 2005. The moratorium affects the State's parcel.
4. MD-1's pumping and distribution facilities are housed within the subdivision on Out Lot E, which is removed from the State's parcel in the subdivision. There are approximately 218 lots with 52 lots (49 developed, 3 undeveloped) receiving water. Water comes from Millerton Lake, which is fed through snow melt and stream runoff from the San Joaquin River Watershed. The water flows through an underwater intake structure and is treated by filtration and disinfection before being distributed to the customers. The water system consists of a 60 gallon-per-minute surface water treatment plant built in 1986. Two pumps in the lake supply the plant with raw water and two pumps at the plant supply a 135,000-gallon storage tank with treated water. It appears the MD-1's well for water extraction from the lake is on A.P.N. 051-121-009-000, the Madera County parcel adjoining the State's property at the State's southerly boundary. This is not a building site according to MD-1 and the assessor parcel map. The water system then distributes the water by gravity flow to the district plant, which is in the subdivision on A.P.N. 051-094-015-000. The distribution system is steel pipe. The water system is chlorinated to maintain disinfection. According to MD-1, the State's parcel has no current water entitlement from the district and there is no water meter on the property. Interested parties should check with the Madera County Special Districts Office at (559) 675-7820 or 2037 W. Cleveland Avenue, Madera, CA 93637, to determine what would be necessary to obtain entitlement to water and septic services. Interested parties should also check with the Madera County Planning Department to obtain information about the lifting of the building moratorium.
5. In 2007, MD-1 submitted applications to the State of California for State Revolving Funds for funding to replace the treatment plant and make other modifications to resolve the water quality issues. In September 2011, the Hidden Lake Estates community increased rates to meet the revenue to expense ratio required to receive funding. On **April 17, 2012**, MD-1 received verbal notification the funding for the Planning and Design phase was finally approved and the Notice of Intent (NOI) was to be released in a couple of weeks. According to MD-1's website, when the district receives the NOI they will begin the contracting process to select an engineering firm, obtain board approval, and award the contract. MD-1 estimates the contracting process will take 90-120 days. Therefore, interested parties are encouraged to contact the County's Resource Management Agency, Special Districts Office, 2037 W. Cleveland Ave., Madera, CA 93637, (559) 675-7820, to verify the current status of water treatment plant replacement.
6. The parcel is undeveloped and not subject to the CC&Rs of the subdivision. However, the subdivision developer (or the boat concessionaire) appears to have constructed two minor

improvements on the property in or around 1966—a small restroom facility and a concrete helipad. The present condition of the restroom (sealed shut) and helipad are unknown to the DGS, but both improvements are visible in the aerial photographs posted to the DGS' website. Use of the helipad for its original purpose is unlikely as the pad is too close to an adjoining residential property constructed in 2007. The developer did not install a septic system on the property and the restrooms had an above-ground storage tank (AST) to collect waste according to a homeowner in the subdivision. Someone (unknown to DPR) removed the AST from the site when the boat slip concession closed. Both minor improvements remain on the site.

7. The United States Department of the Interior, Bureau of Reclamation (USBR) owns and operates Friant Dam and Millerton Lake. The USBR and the DPR maintain mutual operating agreements in which the DPR takes on the daily management of certain areas of the shoreline and surface of Millerton Lake. The agreements are still in place. The shoreline and surface water area adjacent to the State's parcel are currently included in the mutual agreement between the USBR and the DPR, as is most of the shoreline and lake. The agreement does not encumber the State's parcel and does not affect the development of the property or its use.

#### **Available Reports:**

Interested parties may review the below reports on the DGS' website at <http://www.dgs.ca.gov/resd/home/hiddenvally.aspx>.

- Amended Preliminary Report, Order No. 12-50606922-A-TL, issued by Chicago Title Company on June 14, 2012.

#### **Bid Submittal Process:**

The State requests bid offers from parties interested in purchasing the Property. Bidders must use the authorized *Offer Form* included in the bid package and submit all bids in sealed envelopes referencing the "Hidden Lake Estates Parcel, SSL# 924", and include the legal name of the entity submitting the bid and the primary point of contact, i.e., name, address, phone, email address, and fax. **All bids must be postmarked or received by the DGS in West Sacramento by 5:00 P.M. on or before Friday, September 21, 2012.** Bids received or postmarked after this date will be returned to sender unopened.

Bid offers must include a deposit in an amount that is equal to ten percent (10%) of the offer price in the form of a cashier's check or money order payable to the "State of California". All bid offers must be submitted by the time prescribed in this announcement utilizing the Offer Form provided on the DGS' website at <http://www.dgs.ca.gov/resd/home/hiddenvally.aspx>. The

*Offer Form* must be completed in its entirety and signed by a duly authorized representative of the entity submitting the bid.

The State will not accept bid offers with a financing contingency. A *Statement & Support of Sale Financing* must accompany the *Offer Form* and address the bidder's ability to consummate the sale as per the State's objective of receiving the highest and most certain return for the Property from a responsible bidder within the time period prescribed in the Agreement. Bidders must include any information that will assist the State in determining the bidder has secured the necessary financing to facilitate an all-cash transaction on the sale of the Property at close of escrow.

The bid submittal packages must include two separate envelopes enclosed with the information as follows:

**1<sup>st</sup> Sealed Bid Envelope** must contain the completed *Offer Form* and cashier's deposit check. The bidder must label the outside of the envelope with the following information:

- Hidden Lake Estates, SSL# 924
- Legal name of entity submitting bid.
- Primary point of contact for entity, i.e., contact name, address, phone, fax, and email address.
- Bid opening date (September 21, 2012)

**2<sup>nd</sup> Envelope** must contain the Sealed Bid Envelope, a *Statement & Support of Sale Financing* as described herein, and a short cover letter.

The DGS typically waits a few days before opening bids to make sure all timely postmarked offers have been received; however, the DGS is not responsible for any failure of delivery of a bid offer. The project manager, assisted by another staff person and a witness from the DGS Asset Management Branch, will take all bid offers received for the property and open them. The project manager will open each bid envelope and announce the amount of the offer. Another staff person will number and record the amount of the bid and bidder's name on a Bid Log Sheet. After opening all bids, the project manager and the witness will sign the Bid Log Sheet and the DGS will retain the witness copy in the project file.

Subsequent to the review and analysis of the bids, which should be done as soon after the bid opening as reasonably possible, but in no event later than seven (7) business days following the bid opening date, either the successful bid will be confirmed or all bids will be rejected. The DGS retains the right to reject any and all bids. In most cases, the DGS will select a successful bid and the project manager will then notify the successful bidder. The project manager will obtain the appropriate approvals from the Director, or his duly authorized representative, and notify the successful bidder. The DGS will promptly return the bid deposits of the unsuccessful bidders to the submitting party's address provided in the offer form.

In the event the State receives two or more bid offers for the same dollar amount of consideration and those bids are the highest bid, the State reserves the sole right to select the winning bid based on additional criteria included in the Offer Form, i.e., financing statement, ability of bidder to close escrow without delay, length of requested due diligence, etc. The State also reserves the right to immediately notify those parties and advise them that, should they wish to continue, they must submit a new bid, within three (3) business days of the date of such notification. Emailed or faxed bids will be acceptable. The new bid will be opened in a like manner as the original bid and the successful bidder will be notified by the DGS of the acceptance or rejection of the subsequent bid.

Within five (5) days following the conclusion of the bidding process and selection of the successful bidder, State will require the successful bidder to execute an Agreement in a form similar to the Standard Purchase and Sale Agreement posted to the DGS' website at <http://www.dgs.ca.gov/resd/home/hiddenvalley.aspx>. The State's execution of the Agreement will start the time clock for the successful bidder's due diligence investigations as prescribed in the Agreement. This sale does not require approval of the State Public Works Board.

The State reserves the right to select an alternate buyer or terminate the sale of the Property if the selected buyer fails to execute the Agreement within the time frame prescribed, fails to perform under the terms and conditions of the Agreement, does not have the financial capacity to consummate the transaction, or for any other reason whatsoever outside the control of the State. In this case, the State may offer the opportunity to purchase the Property to the bidder with the next highest-ranked bid, as determined at the conclusion of the bidding process, or may choose to accept new offers from any outside party.

Although the State will conduct this sale pursuant to a public bidding process, the State is under no obligation to accept the highest bid for the Property and may reject all bids if deemed in the best interest of the State.

Please submit bids by the due date and time to:

DEPARTMENT OF GENERAL SERVICES  
ASSET MANAGEMENT BRANCH  
707 3<sup>RD</sup> STREET, 6<sup>TH</sup> FLOOR  
WEST SACRAMENTO, CA 95605  
ATTN: Karen M. Patche

#### **Questions for DGS:**

All questions must be submitted in writing by U.S. Mail or email to [Karen.Patche@dgs.ca.gov](mailto:Karen.Patche@dgs.ca.gov) by **September 10, 2012**. Question and answer sets will be posted to the DGS website. The State will not identify the source of the request for clarification in the response.

Any verbal representations made by the DGS staff or persons affiliated with the DGS are not binding on the State or the bidders and cannot be interpreted as modifications or clarifications of this Bid Opening. The State is not responsible for receipt of bids or any failure to respond to questions submitted by bidder(s). Any addendum to this Bid Opening will be posted on DGS' website.