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PALM SPRINGS PROPERTY REVIEW AND OPINION

TO: Douglas C. Holland, City Attorney

FROM: Murray O. Kane, Senior Principal
Susan Y. Apy, Principal

A handwritten signature in blue ink that reads 'Murray O. Kane'.

DATE: September 22, 2015

We hereby submit our property review and opinion.

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I. Kane, Ballmer & Berkman Scope of Work

Kane, Baller & Berkman was retained by the City of Palm Springs (City) to act as outside special legal counsel to complete the following limited scope of work:

Review the actions of the Successor Agency to the Palm Springs Redevelopment Agency and its staff regarding the preparation and administration of the Long Range Property Management Plan and provide an opinion regarding the Successor Agency's compliance with the legal requirements of the Redevelopment Agency Dissolution Law (AB 26, as amended by AB 1484) relating to the disposition of real property.¹

We have also been asked to provide a recommendation as to what the Successor Agency (or City, as applicable) might do prospectively with respect to each property discussed in this review in order to comply with the legal requirements of the Redevelopment Agency Dissolution Law relating to the disposition of the property.

II. Properties Reviewed²

1. Casa Del Camino Property
2. Desert Hotel Property
3. McKinney Parcel
4. Convention Center North Parking Lot
5. Prairie Schooner Parcel
6. Cork n Bottle
7. Plaza Theater
8. Catholic Church Parking Lot
9. Blue Coyote Parking Lot and Driveway
10. Food Court Parking Lot
11. Henry Frank Arcade Parking Lot
12. Vineyard Parking Lot

¹This review only includes a review of property disposition under the Redevelopment Agency Dissolution Law and not any other law, including, without limitation, conflict of interest law. Other such areas of law are outside the scope of this review.

² Properties are numbered and listed in this review in the order in which they are numbered and listed in the Long Range Property Management Plan prepared by the Successor Agency and approved by the Department of Finance.

III. Summary of Review and Opinion

We have divided compliance with the legal requirements of the Redevelopment Agency Dissolution Law³ relating to property disposition into six (6) components. Subject to the limitations and qualifications set forth herein, we are of the opinion with respect to the Successor Agency's compliance with the six components as follows:

- A. Receive Finding of Completion – **It is our opinion that this component was satisfied for all 12 properties.**

- B. Prepare a Long Range Property Management Plan - **It is our opinion that this component was satisfied for all 12 properties.**

- C. Submit the Long Range Property Management Plan to the Oversight Board for approval no later than 6 months following the issuance of the Finding of Completion - **It is our opinion that this component was satisfied for all 12 properties.**

- D. Submit the Long Range Property Management Plan to the Department of Finance (DOF) for approval no later than 6 months following the issuance of the Finding of Completion - **It is our opinion that this component was satisfied for all 12 properties.**

³ Assembly Bill No. X1 26, as modified by the California Supreme Court pursuant to California Redevelopment Association v. Matosantos et al. (2011) 53 Cal.4th 231, as further amended by Assembly Bill No. 1484, as further amended by Assembly Bill No. 1585, as further amended by Senate Bill No. 341, as further amended by Assembly Bill No. 471, as further amended by Assembly Bill No. 1963, and as further amended by Assembly Bill No. 1793.

E. Satisfy Content Requirements of the Long Range Property Management Plan. This component has 10 subcomponents as follows:

- 1) For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value – **It is our opinion that this component was satisfied for 10 properties (#1, #2, #3, #6, #7, #8, #9, #10, #11, and #12).**

It is our opinion that this component was satisfied as to the date of acquisition and value of property at time of acquisition for the remaining two properties (#4 and #5).

Incomplete information was provided to the Oversight Board and DOF to substantiate the estimate of value requirements to enable us to opine that this component was satisfied for the remaining two properties (#4 and #5) as follows:

(i) neither the Oversight Board nor the DOF were provided an existing and known appraisal for each of the 2 properties; and

(ii) neither the Oversight Board nor the DOF were provided information regarding City agreements pertaining to the 2 properties.

- 2) For each property the plan includes the purpose for which the property was acquired - **It is our opinion that this component was satisfied for all 12 properties.**
- 3) For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan - **It is our opinion that this component was satisfied for all 12 properties.**
- 4) For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information – **It is our opinion**

that this component was satisfied for 10 properties (#1, #2, #3, #6, #7, #8, #9, #10, #11, and #12).

Incomplete information was provided to the Oversight Board and DOF to substantiate the estimate of value requirements to enable us to opine that this component was satisfied for the remaining two properties (#4 and #5) as follows:

(i) neither the Oversight Board nor the DOF were provided an existing and known appraisal for each of the 2 properties; and

(ii) neither the Oversight Board nor the DOF were provided information regarding City agreements pertaining to the 2 properties.

- 5) For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds - **It is our opinion that this component was satisfied for all 12 properties.**
- 6) For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts - **It is our opinion that this component was satisfied for all 12 properties.**
- 7) For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency - **It is our opinion that this component was satisfied for all 12 properties.**
- 8) For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property - **It is our opinion that this component was satisfied for all 12 properties.**

- 9) For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation - **It is our opinion that this component was satisfied for all 12 properties.**
- 10) The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation - **It is our opinion that this component was satisfied for all 12 properties.**
- F. Dispose of properties in accordance with the Long Range Property Management Plan – **We are unable to opine that this component was satisfied as follows:**
- (i) **there is no evidence that the required 10-day notice requirement for the applicable Oversight Board meetings was satisfied for 3 of the properties (#4, #5 and #7);**
 - (ii) **incomplete information was provided to the Oversight Board and DOF to substantiate the estimate of value requirements to enable us to opine that content requirements of the Long Range Property Management Plan as to estimate of value and appraisal information were satisfied for 2 of the properties (#4 and #5); and**
 - (iii) **disposition is ongoing for properties #1, #2, #3, #4, #6, #8, #9, #10, #11, and #12.**

IV. Introduction and Background

The Redevelopment Agency Dissolution Law makes certain changes to the Redevelopment Law (Health and Safety Code Section 33000 *et seq.*), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the Health and Safety Code. Pursuant to the Redevelopment Agency Dissolution Law, all California redevelopment agencies, including the former Palm Springs Redevelopment Agency, were dissolved on February 1, 2012, and “successor agencies” were designated and vested with the responsibility of paying,

performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies.

The Redevelopment Agency Dissolution Law also establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "Oversight Board." Oversight Boards are tasked with the oversight of successor agencies. Certain successor agency actions require Oversight Board approval. Oversight Boards may direct the staff of a successor agency to perform work in furtherance of the Oversight Board's duties and responsibilities under the Redevelopment Agency Dissolution Law. With the passage of Redevelopment Agency Dissolution Law, the State has established the DOF as the lead State Agency to implement the "wind-down" of former redevelopment agencies.

Pursuant to Redevelopment Agency Dissolution Law, upon the DOF's issuance of a "Finding of Completion"⁴ to a successor agency, a Community Redevelopment Property Trust Fund (Trust) will be established to serve as the repository of certain real properties of the former Redevelopment Agency. Also upon the issuance of a Finding of Completion to a successor agency, the successor agency shall prepare a long range property management plan that addresses the disposition and use of certain real properties of the former redevelopment agency. The long range property management plan must be submitted to the Oversight Board and the DOF for approval no later than 6 months following the issuance of the Finding of Completion to the successor agency. The Redevelopment Agency Dissolution Law requires that the long range property management plan (1) include an inventory of all properties in the Trust, which inventory shall consist of specific information relating to each such property including, without limitation, the date of and purpose for acquisition, value of property, applicable zoning, any property revenues and contractual requirements for disposition of same, history of environmental issues and any related studies and remediation efforts, potential for transit-oriented development and advancement of planning objectives of the successor agency, and history of previous development proposals and activity; and (2) address the use or disposition of all properties in the Trust, including (i) the retention of such property for

⁴ Health and Safety Code Section 34179.7 provides that DOF must issue to each successor agency a finding of completion upon payment in full of certain amounts to be paid by successor agencies under the Redevelopment Agency Dissolution Law.

governmental use, (ii) the retention of such property for future development, (iii) the sale of such property, or (iv) the use of such property to fulfill an enforceable obligation.

The Successor Agency prepared a long range property management plan (Long Range Property Management Plan) as required by the Redevelopment Agency Dissolution Law. The Long Range Property Management Plan included the twelve (12) properties listed in Section II, above.

Kane, Baller & Berkman was retained by the City to act as outside special legal counsel to review the actions of the Successor Agency and its staff regarding the preparation and administration of the Long Range Property Management Plan and provide an opinion regarding the Successor Agency's compliance with the legal requirements of the Redevelopment Agency Dissolution Law relating to the disposition of real property. We have also been asked to provide a recommendation as to what the Successor Agency (or City, as applicable) might do prospectively with respect to each property discussed in this review in order to comply with the legal requirements of the Redevelopment Agency Dissolution Law relating to the disposition of the property.

This review includes our scope of work (Section I), a list of the properties reviewed (Section II), a summary of our review and opinion (Section III), an introduction and background information (Section IV), a status of the properties based on documentation and information received as part of our review (Section V), and our analysis of the legal requirements of the Redevelopment Agency Dissolution Law relating to the disposition of real property broken down into six (6) components (Section VI). We have also included as Appendix A a checklist of Long Range Property Management Plan requirements completed as to each of the twelve (12) properties, as Appendix B a compilation of applicable statute excerpts from the Health and Safety Code, and as Appendix C the Long Range Property Management Plan prepared by the Successor Agency and approved by the Oversight Board and DOF.

In conducting our review and providing our opinion, we (a) personally interviewed John Raymond, former City Director of Community and Economic Development; (b) communicated with Douglas C. Holland, City Attorney, to coordinate receipt of pertinent City and Successor Agency documentation and information relating to the twelve (12) subject properties; (c) communicated with Suzanne Harrell, Managing Director, Harrell & Company Advisors, City financial advisor, to obtain additional information relative to

several of the twelve (12) subject properties; (d) interviewed by telephone Jim Simon, Principal/President, RSG, City redevelopment consultant, to obtain additional information about the preparation of the Long Range Property Management Plan; (e) reviewed all of the documentation and information provided to us by the City, Successor Agency, and Ms. Harrell and referenced in this review; and (f) reviewed the Redevelopment Agency Dissolution Law. We have assumed, without investigation, that there is no other pertinent or relevant documentation or information other than what has been provided to us.

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V. Status of Properties

	Status
<p>1. Casa Del Camino Property</p>	<p><i>Permissible Use: Sale of Property</i>⁵</p> <ul style="list-style-type: none"> • Successor Agency and Richard Meaney and Yokang Zhou entered into a Purchase Agreement and Escrow Instructions. Purchase price was \$195,561. The same value as in the Long Range Property Management Plan. • Successor Agency approved on December 3, 2014 (on the consent calendar). • Oversight Board approved on March 3, 2015 via Oversight Board Resolution No. 34 the sale of the property. • DOF approved Oversight Board Resolution No. 34 on March 10, 2015. • City Council approval of City Purchase and Sale Agreement rescinded by City Council action at May 20, 2015 City Council meeting. • Property valued at \$196,561 in the Long Range Property Management Plan based on an estimate of property value prepared by the Successor Agency’s independent consultant based on limited amount of analysis. Estimate determined using comparables.
<p>2. Desert Hotel Property</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • No action since approval of Long Range Property Management Plan. • Currently owned by the Successor Agency. • Property valued at \$31,965 in the Long Range Property Management Plan based on an estimate of property value prepared by the Successor Agency’s independent consultant based on limited amount of analysis. Estimate determined using comparables.
<p>3. McKinney Parcel</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • No action since approval of Long Range Property Management Plan. • Currently owned by the Successor Agency. • Property valued at \$36,488 in the Long Range Property Management Plan based on an estimate of property value prepared by the Successor Agency’s independent consultant based on limited amount of analysis. Estimate determined using comparables.

⁵ “Permissible Use” is the use or disposition of the property as identified in the DOF-approved Long Range Property Management Plan as required by the Redevelopment Agency Dissolution Law.

<p>4. Convention Center North Parking Lot (3 legal parcels)</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • City and CDI Ventures, LLC entered into a Purchase and Sale Agreement dated March 6, 2013. Purchase price is \$2,000,000. Site required to be developed as Dolce brand, upper upscale first class superior hotel. <ul style="list-style-type: none"> ○ Amendment No. 1 to Purchase and Sale Agreement entered into as of March 5, 2014. Amendment No. 1 amended performance schedule and designated Praetor Investments, LLC as successor entity to CDI Ventures, LLC. ○ Amendment No. 2 to Purchase and Sale Agreement entered into as of October 1, 2014. Amendment No. 2 amended performance schedule and designated Selene Palm Springs, LLC as successor entity to Praetor Investments, LLC. ○ Amendment No. 3 to Purchase and Sale Agreement entered into as of April 21, 2015. Amendment No. 3 amended closing date and benchmark schedule. • City and CDI Ventures, LLC (CDI) entered into a Services Agreement dated March 6, 2013. CDI to pay \$675,000 to City for property assembly assistance and \$2,000,000 for unamortized parking improvements and existing entitlements. • Oversight Board approved on May 8, 2014 via Oversight Board Resolution No. 25 the sale of the property from the Successor Agency to the City. Purchase price is \$2,211,896. The same value as in the Long Range Property Management Plan. • There is no evidence that the required 10-day notice requirement for the Oversight Board May 8, 2014 meeting was satisfied. • DOF approved Oversight Board Resolution No. 25 on May 15, 2014. • Property valued at \$2,211,896 in the Long Range Property Management Plan based on an estimate of property value prepared by the Successor Agency’s independent consultant based on limited amount of analysis. Estimate determined using comparables.
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<p>5. Prairie Schooner Parcel (3 legal parcels)</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • City and O & M HR, LLC entered into a Purchase Agreement and Escrow Instructions dated October 25, 2011⁶. Purchase price was \$1,500,000. <ul style="list-style-type: none"> ○ Amendment No. 1 to Purchase and Sale Agreement dated as of December 1, 2014. Amendment No. 1 designated Nexus Development Corporation/Central Division as successor entity to O & M HR, LLC and appeared to replace the phrase “First Class Hotel” with the phrase “Buyer’s contemplated mixed-use residential and commercial project”.⁷ Amendment No. 1 also removed the City’s option to repurchase the property if the property was not developed as required under the Purchase and Sale Agreement as a “First Class Hotel”. • Oversight Board approved on May 8, 2014 via Oversight Board Resolution No. 24 the sale of the property from the Successor Agency to the City. Purchase price was \$1,402,632. The same value as in the Long Range Property Management Plan. • There is no evidence that the required 10-day notice requirement for the Oversight Board May 8, 2014 meeting was satisfied. • DOF approved Oversight Board Resolution No. 24 on May 14, 2015. • Escrow closed under City Purchase and Sale Agreement in January 2015. • Net sale proceeds distributed to taxing entities through ROPs. • Property valued at \$1,402,632 in the Long Range Property Management Plan based on an estimate of property value prepared by the Successor Agency’s independent consultant based on limited amount of analysis. Estimate determined using comparables.
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⁶ We were provided an unsigned copy of the Purchase and Sale Agreement. The date of the agreement is taken from the recitals in Amendment No. 1 to the Purchase and Sale Agreement.

⁷ Section 5 in Amendment No. 1 to the Purchase and Sale Agreement modifies Section 36(d) of the “Original Agreement.” The Original Agreement is defined as the Purchase and Sale Agreement. However, there appears to be no Section 36(d) in the Purchase and Sale Agreement.

<p>6. Cork n Bottle</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • No reportable action since approval of Long Range Property Management Plan. The sale of the property has been discussed in closed session and an appraisal is being prepared. • Property improved with a Class 1 historic structure currently being used as a liquor store. • Former RDA assumed the liquor store lease, which is ongoing. The rental income is recorded by the Successor Agency and it is included in "Other Revenue" on the ROPS⁸. • Property valued at \$339,620 in the Long Range Property Management Plan based on an estimate of property value prepared by the Successor Agency's independent consultant based on limited amount of analysis. Estimate determined using income approach due to the fact property has lease income.
<p>7. Plaza Theater</p>	<p><i>Permissible Use: Sale of Property, with conditions to maintain performing arts venue and Class 1 historic structure</i></p> <ul style="list-style-type: none"> • Property improved with a Class 1 historic structure currently being used as a performing arts venue. • Oversight Board approved on September 23, 2014 via Oversight Board Resolution No. 30 the sale of the property from the Successor Agency to the City. • There is no evidence that the required 10-day notice requirement for the Oversight Board September 23, 2014 meeting was satisfied. • DOF approved Oversight Board Resolution No. 30 on January 9, 2015. DOF approval letter states understanding that the Plaza Theater has a historic designation and cannot be demolished and that the City will secure a new operator with conditions that the property be maintained as a historic structure and performing arts venue. • The City has purchased the Plaza Theater from the Successor Agency pursuant to Oversight Board Resolution No. 30. A Request for Proposals was issued to find an operator/tenant in the building but that process did not result in a viable solution.

⁸ Recognized obligation payment schedule (ROPS) prepared by the Successor Agency every 6 months as required by the Redevelopment Agency Dissolution Law. The ROPS sets forth the minimum payment amounts and due dates of payments required by enforceable obligations of the Successor Agency for each six-month fiscal period.

<p>8. Catholic Church Parking Lot</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • No action since approval of Long Range Property Management Plan. • Property being used for public parking. • The zoning is public purposes. • This property is valued in the Long Range Property Management Plan at its carrying value pursuant to Oversight Board Resolution No. 20.
<p>9. Blue Coyote Parking Lot and Driveway (2 legal parcels)</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • No action since approval of Long Range Property Management Plan. • Property being used for public parking. • The zoning is public purposes. • This property is valued in the Long Range Property Management Plan at its carrying value pursuant to Oversight Board Resolution No. 20.
<p>10. Food Court Parking Lot</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • No action since approval of Long Range Property Management Plan. • Property being used for public parking. • The zoning is public purposes. • This property is valued in the Long Range Property Management Plan at its carrying value pursuant to Oversight Board Resolution No. 20.
<p>11. Henry Frank Arcade Parking Lot</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • No action since approval of Long Range Property Management Plan. • Property being used for public parking. • The zoning is public purposes. • This property is valued in the Long Range Property Management Plan at its carrying value pursuant to Oversight Board Resolution No. 20.
<p>12. Vineyard Parking Lot (3 legal parcels)</p>	<p><i>Permissible Use: Sale of Property</i></p> <ul style="list-style-type: none"> • No action since approval of Long Range Property Management Plan. • Property being used for public parking. • The zoning is public purposes. • This property is valued in the Long Range Property Management Plan at its carrying value pursuant to Oversight Board Resolution No. 20.

VI. Analysis

We have divided compliance with the legal requirements of the Redevelopment Agency Dissolution Law relating to property disposition into six (6) components, which will be addressed in subsections A. through F., below.

A. Receive Finding of Completion (Health and Safety Code Section 34179.7)

This component was satisfied.

Pursuant to Redevelopment Agency Dissolution Law, upon the DOF's issuance of a finding of completion to a successor agency, a Community Redevelopment Property Trust Fund (Trust) will be established to serve as the repository of certain real properties of the former Redevelopment Agency. Health and Safety Code Section 34179.7 provides that DOF must issue to each successor agency a finding of completion upon payment in full of certain amounts to be paid by successor agencies under the Redevelopment Agency Dissolution Law.

The DOF issued a Finding of Completion to the Successor Agency on January 2, 2014.

B. Prepare a Long Range Property Management Plan (Health and Safety Code Section 34191.5(b))

This component was satisfied.

Health and Safety Code Section 34191.5 (b) requires that the Successor Agency prepare a long range property management plan that addresses the disposition and use of the real properties of the former Redevelopment Agency. The Successor Agency prepared the Long Range Property Management Plan attached to this review as Appendix C.

C. Submit the Long Range Property Management Plan to the Oversight Board for approval no later than 6 months following the issuance of the Finding of Completion (Health and Safety Code Section 34191.5(b))⁹

This component was satisfied.

Health and Safety Code Section 34191.5(b) requires that the Successor Agency submit the Long Range Property Management Plan to the Oversight Board for approval no later

⁹ Pursuant to Health and Safety Code Section 34179(e), all actions taken by the Oversight Board shall be adopted by resolution.

than six months following the issuance to the Successor Agency of the Finding of Completion.

The Oversight Board approved the Long Range Property Management Plan on December 16, 2013 by Resolution No. 19. Additionally, the Oversight Board approved carrying values for Long Range Property Management Plan properties #7-12 on February 25, 2014 by Resolution No. 20. The Oversight Board approvals of the Long Range Property Management Plan were within six (6) months of January 2, 2014.

- D. Submit the Long Range Property Management Plan to the DOF for approval no later than 6 months following the issuance of the Finding of Completion (Health and Safety Code Section 34191.5(b))

This component was satisfied.

Health and Safety Code Section 34191.5(b) requires that the Successor Agency submit the Long Range Property Management Plan to DOF for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion.

DOF approved the Long Range Property Management Plan on March 25, 2014 subject to carrying values for Long Range Property Management Plan properties #7-12 contained in Oversight Board Resolution No. 20. DOF's approval of the Long Range Property Management Plan was within six (6) months of January 2, 2014.

- E. Satisfy Content Requirements of the Long Range Property Management Plan

We have divided compliance with this component into 10 subcomponents¹⁰. Appendix A contains a checklist showing whether for each of the 10 subcomponents the content requirement of the Long Range Property Management Plan was satisfied as to each of the twelve (12) properties listed in the Long Range Property Management Plan. Each of the 10 subcomponents is analyzed separately in the following discussion.

¹⁰ The ten (10) subcomponents are based on the Long-Range Property Management Plan Checklist prepared by the State Department of Finance in connection with the preparation of Long Range Property Management Plans prepared by successor agencies statewide. The Checklist lists these ten (10) subcomponents as "Long-Range Property Management Plan Requirements".

- 1) For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.
 - a) **This component was satisfied for 10 properties (#1, #2, #3, #6, #7, #8, #9, #10, #11, and #12).**

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

Health and Safety Code Sections 34191.5(c)(1)(A) and (D) require, in part, that the Long Range Property Management Plan contain “an estimate of the current value of the property” and “an estimate of the current value of the parcel including, if available, any appraisal information.” In addition, pursuant to Health and Safety 34179, the Oversight Board has “fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues”.

Regarding property valuation, nothing in the Redevelopment Agency Dissolution Law requires that an appraisal be prepared to determine the current value of properties for purposes of long range property management plans. In fact, the Redevelopment Agency Dissolution Law is silent as to how to determine property values. The use of comparables, as contained in the Long Range Property Management Plan, is, therefore, an acceptable method of valuation. However, some might question whether the way comparables were included in the Long Range Property Management Plan accurately estimated property values. A great number of the comparables covered a long period of time without as clear an explanation as could have been provided as to why that was appropriate. The Long Range Property Management Plan was submitted to the DOF in December 2013, but comparables were included from 2010 and 2011. A great number of the comparables were from outside the City of Palm Springs without as clear an explanation as could have been provided as to why that was appropriate. The

comparables were not weighted or adjusted. RSG, the City's long-time redevelopment consultant, was asked by the Successor Agency to prepare the Long Range Property Management Plan in less than thirty (30) days. As explained to us by Jim Simon, Principal/President, RSG, in order to determine current estimates of value for properties #1 - #5 for purposes of the Long Range Property Management Plan, RSG used the widely-known CoStar property sales database for information relating to sales activity for the properties. Mr. Simon explained that because the real estate market was still soft in Palm Springs in 2012 and 2013, there were not a great number of property comparables for properties #1 - #5. In order to have enough comparables in the Long Range Property Management Plan, RSG expanded the scope of the CoStar database search as to timeframe (i.e., 2010 and 2011 sales activity) and as to geographic area (i.e., outside the City Palm Springs). John Raymond, former City Director of Community and Economic Development, and Jim Simon both told us that the City never directed RSG as to how to determine the current estimates of value. As recalled by Jim Simon, the City never provided RSG with existing appraisal information for properties #4 and #5, but the City may have provided RSG with the Purchase and Sale Agreement for property #4 or #5. RSG does not recall having any discussion with City staff about the Purchase and Sale Agreement (or any other of the City agreements) and its(their) possible effect on the estimate(s) of value to be included in the Long Range Property Management Plan. Nor is RSG certain that such information would have changed any estimate of value it determined for purposes of the Long Range Property Management Plan. RSG's task of providing a current estimate of value was to satisfy the requirements for the Long Range Property Management Plan and not to determine a value for purposes of property disposition. This was stated in the Long Range Property Management Plan. For example, the Long Range Property Management Plan states on page 4 that the estimate of value was prepared "based on a limited amount of analysis...Coming out of a real estate recession, it can still be difficult to identify comparable properties in the area because sales volumes of small, infill parcels can be very limited." The Long Range Property Management Plan does not clearly explain or describe that this was the case for properties #1- #5, but that is

what was explained to us by Mr. Simon. In addition, the Long Range Property Management Plan states on page 4 “the value estimates themselves (or even appraised values) are not necessarily representative of what the properties could be worth when put on the open market for sale”.

Very minimal development history was provided in the Long Range Property Management Plan or to the Oversight Board even though some of the properties had long histories of development proposals, which histories may have been useful for determining current estimates of value.

The Oversight Board and DOF did have an opportunity to review and question the information in the Long Range Property Management Plan. DOF did follow up with the Successor Agency at least once via email on the property values for properties #1 - #6, but that follow up did not result in a request for or a change in any of those property values. DOF's follow up with the Successor Agency on property values for properties #7 - #12 did result in an additional Oversight Board Resolution adjusting those property values to their carrying values.

- b) **This component was satisfied as to the date of acquisition and value of property at time of acquisition for the remaining two properties (#4 and #5).**

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

- c) **Incomplete information was provided to the Oversight Board and DOF to substantiate the estimate of value requirements for the remaining two properties (#4 and #5) as follows:**

(i) neither the Oversight Board nor the DOF were provided an existing and known appraisal for each of the 2 properties; and

(ii) neither the Oversight Board nor the DOF were provided information regarding City agreements pertaining to the 2 properties.

Appraisals.

Property #4 - We did not find any evidence that information about a 2007 \$4,400,000¹¹ appraisal was included in the Long Range Property Management Plan or provided to the Oversight Board at any point, as required by Health and Safety Code Section 34191.5(c)(1)(D). An argument could be made, however, that the appraisal was stale and outdated and, therefore, did not need to be included in the Long Range Property Management Plan. There is no clear, bright-line rule about when an appraisal becomes outdated. However, because the appraisal was known and available to the City staff responsible for preparation of the Long Range Property Management Plan, we believe it should have been included in the Long Range Property Management Plan.

Property #5 - We did not find any evidence that information about a 2011 \$2,500,000 appraisal was included in the Long Range Property Management Plan or provided to Oversight Board at any point, as required by Health and Safety Code Section 34191.5(c)(1)(D). While there is no clear, bright-line rule about when an appraisal becomes outdated, we believe, based on our experience, that a 2 year old appraisal would likely not be stale or outdated. Because the appraisal was known and available to the City staff responsible for preparation of the Long Range Property Management Plan and was within a standard date range, we believe it should have been included in the Long Range Property Management Plan.

¹¹ We do not have a copy of the 2007 appraisal. Information about the appraisal was provided to us by John Raymond, former City Director of Community and Economic Development.

City Agreements.

Property #4 - We did not find any evidence that the 2013 City Purchase and Sale Agreement or the 2013 City and CDI Ventures, LLC (CDI) Services Agreement information pertaining to property #4 were included in the Long Range Property Management Plan or provided to Oversight Board. (See notes in Section V., Status of Properties, regarding property #4 and 2013 City Purchase and Sale Agreement and the Services Agreement.) It is unclear whether any of the \$675,000 to be paid to the City under the Services Agreement for property assembly assistance or the \$2,000,000 to be paid for unamortized parking improvements and existing entitlements is related to the value of property #4. It seems that the purchase price in the 2013 Purchase and Sale Agreement and the Services Agreement might be relevant in determining the estimated value of property #4. However, there is nothing in the Redevelopment Agency Dissolution Law specifically requiring the inclusion of information regarding the 2013 City Purchase and Sale Agreement or the Services Agreement.

Property #5 - We also did not find any evidence that the 2011 City Purchase and Sale Agreement pertaining to property #5 was included in the Long Range Property Management Plan or provided to Oversight Board. (See notes in Section V., Status of Properties, regarding property #5 and 2011 City Purchase and Sale Agreement.) Of note is that the staff report dated June 1, 2011 for approval of the 2011 City Purchase and Sale Agreement stated that:

The purchase price is fair and reasonable based upon the restricted use of the property by Nexus for the exclusive development of a "first class" hotel and associated retail. Additionally, the Agreement provides that the City may reacquire the property if a "first class" hotel is not developed within five (5) years from the date of the

property sale. The repurchase price would be the exact price of the original sale, \$1.5 million.

Amendment No. 1 to the 2011 Purchase and Sale Agreement purportedly replaced the requirement to develop the “first class hotel” with a mixed-use residential and commercial development and removed the City’s option to repurchase the property if the property was not developed as a “first class hotel”. However, these changes did not result in an adjustment to the purchase price for the property.

It seems that the purchase price in the 2011 Purchase and Sale Agreement and the information contained in the 2011 staff report might be relevant in determining the estimated value of property #5. However, there is nothing in the Redevelopment Agency Dissolution Law specifically requiring the inclusion of information regarding the 2011 City Purchase and Sale Agreement.

An argument could be made that the Oversight Board could not comply with its fiduciary duties to the taxing entities if complete and accurate information was not provided to it in terms of property valuation and development and sale information. It is unclear whether the method of comparables contained in the Long Range Property Management Plan, the minimal discussion of development history in the Long Range Property Management Plan, and the lack of advising the Oversight Board as to the appraisals and existing City Agreements provided the Oversight Board with sufficient complete and accurate information so as to satisfy its fiduciary obligations.

We note, however, that on December 4, 2012, the Oversight Board adopted Resolution No. 11 which contained as an attachment a spreadsheet entitled “State Controller’s Office Asset Transfer Assessment Assembly Bill X1 26” which contained the carrying values for each of the twelve (12) properties as of December 31, 2010. The carrying value for Prairie Schooner was listed as \$2,378,893.

Comparables. See discussion in Section VI.E.(1)(a) regarding the use of comparables in the Long Range Property Management Plan.

- 2) For each property the plan includes the purpose for which the property was acquired.

This component was satisfied for all 12 properties.

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

- 3) For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

This component was satisfied for all 12 properties.

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

- 4) For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

a) **This component was satisfied for 10 properties (#1, #2, #3, #6, #7, #8, #9, #10, #11, and #12).**

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

See discussion in Section VI.E.(1)(a) regarding the use of comparables in the Long Range Property Management Plan.

b) **Incomplete information was provided to the Oversight Board and DOF to substantiate the estimate of value requirements for the remaining two properties (#4 and #5) as follows:**

(i) **neither the Oversight Board nor the DOF were provided an existing and known appraisal for each of the 2 properties; and**

(ii) **neither the Oversight Board nor the DOF were provided information regarding City agreements pertaining to the 2 properties.**

See discussion in Section VI.E.(1)(c) above.

5) For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

This component was satisfied for all 12 properties.

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

6) For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

This component was satisfied for all 12 properties.

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long

Range Property Management Plan contained at least minimum information to satisfy this component.

- 7) For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

This component was satisfied for all 12 properties.

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

- 8) For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

This component was satisfied for all 12 properties.

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

- 9) For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

This component was satisfied for all 12 properties.

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

- 10) The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

This component was satisfied for all 12 properties.

Reference is made to the checklist in Appendix A and the Long Range Property Management Plan found at Appendix C showing that the Long Range Property Management Plan contained at least minimum information to satisfy this component.

- F. Dispose of properties in accordance with the Long Range Property Management Plan (Health and Safety Code Section 34191.3)

There is no evidence that the required 10-day notice requirement for the applicable Oversight Board meetings was satisfied for 3 of the properties (#4, #5 and #7). Two of these properties have been disposed of (#5 and #7) and one property is in escrow (#4).

Incomplete information was provided to the Oversight Board and DOF to substantiate the estimate of value requirements to enable us to opine that content requirements of the Long Range Property Management Plan as to estimate of value and appraisal information were satisfied for 2 of the properties (#4 and #5).

Disposition is ongoing for properties #1, #2, #3, #4, #6, #8, #9, #10, #11, and #12.

In accordance with Health and Safety Code Section 34177(e), prior to issuance of a Finding of Completion, disposal of properties of the former redevelopment agency “is to be done expeditiously and in a manner aimed at maximizing value.” However, in accordance with Health and Safety Code Section 34191.3, once the DOF has approved a long range property management plan, the long range property management plan shall govern, and supersede all other provisions relating to, the disposition and use of the real property assets of the former redevelopment agency.

The following is an analysis of each of the twelve (12) properties listed in the Long Range Property Management Plan and whether the property has been disposed of in

accordance with the Long Range Property Management Plan. Reference is made to Section V, Status of Properties, for additional specific information regarding agreements and status referenced below.

- 1) **Casa Del Camino Property** – Approval of the Purchase and Sale Agreement for this property was rescinded. Due to the rescission of City Council approval of the City Purchase and Sale Agreement, we have not included an analysis of this property disposition.

Recommendation. We recommended that if and when the property is ever sold, the property valuation be reevaluated so that any disposition is in compliance with the Redevelopment Agency Dissolution Law and so that the Oversight Board is provided complete and accurate information so as to enable it to satisfy its fiduciary obligations. As noted in the Long Range Property Management Plan, the value estimate in the Long Range Property Management Plan was prepared based on a limited amount of analysis and is “not necessarily representative of what the” property could be worth when put on the open market for sale.

- 2) **Desert Hotel Property** - There has been no disposition of this property. There are no current plans for disposition of this property.

Recommendation. We recommended that if and when the property is ever sold, the property valuation be reevaluated so that any disposition is in compliance with the Redevelopment Agency Dissolution Law and so that the Oversight Board is provided complete and accurate information so as to enable it to satisfy its fiduciary obligations. As noted in the Long Range Property Management Plan, the value estimate in the Long Range Property Management Plan was prepared based on a limited amount of analysis and is “not necessarily representative of what the” property could be worth when put on the open market for sale.

- 3) **McKinney Parcel** - There has been no disposition of this property. There are no current plans for disposition of this property.

***Recommendation.** We recommended that if and when the property is ever sold, the property valuation be reevaluated so that any disposition is in compliance with the Redevelopment Agency Dissolution Law and so that the Oversight Board is provided complete and accurate information so as to enable it to satisfy its fiduciary obligations. As noted in the Long Range Property Management Plan, the value estimate in the Long Range Property Management Plan was prepared based on a limited amount of analysis and is “not necessarily representative of what the” property could be worth when put on the open market for sale.*

- 4) **Convention Center North Parking Lot** - The property is the subject of the existing 2013 City Purchase and Sale Agreement. Escrow is expected to close in January 2016. The purchase price to be paid to the City by Selene Palm Springs, LLC is \$2,000,000. The City is expected to acquire the property from the Successor Agency for \$2,211,896 pursuant to Oversight Board Resolution No. 25. The \$2,211,896 purchase price is the same value as in the Long Range Property Management Plan. Neither the Oversight Board nor DOF was ever informed of the 2013 City Purchase and Sale Agreement or the 2013 Services Agreement. Nor were they informed of the 2007 \$4,400,000 appraisal. It is unclear how the 2013 City Purchase and Sale Agreement or the 2013 Services Agreement relate, if at all, to the 2007 appraisal amount. It is unclear whether any of the \$675,000 to be paid to the City under the Services Agreement for property assembly assistance or the \$2,000,000 to be paid for unamortized parking improvements and existing entitlements is related to the value of the property. It is unknown what the Oversight Board would have done with the information and whether the \$2,211,896 value in the Long Range Property Management Plan represents the value of the property that the Oversight Board would have directed the Successor Agency obtain for the property if the Oversight Board had the information. In addition, as discussed previously, some might question whether the property value derived from the comparables included in the Long Range Property Management Plan was the appropriate value to use for sale of the property.

Pursuant to Health and Safety Code Section 34181(f), “[a]ll actions taken pursuant to subdivisions (a) and (c) shall be approved by resolution of the oversight board at a public meeting after at least 10 days’ notice to the public of the specific proposed actions.” DOF’s March 25, 2014 approval letter for the Long Range Property Management Plan also states “Agency actions taken pursuant to a Finance approved LRPMP are subject to oversight board (OB) approval per HSC section 34181(f).” There is no evidence that the required 10-day notice requirement for the Oversight Board May 8, 2014 meeting was satisfied.

***Recommendation.** We acknowledge and understand that there is the existing 2013 City Purchase and Sale Agreement pertaining to this property. We recommended that the City investigate its legal rights, given the existing 2013 City Purchase and Sale Agreement, as to whether the City is able to sell the property under the existing 2013 City Purchase and Sale Agreement in accordance with applicable law. We have not completed any such investigation (nor have we been asked to complete any such investigation) and are not opining what the legal effect would be to the City or on the 2013 City Purchase and Sale Agreement from any such investigation.*

In addition, we recommend that at the close of any escrow for this property, pursuant to Section 34177(e) of the Health and Safety Code which requires that property disposition proceeds “be transferred to the county auditor-controller for distribution as property tax proceeds” under the Redevelopment Agency Dissolution Law, the entire amount of the net sales proceeds from the purchase price be transferred to the County Auditor Controller accordingly.

- 5) **Prairie Schooner Parcel** – The property was conveyed to O & M HR, LLC in January 2015 in accordance with the 2011 City Purchase and Sale Agreement. The purchase price paid to the City by O & M HR, LLC was \$1,500,000. The City acquired the property from the Successor Agency in accordance with Oversight Board Resolution No. 24, which was approved by the DOF on May 14, 2015. The purchase price listed in Oversight Board Resolution No. 24 was \$1,402,632. The same value as in the Long

Range Property Management Plan. Neither the Oversight Board nor DOF was ever informed of the 2011 City Purchase and Sale Agreement or the 2014 amendment to the 2011 City Purchase and Sale Agreement. Nor were they informed of the 2011 \$2,500,000 appraisal. The City/O & M HR, LLC and the Successor Agency/City escrows closed concurrently on the same day as back-to-back escrows. Section 34177(e) of the Health and Safety Code requires that property disposition proceeds “be transferred to the county auditor-controller for distribution as property tax proceeds” under the Redevelopment Agency Dissolution Law. Despite that, at the suggestion of DOF, the entire net sale proceeds of the City/ O & M HR, LLC \$1,500,000 purchase price (namely, \$1,492,407) was listed on the recognized obligation payment schedule¹² (15-16A) as “other income”.¹³ DOF approved the recognized obligation payment schedule (15-16A) on April 13, 2015. Adding the net sale proceeds on the recognized obligation payment schedule as “other income” increases the amount to be distributed to the taxing entities under the “waterfall” payment structure in the Redevelopment Agency Dissolution Law set forth in Health and Safety Code Section 34183.¹⁴ This may affect the taxing entities in the future by potentially increasing future permitted repayments to the City on Oversight Board approved City-former redevelopment agency loan agreements permitted by Health and Safety Code Section 34191.4(b)¹⁵. This is because the repayment amount permitted by Section 34191.4(b) is determined based on the amount of

¹² Recognized obligation payment schedules are prepared by the Successor Agency every 6 months as required by the Redevelopment Agency Dissolution Law. Each recognized obligation payment schedule sets forth the minimum payment amounts and due dates of payments required by enforceable obligations of the Successor Agency for each six-month fiscal period. The procedures regarding recognized obligation payment schedules are set forth in the Redevelopment Agency Dissolution Law. They are outside the scope of this review and, therefore, are not included.

¹³ Even though the purchase price listed in Oversight Board Resolution No. 24 was only \$1,402,632, the City gave 100% of the net sale proceeds to the Successor Agency for distribution to the taxing entities.

¹⁴ The waterfall payment structure provides for the distribution of monies in the Redevelopment Property Tax Trust Fund (i.e., former tax increment revenues of the former redevelopment agency) to the Successor Agency and the taxing entities in the order listed in Section 34183 of the Health and Safety Code. A discussion of the waterfall structure is outside the scope of this review.

¹⁵ Health and Safety Code Section 34191.4(b) provides that following issuance of a Finding of Completion certain loan agreements between a former redevelopment agency and its establishing city can be deemed to be enforceable obligations, with certain conditions. If that occurs, the loans can be listed on recognized obligations payment schedules permitting repayment to be made to the applicable city. A discussion of these loan repayments is outside the scope of this review.

residual funds distributed to the taxing entities on the recognized obligation payment schedules. If repayment to the City is increased, this, in turn, decreases the amount to be distributed to the taxing entities under the waterfall structure. It is unknown whether there may be any other financial impacts to the taxing entities by listing the net sale proceeds on the recognized obligation payment schedule rather than transferring the money to the County Auditor Controller to distribute immediately to the taxing entities outside of the recognized obligation payment schedule.

As discussed previously, the \$1,402,632 value in the Long Range Property Management Plan may not have been the value of the property that the Oversight Board would have directed the Successor Agency obtain for the property. The Oversight Board was never made aware of the 2011 \$2,500,000 appraisal or the 2011 City Purchase and Sale Agreement or the 2014 amendment to the 2011 City Purchase and Sale Agreement. It is unknown what the Oversight Board would have done with this information. In addition, as discussed previously, some might question whether the property value derived from the comparables included in the Long Range Property Management Plan was the appropriate value to use for sale of the property.

Pursuant to Health and Safety Code Section 34181(f), “[a]ll actions taken pursuant to subdivisions (a) and (c) shall be approved by resolution of the oversight board at a public meeting after at least 10 days’ notice to the public of the specific proposed actions.” DOF’s March 25, 2014 approval letter for the Long Range Property Management Plan also states “Agency actions taken pursuant to a Finance approved LRPMP are subject to oversight board (OB) approval per HSC section 34181(f).” There is no evidence that the required 10-day notice requirement for the Oversight Board May 8, 2014 meeting was satisfied.

Recommendation. *We acknowledge and understand that there is the 2011 City Purchase and Sale Agreement pertaining to this property and that the property was conveyed to a third party buyer pursuant to the 2011 City Purchase and Sale Agreement in January 2015. We recommend that the City investigate its ability, given the 2011 City Purchase and Sale*

Agreement, to lawfully undo the property disposition under the 2011 City Purchase and Sale Agreement and dispose of the property in accordance with applicable law. We have not completed any such investigation (nor have we been asked to complete any such investigation) and are not opining what the legal effect would be to the City or on the 2011 City Purchase and Sale Agreement from any such investigation.

- 6) **Cork n Bottle** - There has been no disposition of this property. There are currently discussions to sell this property in accordance with the Long Range Property Management Plan.

***Recommendation.** We recommended that if and when the property is ever sold, the property valuation be reevaluated so that any disposition is in compliance with the Redevelopment Agency Dissolution Law and so that the Oversight Board is provided complete and accurate information so as to enable it to satisfy its fiduciary obligations. As noted in the Long Range Property Management Plan, the value estimate in the Long Range Property Management Plan was prepared based on a limited amount of analysis and is “not necessarily representative of what the” property could be worth when put on the open market for sale.*

- 7) **Plaza Theater** – This property was conveyed to the City in accordance with the DOF-approved Long Range Property Management Plan and Oversight Board Resolution No. 30.

Pursuant to Health and Safety Code Section 34181(f), “[a]ll actions taken pursuant to subdivisions (a) and (c) shall be approved by resolution of the oversight board at a public meeting after at least 10 days’ notice to the public of the specific proposed actions.” DOF’s March 25, 2014 approval letter for the Long Range Property Management Plan also states “Agency actions taken pursuant to a Finance approved LRPMP are subject to oversight board (OB) approval per HSC section 34181(f).” There is no evidence that the required 10-day notice requirement for the Oversight Board September 23, 2014 meeting was satisfied.

***Recommendation.** We recommended that the Successor Agency consider resubmitting to the Oversight Board the disposition of this property in order to provide the required 10-day notice.*

In addition, we recommended that the City own and maintain the property as described in DOF's approval of Oversight Board Resolution No. 30 in order to remain in compliance with the Redevelopment Agency Dissolution Law.

- 8) **Catholic Church Parking Lot** – There has been no disposition of this property. There are no current plans for disposition of this property.

***Recommendation.** We recommended that if and when the property is ever sold, the property valuation be reevaluated so that any disposition is in compliance with the Redevelopment Agency Dissolution Law and so that the Oversight Board is provided complete and accurate information so as to enable it to satisfy its fiduciary obligations. As noted in the Long Range Property Management Plan, the value estimate in the Long Range Property Management Plan was prepared based on a limited amount of analysis and is “not necessarily representative of what the” property could be worth when put on the open market for sale.*

- 9) **Blue Coyote Parking Lot and Driveway** - There has been no disposition of this property. There are no current plans for disposition of this property.

***Recommendation.** We recommended that if and when the property is ever sold, the property valuation be reevaluated so that any disposition is in compliance with the Redevelopment Agency Dissolution Law and so that the Oversight Board is provided complete and accurate information so as to enable it to satisfy its fiduciary obligations. As noted in the Long Range Property Management Plan, the value estimate in the Long Range Property Management Plan was prepared based on a limited amount of analysis and is “not necessarily representative of what the” property could be worth when put on the open market for sale.*

- 10) **Food Court Parking Lot** - There has been no disposition of this property. There are no current plans for disposition of this property.

Recommendation. We recommended that if and when the property is ever sold, the property valuation be reevaluated so that any disposition is in compliance with the Redevelopment Agency Dissolution Law and so that the Oversight Board is provided complete and accurate information so as to enable it to satisfy its fiduciary obligations. As noted in the Long Range Property Management Plan, the value estimate in the Long Range Property Management Plan was prepared based on a limited amount of analysis and is “not necessarily representative of what the” property could be worth when put on the open market for sale.

- 11) **Henry Frank Arcade Parking Lot** - There has been no disposition of this property. There are no current plans for disposition of this property.

Recommendation. We recommended that if and when the property is ever sold, the property valuation be reevaluated so that any disposition is in compliance with the Redevelopment Agency Dissolution Law and so that the Oversight Board is provided complete and accurate information so as to enable it to satisfy its fiduciary obligations. As noted in the Long Range Property Management Plan, the value estimate in the Long Range Property Management Plan was prepared based on a limited amount of analysis and is “not necessarily representative of what the” property could be worth when put on the open market for sale.

- 12) **Vineyard Parking Lot** - There has been no disposition of this property. There are no current plans for disposition of this property.

Recommendation. We recommended that if and when the property is ever sold, the property valuation be reevaluated so that any disposition is in compliance with the Redevelopment Agency Dissolution Law and so that the Oversight Board is provided complete and accurate information so as to enable it to satisfy its fiduciary obligations. As noted in the Long Range Property Management Plan, the value estimate in the Long Range Property Management Plan was prepared based on a limited amount of

analysis and is “not necessarily representative of what the” property could be worth when put on the open market for sale.

APPENDIX A

Long Range Property Management Plan Requirements

A. For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

		Yes, Included in Plan ¹⁶	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	X		
2.	Desert Hotel Property	X		
3.	McKinney Parcel	X		Value of property at time of acquisition unknown
4.	Convention Center North Parking Lot	X		Value of property at time of acquisition unknown
5.	Prairie Schooner Parcel	X		
6.	Cork n Bottle	X		
7.	Plaza Theater	X		Carrying value adjustment pursuant to Oversight Board Resolution No. 20
8.	Catholic Church Parking Lot	X		Carrying value adjustment pursuant to Oversight Board Resolution No. 20
9.	Blue Coyote Parking Lot and Driveway	X		Date of property acquisition of one parcel of property and value of one parcel of property at time of acquisition unknown and carrying value adjustment pursuant to Oversight Board Resolution No. 20
10.	Food Court Parking Lot	X		Carrying value adjustment pursuant to Oversight Board Resolution No. 20

¹⁶ See Section VI.E.(1) of this review qualifying this response.

11.	Henry Frank Arcade Parking Lot	X		Carrying value adjustment pursuant to Oversight Board Resolution No. 20
12.	Vineyard Parking Lot	X		Value of two parcels of property at time of acquisition unknown and carrying value adjustment pursuant to Oversight Board Resolution No. 20

B. For each property the plan includes the purpose for which the property was acquired.

		Yes, Included in Plan	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	X		
2.	Desert Hotel Property	X		
3.	McKinney Parcel	X		
4.	Convention Center North Parking Lot	X		
5.	Prairie Schooner Parcel	X		
6.	Cork n Bottle	X		
7.	Plaza Theater	X		
8.	Catholic Church Parking Lot	X		
9.	Blue Coyote Parking Lot and Driveway	X		
10.	Food Court Parking Lot	X		
11.	Henry Frank Arcade Parking Lot	X		
12.	Vineyard Parking Lot	X		

C. For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

		Yes, Included in Plan	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	X		
2.	Desert Hotel Property	X		
3.	McKinney Parcel	X		
4.	Convention Center North Parking Lot	X		
5.	Prairie Schooner Parcel	X		
6.	Cork n Bottle	X		
7.	Plaza Theater	X		
8.	Catholic Church Parking Lot	X		
9.	Blue Coyote Parking Lot and Driveway	X		
10.	Food Court Parking Lot	X		
11.	Henry Frank Arcade Parking Lot	X		
12.	Vineyard Parking Lot	X		

D. For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

		Yes, Included in Plan ¹⁷	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	X		Based on comparables over a range of years with some being outside of Palm Springs.
2.	Desert Hotel Property	X		Based on comparables over a range of years with some being outside of Palm Springs

¹⁷See Section VI.E.(1) of this review qualifying this response.

3.	McKinney Parcel	X		Based on comparables over a range of years with some being outside of Palm Springs
4.	Convention Center North Parking Lot	X	X	Did not find any evidence that 2007 \$4,400,000 ¹⁸ appraisal information included or provided to Oversight Board. Did not find any evidence that 2013 City Purchase and Sale Agreement information included or provided to Oversight Board. Based on comparables over a range of years with some being outside of Palm Springs
5.	Prairie Schooner Parcel	X	X	Did not find any evidence that 2011 \$2,500,000 appraisal information included or provided to Oversight Board. Did not find any evidence that 2011 City Purchase and Sale Agreement information included or provided to Oversight Board. Based on comparables over a range of years with some being outside of Palm Springs
6.	Cork n Bottle	X		
7.	Plaza Theater	X		Based on market value estimate as an existing public building for which no revenue is received. Pursuant to request from DOF, property listed at carrying value pursuant to Oversight Board Resolution No. 20.

¹⁸ We do not have a copy of the 2007 appraisal. Information about the appraisal was provided to us by John Raymond, former City Director of Community and Economic Development.

8.	Catholic Church Parking Lot	X		Based on market value estimate as an existing public parking lot for which no income is received. Pursuant to request from DOF, property listed at carrying value pursuant to Oversight Board Resolution No. 20.
9.	Blue Coyote Parking Lot and Driveway	X		Based on market value estimate as an existing public parking lot for which no income is received. Pursuant to request from DOF, property listed at carrying value pursuant to Oversight Board Resolution No. 20.
10.	Food Court Parking Lot	X		Based on market value estimate as an existing public parking lot for which no income is received. Pursuant to request from DOF, property listed at carrying value pursuant to Oversight Board Resolution No. 20.
11.	Henry Frank Arcade Parking Lot	X		Based on market value estimate as an existing public parking lot for which no income is received. Pursuant to request from DOF, property listed at carrying value pursuant to Oversight Board Resolution No. 20.
12.	Vineyard Parking Lot	X		Based on market value estimate as an existing public parking lot for which no income is received. Pursuant to request from DOF, property listed at carrying value pursuant to Oversight Board Resolution No. 20.

E. For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

		Yes, Included in Plan	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	X		
2.	Desert Hotel Property	X		
3.	McKinney Parcel	X		
4.	Convention Center North Parking Lot	X		
5.	Prairie Schooner Parcel	X		
6.	Cork n Bottle	X		
7.	Plaza Theater	X		
8.	Catholic Church Parking Lot	X		
9.	Blue Coyote Parking Lot and Driveway	X		
10.	Food Court Parking Lot	X		
11.	Henry Frank Arcade Parking Lot	X		
12.	Vineyard Parking Lot	X		

F. For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

		Yes, Included in Plan	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	X		
2.	Desert Hotel Property	X		
3.	McKinney Parcel	X		
4.	Convention Center North Parking Lot	X		
5.	Prairie Schooner Parcel	X		
6.	Cork n Bottle	X		

7.	Plaza Theater	X		
8.	Catholic Church Parking Lot	X		
9.	Blue Coyote Parking Lot and Driveway	X		
10.	Food Court Parking Lot	X		
11.	Henry Frank Arcade Parking Lot	X		
12.	Vineyard Parking Lot	X		

G. For each property the plan includes a description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

		Yes, Included in Plan	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	X		
2.	Desert Hotel Property	X		
3.	McKinney Parcel	X		
4.	Convention Center North Parking Lot	X		
5.	Prairie Schooner Parcel	X		
6.	Cork n Bottle	X		
7.	Plaza Theater	X		
8.	Catholic Church Parking Lot	X		
9.	Blue Coyote Parking Lot and Driveway	X		
10.	Food Court Parking Lot	X		
11.	Henry Frank Arcade Parking Lot	X		
12.	Vineyard Parking Lot	X		

H. For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

		Yes, Included in Plan	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	X		Minimal description provided
2.	Desert Hotel Property	X		Minimal description provided
3.	McKinney Parcel	X		Minimal description provided
4.	Convention Center North Parking Lot	X		Minimal description provided
5.	Prairie Schooner Parcel	X		Minimal description provided
6.	Cork n Bottle	X		Minimal description provided
7.	Plaza Theater	X		Minimal description provided
8.	Catholic Church Parking Lot	X		
9.	Blue Coyote Parking Lot and Driveway	X		
10.	Food Court Parking Lot	X		
11.	Henry Frank Arcade Parking Lot	X		
12.	Vineyard Parking Lot	X		

I. For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

		Yes, Included in Plan	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	X		
2.	Desert Hotel Property	X		
3.	McKinney Parcel	X		
4.	Convention Center North Parking Lot	X		
5.	Prairie Schooner Parcel	X		
6.	Cork n Bottle	X		

7.	Plaza Theater	X		
8.	Catholic Church Parking Lot	X		
9.	Blue Coyote Parking Lot and Driveway	X		
10.	Food Court Parking Lot	X		
11.	Henry Frank Arcade Parking Lot	X		
12.	Vineyard Parking Lot	X		

J. The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

		Yes, Included in Plan	No, Not Included in Plan	Notes
1.	Casa Del Camino Property	-	-	N/A
2.	Desert Hotel Property	-	-	N/A
3.	McKinney Parcel	-	-	N/A
4.	Convention Center North Parking Lot	-	-	N/A
5.	Prairie Schooner Parcel	-	-	N/A
6.	Cork n Bottle	-	-	N/A
7.	Plaza Theater	-	-	N/A
8.	Catholic Church Parking Lot	-	-	N/A
9.	Blue Coyote Parking Lot and Driveway	-	-	N/A
10.	Food Court Parking Lot	-	-	N/A
11.	Henry Frank Arcade Parking Lot	-	-	N/A
12.	Vineyard Parking Lot	-	-	N/A

APPENDIX B

Applicable Statutes – Excerpts from Health and Safety Code

34177. Successor agencies are required to do all of the following:

...

(e) Dispose of assets and properties of the former redevelopment agency as directed by the component; provided, however, that the component may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181. The disposal is to be done expeditiously and in a manner aimed at maximizing value. Proceeds from asset sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the component, shall be transferred to the county auditor-controller for distribution as property tax proceeds under Section 34188. The requirements of this subdivision shall not apply to a successor agency that has been issued a finding of completion by the Department of Finance pursuant to Section 34179.7.

...

(h) Expeditiously wind down the affairs of the redevelopment agency pursuant to the provisions of this part and in accordance with the direction of the component.

34179. (a) Each successor agency shall have an component composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before May 1, 2012.

...

(i) Oversight Boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188.

34179.7. Upon full payment of the amounts determined in subdivision (d) or (e) of Section 34179.6 as reported by the county auditor-controller pursuant to subdivision (g) of Section 34179.6 and of any amounts due as determined by Section 34183.5, or upon a final judicial determination of the amounts due and confirmation that those amounts have been paid by the county auditor-controller, the department shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency.

34181. The component shall direct the successor agency to do all of the following:

(a) Dispose of all assets and properties of the former redevelopment agency; provided, however, that the component may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value. Asset disposition may be accomplished by a distribution of income to taxing entities proportionate to their property tax share from one or more properties that may be transferred to a public or private agency for management pursuant to the direction of the component.

...

(f) All actions taken pursuant to subdivisions (a) and (c) shall be approved by resolution of the component at a public meeting after at least 10 days' notice to the public of the specific proposed actions. The actions shall be subject to review by the Department of Finance pursuant to Section 34179 except that the department may extend its review period by up to 60 days. If the department does not object to an action subject to this section, and if no action challenging an action is commenced within 60 days of the approval of the action by the component, the action of the component shall be considered final and can be relied upon as conclusive by any person. If an action is brought to challenge an action involving title to or an interest in real property, a notice of pendency of action shall be recorded by the claimant as provided in Title 4.5 (commencing with Section 405) of Part 2 of the Code of Civil Procedure within a 60-day period.

SECTIONS 34191.1-34191.5

34191.1. The provisions of this chapter shall apply to a successor agency upon that agency's receipt of a finding of completion by the Department of Finance pursuant to Section 34179.7.

34191.3. Notwithstanding Section 34191.1, the requirements specified in subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be suspended, except as those provisions apply to the transfers for governmental use, until the Department of Finance has approved a long-range property management plan pursuant to subdivision (b) of Section 34191.5, at which point the plan shall govern, and supersede all other provisions relating to, the

disposition and use of the real property assets of the former redevelopment agency. If the department has not approved a plan by January 1, 2016, subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be operative with respect to that successor agency.

34191.4. The following provisions shall apply to any successor agency that has been issued a finding of completion by the Department of Finance:

(a) All real property and interests in real property identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5 shall be transferred to the Community Redevelopment Property Trust Fund of the successor agency upon approval by the Department of Finance of the long-range property management plan submitted by the successor agency pursuant to subdivision (b) of Section 34191.5 unless that property is subject to the requirements of any existing enforceable obligation.

(b) (1) Notwithstanding subdivision (d) of Section 34171, upon application by the successor agency and approval by the component, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the component makes a finding that the loan was for legitimate redevelopment purposes.

(2) If the component finds that the loan is an enforceable obligation, the accumulated interest on the remaining principal amount of the loan shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund. The loan shall be repaid to the city, county, or city and county in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund. The annual loan repayments provided for in the recognized obligation payment schedules shall be subject to all of the following limitations:

(A) Loan repayments shall not be made prior to the 2013-14 fiscal year. Beginning in the 2013-14 fiscal year, the maximum repayment amount authorized each fiscal year for repayments made pursuant to this subdivision and paragraph (7) of subdivision (e) of Section 34176 combined shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to paragraph (4) of subdivision (a) of Section 34183 in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012-13 base year, provided, however, that calculation of the amount distributed to taxing entities during the 2012-13 base year shall not include any amounts distributed to taxing entities pursuant to the due diligence review process established in Sections 34179.5 to 34179.8, inclusive. Loan or deferral repayments made pursuant to this subdivision shall be second in priority to amounts to be repaid

pursuant to paragraph (7) of subdivision (e) of Section 34176.

(B) Repayments received by the city, county, or city and county that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Fund of the former redevelopment agency for purposes of the Supplemental Educational Revenue Augmentation Fund and shall be distributed to the Low and Moderate Income Housing Asset Fund established by subdivision (d) of Section 34176.

(C) Twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund, after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the Supplemental Educational Revenue Augmentation Fund have been paid.

(c) (1) Bond proceeds derived from bonds issued on or before December 31, 2010, shall be used for the purposes for which the bonds were sold.

(2) (A) Notwithstanding Section 34177.3 or any other conflicting provision of law, bond proceeds in excess of the amounts needed to satisfy approved enforceable Obligations shall thereafter be expended in a manner consistent with the original bond covenants. Enforceable Obligations may be satisfied by the creation of reserves for projects that are the subject of the enforceable Obligation and that are consistent with the contractual Obligations for those projects, or by expending funds to complete the projects. An expenditure made pursuant to this paragraph shall constitute the creation of excess bond proceeds Obligations to be paid from the excess proceeds. Excess bond proceeds Obligations shall be listed separately on the Recognized Obligation Payment Schedule submitted by the successor agency.

(B) If remaining bond proceeds cannot be spent in a manner consistent with the bond covenants pursuant to subparagraph (A), the proceeds shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

34191.5. (a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the successor agency, to serve as the repository of the former redevelopment agency's real properties identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5.

(b) The successor agency shall prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency. The report shall be submitted to the component and the Department of Finance for approval no later than six months following the issuance to the successor agency of the finding of completion.

(c) The long-range property management plan shall do all of the following:

(1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

(B) The purpose for which the property was acquired.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

(2) Address the use or disposition of all of the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable Obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable Obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) (i) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(ii) For purposes of this subparagraph, the term "identified in an approved redevelopment plan" includes properties listed in a community plan or a five-year implementation plan.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable Obligation or other than that specified in subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the component and the Department of Finance.

APPENDIX C

Long-Range Property Management Plan

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LONG-RANGE PROPERTY MANAGEMENT PLAN

Successor Agency to the
Palm Springs Community
Redevelopment Agency

December 12, 2013

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

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Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

INTRODUCTION

Assembly Bill ("AB") 1484, enacted in June 2012, requires all successor agencies to former redevelopment agencies that owned property as of the time of redevelopment dissolution in 2011 to prepare a Long Range Property Management Plan ("PMP"). The PMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements, as detailed in the "Statement of Legal Requirements" section on the next page.

This is the Long Range Property Management Plan for the Successor Agency to the Palm Springs Community Redevelopment Agency ("Successor Agency").

EXECUTIVE SUMMARY

The former Palm Springs Community Redevelopment Agency ("Agency") is the owner of record on the title for 12 properties (comprised of 19 parcels) in Palm Springs. All 12 properties are proposed to be sold by the Successor Agency, with the proceeds of the sale to be distributed by the Riverside County Auditor-Controller in accordance with the Dissolution Act.

The following chart outlines the Assessor's Parcel Number (APN) and proposed disposition for each of the 12 properties.

#	Site Name	Assessor's Parcel Number(s)	Disposition
1	Casa del Camino Property	505-182-004	Sell property
2	Desert Hotel Property	513-091-003	Sell property
3	McKinney Parcel	513-290-013	Sell property
4	Convention Center North Parking Lot	508-034-012, 508-034-013, and 508-034-014	Sell property
5	Prairie Schooner Parcel	508-055-007, 508-055-008, and 508-055-009	Sell property
6	Cork n Bottle	513-081-017	Sell property
7	Plaza Theater	513-144-010	Sell property
8	Catholic Church Parking Lot	505-324-002	Sell property
9	Blue Coyote Parking Lot and Driveway	513-082-023 and 513-082-040	Sell property
10	Food Court Parking Lot	513-082-043	Sell property
11	Henry Frank Arcade Parking Lot	513-091-004	Sell property
12	Vineyard Parking Lot	513-153-015, 513-153-016, and 513-153-029	Sell property

STATEMENT OF LEGAL REQUIREMENTS

Pursuant to Health and Safety Code section 34191.5 (part of AB 1484), each successor agency that holds property from a former redevelopment agency is required to submit a PMP to the State Department of Finance ("DOF") within six months after receiving a "Finding of Completion" from DOF. Prior to the submittal of the PMP to DOF, the successor agency's oversight board must approve the PMP.

In general, the PMP addresses the disposition and use of the real properties of the former redevelopment agency. AB 1484 requires that the PMP include all of the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust Fund"), established to serve as the repository of the former redevelopment agency's real properties. This inventory shall consist of all of the following information:
 - a. **Date of acquisition** of the property and the value of the property at that time, and an estimate of the current value of the property.
 - b. **Purpose** for which the property was acquired.
 - c. **Parcel data**, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.
 - d. **Estimate of the current value** of the parcel including, if available, any appraisal information.
 - e. **Estimate of any lease, rental, or any other revenues** generated by the property, and a description of the contractual requirements for the disposition of those funds.
 - f. **History of environmental contamination**, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
 - g. Description of the **property's potential for transit-oriented development and the advancement of the planning objectives** of the successor agency.
 - h. Brief history of **previous development proposals** and activity, including the rental or lease of property.
2. Address the use or disposition of all the properties in the Trust Fund. Permissible uses include:
 - a. **Retention for governmental use** pursuant to subdivision (a) of Section 34181;
 - b. **Retention for future development;**
 - c. **Sale** of the property; or
 - d. **Use of property to fulfill an enforceable obligation.**

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

3. Separately identify and list properties in the Trust Fund dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following shall apply:
 - a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
 - b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subsection 3(a) above, the proceeds from the sale shall be distributed as property tax to the taxing entities.
 - c. Property shall not be transferred to a successor agency, city, county, or city and county, unless the PMP has been approved by the oversight board and DOF.

PROPERTY VALUATION ESTIMATES AND LIMITATIONS

The Dissolution Act requires that a property management plan include an estimate of the value of property, as well as recent appraisal information, to provide the oversight board, DOF, and other interested parties information on the properties involved. DOF has officially stated that they do not expect successor agencies to obtain appraisals on properties if none currently exist, so no such appraisals have been prepared for this PMP.

Instead, an estimate of property value was prepared by the Successor Agency's independent consultant based on a limited amount of analysis, well short of what would normally be conducted for an appraisal – but at least useful for providing some information on what is often difficult to assess property values given the unique deficiencies (size, contamination, location, etc.) of former redevelopment properties. Coming out of a real estate recession, it still can be difficult to identify comparable properties in the area because sales volumes of small, infill parcels can be very limited.

The limitations of this methodology aside, the value estimates themselves (or even appraised values) are not necessarily representative of what the properties could be worth when put on the open market for sale by the Successor Agency.

As necessary, following DOF approval of this PMP, the Successor Agency will seek buyers to purchase the properties, based on the conditions outlined in this document. Once these offers are provided, these may ultimately be a much more precise determination of value than what is included in this PMP. As such, the reader is encouraged to understand this context when reviewing the estimated values contained herein.

PROPERTY INVENTORY - FORMER AGENCY PROPERTIES

The former Agency owned 12 properties (consisting of 19 parcels) at dissolution. The properties are grouped into property sites with specific property numbers shown in the Property Inventory Data table attached. A detailed description of the properties is provided below.

The Property Inventory Data table (Attachment 1) utilizes the DOF-created database that provides a matrix of all of the information required pursuant to Health and Safety Code Section 34191.5(c) (part of AB 1484).

It is important to note the following in reviewing the PMP:

- Estimates of current value of property were provided by RSG based on the individual methodologies described under each property profiled in this PMP. As the DOF has officially stated, the DOF does not require a new appraisal report to be prepared for the purposes of a PMP, even if a recent appraisal does not exist. The ultimate value of the properties sold will be determined based on what the market bears and not what an appraisal estimates. More details for each value estimate are provided in the individual property profiles.
- Data contained in the "Value at Time of Purchase" column in the Property Inventory Data table includes all available information obtained resulting from comprehensive title research and staff's best efforts to locate the information. In many cases, this information was not available and is noted accordingly.

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

Properties to be Sold by Successor Agency

All 12 Agency-owned properties are proposed to be for sale. A description of the properties, including the legally required information, aerial maps, and photographs of each property, are presented in this section.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to each of the 12 Agency-owned properties:

- **Proposed Sale Value:** Market to determine.
- **Proposed Sale Date:** Following DOF approval of PMP.
- **History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site:** No record of past environmental contamination, studies, and/or remediation, and designation as a brownfield site. This does not necessarily preclude potential environmental contamination, studies, and/or remediation, and designation as a brownfield site of which the Successor Agency is not aware.

The remainder of the information required by Health and Safety Code Section 34191.5(c) is provided below and in Attachment 1.

Successor Agency to the Palm Springs Community Redevelopment Agency
 Long-Range Property Management Plan

CASA DEL CAMINO PROPERTY (PROPERTY 1)

Address: 1479 N. Palm Canyon Dr.
APN: 505-182-004
Lot Size: 29,185 sq. ft.¹
Attachment 1 Parcel: 1

Acquisition Date: April 1, 1987
Value at Time of Purchase: \$575,000
Property Type (DOF Category): Vacant Lot/Land
Permissible Use (City Proposed): Sale of Property
Current Zoning: C1 – Retail Business Zone

Estimated Current Value: \$195,561
 Based on RSG's comparable sales analysis. The results of the analysis are shown below.

Comparable Sales Analysis and Estimated Value: 1479 N. Palm Canyon Dr.
 Commercial Land, 20,000 - 40,000 SF

Address	City	Property Type	Sale Date	SqFt	Price	Price/SqFt
1 84765 Avenue 50	Coachella	Commercial Land	5/14/2012	25,700	\$ 297,000	\$ 11.56
2 82933 Avenue 48	Indio	Commercial Land	7/16/2010	36,154	\$ 318,000	\$ 8.80
3 81088 Us Highway 111	Indio	Commercial Land	12/3/2010	35,727	\$ 275,000	\$ 7.70
4 44061 Acacia Dr	Palm Desert	Commercial Land	7/12/2013	20,447	\$ 118,000	\$ 5.77
5 19160 McLane St	North Palm Springs	Commercial Land	8/27/2013	20,717	\$ 92,500	\$ 4.46
6 81765 Oleander Ave	Indio	Commercial Land	4/27/2012	32,234	\$ 82,500	\$ 2.56
Subject: 1479 N. Palm Canyon Dr.		Vacant Commercial Land	Not Listed	29,185	\$ 196,561	\$ 6.74

Source: CoStar, December 2013

Note: Estimated value is based on the unweighted and unadjusted median price per square foot for comparable properties.

Advancement of Planning Objectives: Sell for future development.

The former Agency acquired this vacant parcel for the purpose of future development. The Agency intended to assemble this parcel in conjunction with those adjacent to it in order to develop a mixed-use project. However, this project never came to fruition.

¹ For all parcels described in this document, the source for data regarding lot sizes, acquisition dates, and available values at the time of purchase is First American CoreLogic, Inc., except where otherwise noted.

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan



Photo source: Google Maps

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

DESERT HOTEL PROPERTY (PROPERTY 2)

Address: 285 N. Indian Canyon Dr.
APN: 513-091-003
Lot Size: 6,106 sq. ft.
Attachment 1 Parcel: 2

Acquisition Date: January 21, 2005, according to City records
Value at Time of Purchase: \$160,000, according to City records
Property Type (DOF Category) Vacant Lot/Land
Permissible Use (City Proposed) Sale of property
Current Zoning: CU - Civics Uses District Zone

Estimated Current Value: \$31,965
Based on RSG's comparable sales analysis. The results of the analysis are shown below.

Comparable Sales Analysis and Estimated Value: 285 N. Indian Canyon Dr.
 Commercial Land, 5,000 - 10,000 SF

Address	City	Property Type	Sale Date	SqFt	Price	Price/SqFt
1 N Palm Canyon Dr	Palm Springs	Commercial Land	4/5/2011	6,403	\$ 98,000	\$ 15.31
2 29 Palms Hwy @ Sunset Ave	Joshua Tree	Commercial Land	6/11/2012	9,583	\$ 60,000	\$ 6.26
3 12329 Palm Dr	Desert Hot Springs	Commercial Land	9/16/2011	7,126	\$ 30,000	\$ 4.21
4 45698 Fargo St	Indio	Commercial Land	9/11/2013	6,490	\$ 15,000	\$ 2.31
Subject: 285 N. Indian Canyon Dr.		Vacant Commercial Land	Not Listed	6,106	\$ 31,965	\$ 5.24

Source: CoStar, December 2013

Note: Estimated value is based on the unweighted and unadjusted median price per square foot for comparable properties.

Advancement of Planning Objectives: *Sell for future development.*

The former Agency acquired this parcel in order to tear down the blighted property on the land, which was successfully completed. Previously, the Agency intended to assemble this parcel along with adjacent parcels in order to develop a hotel, but this development did not occur. Because the parcel is adjacent to a City fire station, the City may be interested in purchasing the property to expand the fire station.

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

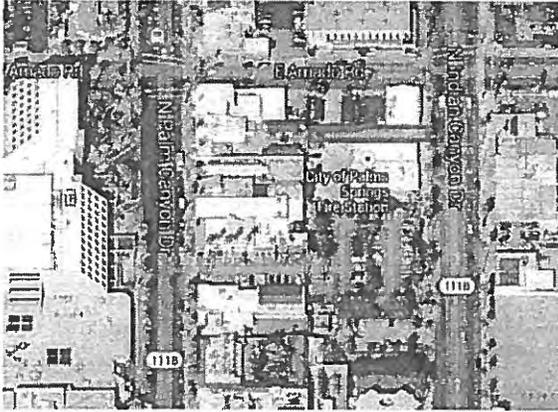


Photo source: Google Maps

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

MCKINNEY PARCEL (PROPERTY 3)

Address: 190 W. Sunny Dunes Rd.
APN: 513-290-013
Lot Size: 6,970 sq. ft.
Attachment 1 Parcel: 3

Acquisition Date: January 1, 2008
Value at Time of Purchase: Unknown, according to City and public record research
Property Type (DOF Category): Vacant Lot/Land
Permissible Use (City Proposed): Sale of Property
Current Zoning: CU - Civics Uses District Zone

Estimated Current Value: \$36,488
Based on RSG's comparable sales analysis. The results of the analysis are shown below. The results are identical to those for Property 2, due to the similarity between Property 2 and 3.

Comparable Sales Analysis and Estimated Value: 190 W. Sunny Dunes Rd.
 Commercial Land, 5,000 - 10,000 SF

Address	City	Property Type	Sale Date	SqFt	Price	Price/SqFt
1 N Palm Canyon Dr	Palm Springs	Commercial Land	4/5/2011	6,403	\$ 98,000	\$ 15.31
2 29 Palms Hwy @ Sunset Ave	Joshua Tree	Commercial Land	6/11/2012	9,583	\$ 60,000	\$ 6.26
3 12329 Palm Dr	Desert Hot Springs	Commercial Land	9/16/2011	7,126	\$ 30,000	\$ 4.21
4 45698 Fargo St	Indio	Commercial Land	9/11/2013	6,490	\$ 15,000	\$ 2.31
Subject: 190 W. Sunny Dunes Rd.		Vacant Commercial Land	Not Listed	6,970	\$ 36,488	\$ 5.24

Source: CoStar, December 2013

Note: Estimated value is based on the unweighted and unadjusted median price per square foot for comparable properties.

Advancement of Planning Objectives: Sell for future development.

This vacant parcel was acquired for the purpose of future development.

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan



Photo source: Google Maps

**Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan**

CONVENTION CENTER NORTH PARKING LOT (PROPERTY 4)

Address: Northeast of N. Calle Alvarado and E. Amado Rd.
APN: 508-034-012, 508-034-013, and 508-034-014
Lot Size: 339,769 sq. ft.
Attachment 1 Parcels: 4 - 6

Acquisition Date: May 1, 1991
Value at Time of Purchase: Unknown, according to City and public record research
Property Type (DOF Category): Parking Lot/Structure
Permissible Use (City Proposed): Sale of Property
Current Zoning: CU - Civics Uses District Zone

Estimated Current Value: \$2,211,896
Based on RSG's comparable sales analysis. The results of the analysis are shown below.

Comparable Sales Analysis and Estimated Value: Northeast of N. Calle Alvarado and E. Amado Rd.
 Commercial Land, 250,000 - 450,000 SF

Address	City	Property Type	Sale Date	SqFt	Price	Price/SqFt
1 Hwy 111 & Dune Palms Rd	La Quinta	Commercial Land	5/17/2010	396,396	\$7,737,239	\$ 19.52
2 40060 Bob Hope Dr	Rancho Mirage	Commercial Land	10/29/2010	447,361	\$7,650,000	\$ 17.10
3 Seeley Dr & Washington St	La Quinta	Commercial Land	7/1/2011	411,641	\$3,800,000	\$ 9.23
4 Avenue 48	Indio	Commercial Land	9/16/2010	350,222	\$2,600,000	\$ 7.42
5 Washington St	Palm Desert	Commercial Land	6/15/2010	267,894	\$1,500,000	\$ 5.60
6 75500 Varner Rd	Palm Desert	Commercial Land	9/21/2011	333,234	\$1,300,000	\$ 3.90
7 Avenue 42 @ Spectrun St	Indio	Commercial Land	10/25/2010	283,140	\$ 999,484	\$ 3.53
8 Portola Ave	Palm Desert	Commercial Land	3/7/2013	385,506	\$1,100,000	\$ 2.85

Subject: NE of N. Calle Alvarado and E. Amado Rd.	Parking Lot	Not Listed	339,769	\$2,211,896	\$ 6.51
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Source: CoStar, December 2013

Note: Estimated value is based on the unweighted and unadjusted median price per square foot for comparable properties.

Advancement of Planning Objectives: Sell for future development.

This parking lot was acquired for the purpose of future development. The Successor Agency proposes to sell this lot to an interested hotel developer, who will then replace the public parking off-site.

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

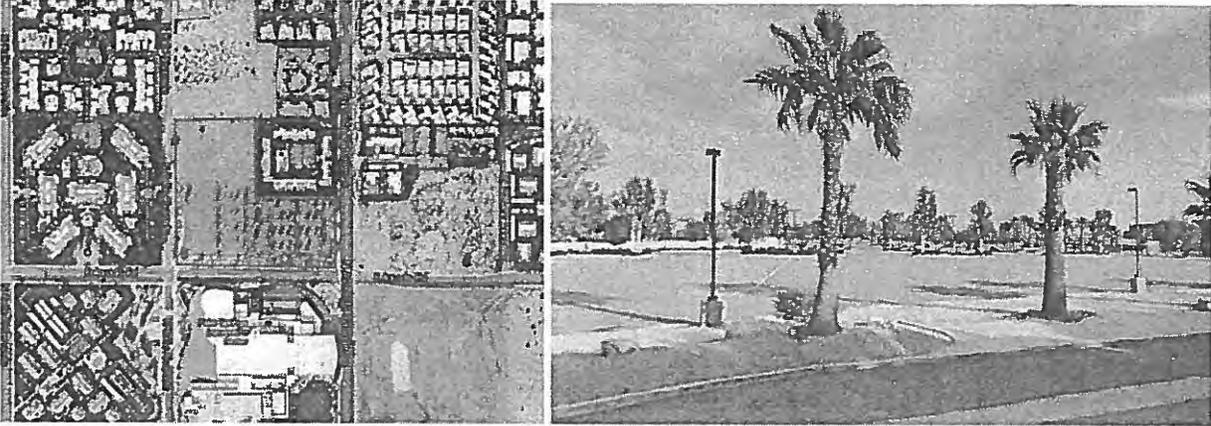


Photo source: Google Maps

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

PRAIRIE SCHOONER PARCEL (PROPERTY 5)

Address: Southeast of E Andreas Rd. & N. Calle El Segundo
APN: 508-055-007, 508-055-008, and 508-055-009
Lot Size: 250,470 sq. ft.
Attachment 1 Parcels: 7 - 9

Acquisition Date: August 10, 1994, according to City records
Value at Time of Purchase: \$2,275,000, according to City records
Property Type (DOF Category): Parking Lot/Structure
Permissible Use (City Proposed): Sale of Property
Current Zoning: CU - Civics Uses District Zone

Estimated Current Value: \$1,402,632
Based on RSG's comparable sales analysis. The results of the analysis are shown below.

Comparable Sales Analysis and Estimated Value: Southeast of E. Andreas Rd. & N. Calle El Segundo
 Commercial Land, 150,000 - 350,000 SF

Address	City	Property Type	Sale Date	SqFt	Price	Price/SqFt
1 82451 Highway 111	Indio	Commercial Land	10/2/2012	157,687	\$2,500,000	\$ 15.85
2 81550 JFK Ct	Indio	Commercial Land	10/28/2013	166,399	\$2,050,000	\$ 12.32
3 47800 Washington St	La Quinta	Commercial Land	5/27/2011	169,012	\$1,300,000	\$ 7.69
4 Washington St	Palm Desert	Commercial Land	6/15/2010	267,894	\$1,500,000	\$ 5.60
5 81695 US Hwy 111	Indio	Commercial Land	2/23/2010	170,755	\$ 755,892	\$ 4.43
6 75500 Varner Rd	Palm Desert	Commercial Land	9/21/2011	333,234	\$1,300,000	\$ 3.90
7 Avenue 42 @ Spectrun St	Indio	Commercial Land	10/25/2010	283,140	\$ 999,484	\$ 3.53
Subject: SE of E. Andreas Rd. & N. Calle El Segundo		Parking Lot	Not Listed	250,470	\$1,402,632	\$ 5.60

Source: CoStar, December 2013

Note: Estimated value is based on the unweighted and unadjusted median price per square foot for comparable properties.

Advancement of Planning Objectives: *Sell for future development.*

This property was acquired for the purpose of selling to a developer, with whom the Agency had been working to construct a 500-room Hard Rock Hotel. However, the project was abandoned and the Hard Rock Hotel eventually opened elsewhere in the City. A hotel developer has recently sought to purchase this property from the Successor Agency.

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

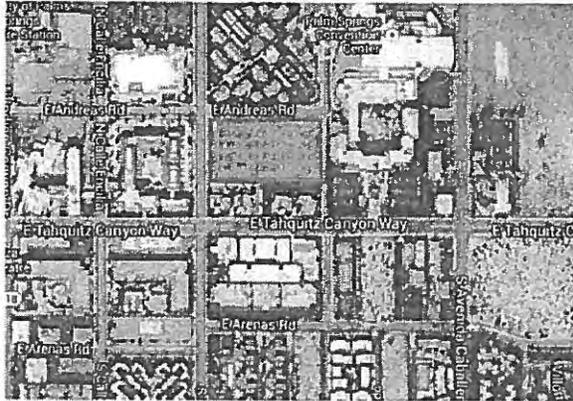


Photo source: Google Maps

**Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan**

CORK N BOTTLE (PROPERTY 6)

Address: 342 N. Palm Canyon Dr.
APN: 513-081-017
Lot Size: 2,080 sq. ft.
Attachment 1 Parcel: 10

Acquisition Date: November 17, 2006
Value at Time of Purchase: \$620,000, according to City records
Property Type (DOF Category): Commercial
Permissible Use (City Proposed): Sale of Property
Current Zoning: CBD - Central Business District Zone

Estimated Current Value: \$339,620
Based on RSG's analysis, which utilizes an income-based approach. The details of the analysis are shown below.

Estimated Value Utilizing Income Based Approach: 342 N. Palm Canyon Dr.

Monthly Gross Income:	\$ 2,750
Annual Gross Income:	\$ 33,000
<i>Less:</i>	
Annual Property Tax ¹ :	\$ 2,728
Operating Expenses as Share of Gross Income ² :	20%
Annual Operating Expenses:	\$ 6,600
Annual Property Taxes and Operating Expenses:	\$ 9,328
Annual Net Operating Income:	\$ 23,672
Cap Rate ³ :	6.97%
Estimated Value	\$ 339,620

¹ Source: Riverside County Office of the Treasurer-Tax Collector

² Based on median operating expense amount per square foot for comparable properties (\$3.12) and average rent amount for properties in the Inland Empire retail market during the third quarter of 2013 (\$15.73) (Source: CoStar COMPS, CoStar Property)

³ Average cap rate for buildings under 25,000 sq. ft. in the Inland Empire retail market from July 2012 - June 2013 (Source: CoStar COMPS)

Advancement of Planning Objectives: None.

**Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan**

The former Agency acquired this parcel with the intention of assembling several properties in the area to develop a boutique hotel to support the nearby Convention Center. However, the adjacent properties were never acquired by the Agency.

The building on the parcel is a Class 1 historic structure. Therefore, reuse and any interior changes must be approved by the City's Historic Site Preservation Board.

A commercial building is currently on the parcel. The current tenant is a retail store called "Cork n Bottle." The tenant began occupancy of the building in 2004. When the Agency purchased the building in 2006, the Agency assumed Cork n Bottle's lease with the previous owner. The original lease began in 2004 and ended in 2009. However, the lease provides the tenant the right to extend the lease for a period of five additional years up to three times, upon the end of the original lease in 2009. In 2009, the tenant opted to extend the lease until November 2014, at which point the tenant still has two more options to extend the lease for five additional years. Thus, the tenant has the right to occupy the building until the year 2024.

The City receives \$2,750 in monthly lease revenue from Cork n Bottle. Pursuant to the original lease that the tenant agreed upon with the prior owner, receipt of lease revenue obligates the owner to pay possessory interest property taxes for the property. Thus, the City currently pays the property's possessory interest property taxes, which amounts to \$2,728 per year. Additionally, the City pays management fees for the building, as well as some maintenance fees. The City also includes the building in its insurance policy for City-owned buildings.

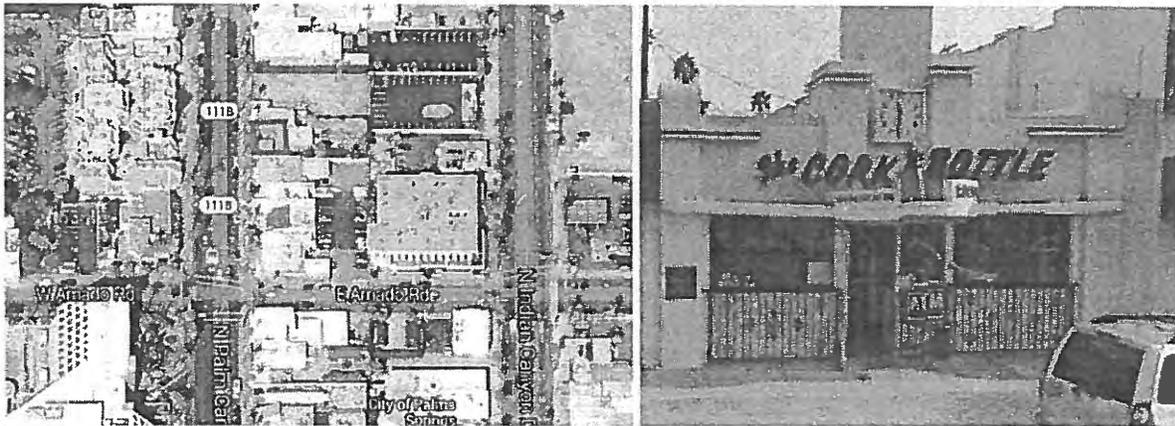


Photo source: Google Maps

**Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan**

PLAZA THEATER (PROPERTY 7)

Address: 128 S. Palm Canyon Dr.
APN: 513-144-010
Lot Size: 10,454 sq. ft.
Attachment 1 Parcel: 11

Acquisition Date: September 28, 1998, according to City records
Value at Time of Purchase: \$1,925,498, according to City records
Property Type (DOF Category): Public Building
Permissible Use (City Proposed): Sale of Property, with conditions to maintain performing arts venue and Class 1 historic structure
Current Zoning: CU - Civics Uses District Zone

Estimated Current Value: \$0
Based on market value estimate as an existing public building for which no revenue is received.

Advancement of Planning Objectives: Maintain performing arts venue and Class 1 historic structure.

The former Agency acquired this parcel to maintain the 800-seat performing arts venue and the building's Class 1 historic structure. The Agency proposes to sell the property to a private owner with conditions in order to ensure that the performing arts venue and Class 1 historic structure are maintained. Currently, the building is not compliant with the American with Disabilities Act (ADA) code. Additionally, the building, which is landlocked, does not comply with fire safety codes. An architect is currently in the process of estimating the cost of implementing the necessary upgrades. The alley behind the property is leased for set storage.

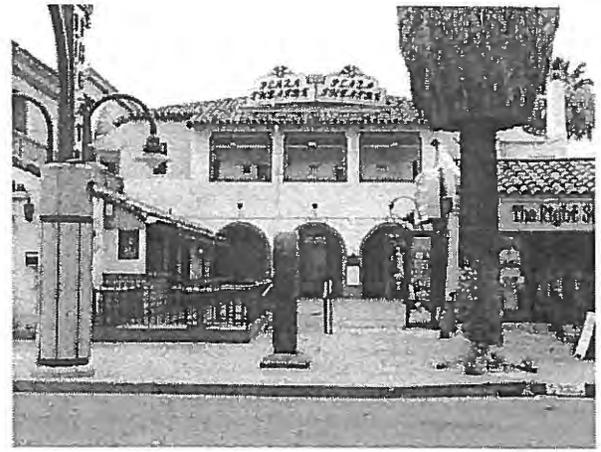
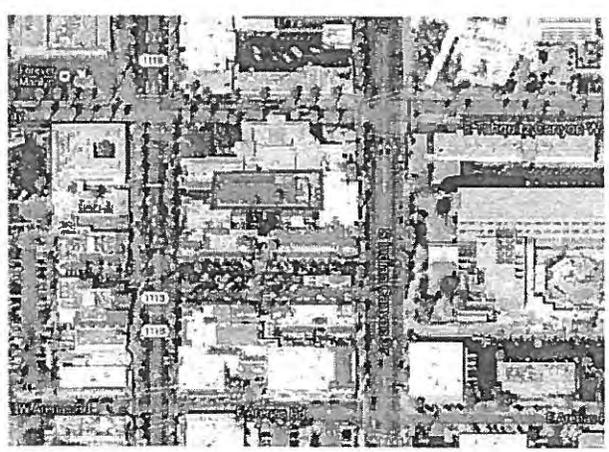


Photo sources: Google Maps, Wikipedia

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

CATHOLIC CHURCH PARKING LOT (PROPERTY 8)

Address: Northeast of Belardo Rd. & W. Alejo Rd.
APN: 505-324-002
Lot Size: 39,440 sq. ft.
Attachment 1 Parcel: 12

Acquisition Date: October 1, 1983
Value at Time of Purchase: \$610,000
Property Type (DOF Category) Parking Lot/Structure
Permissible Use (City Proposed) Sale of Property
Current Zoning: CU - Civics Uses District Zone

Estimated Current Value: \$0
Based on market value estimate as an existing public parking lot for which no income is received.

Advancement of Planning Objectives: Provide public parking.

The Agency purchased this property in 1983 from Our Lady of Solitude Church in order to provide public parking. The Purchase and Sale Agreement with the church obligates the City to provide the church 45 parking spaces. The City provides these spaces, along with public parking spaces, on this lot. The Agency proposes to sell the property to an owner who will continue to use the parcel to provide public parking.



Photo source: Google Maps

**Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan**

BLUE COYOTE PARKING LOT AND DRIVEWAY (PROPERTY 9)

Address: Southeast of N. Belardo Rd & W. Alejo Rd
APN: 513-082-023 and 513-082-040
Lot Size: 26,423 sq. ft.
Attachment 1 Parcels: 13 - 14

Acquisition Date: Parcel 513-082-023 was acquired on August 1, 1981; the acquisition date for parcel 513-082-040 is unknown, according to City and public record research

Value at Time of Purchase: \$400,000 for parcel 513-082-023; Value at the time of purchase for parcel 513-082-040 is unknown, according to City and public record research

Property Type (DOF Category) Parking Lot/Structure
Permissible Use (City Proposed) Sale of Property
Current Zoning: CU - Civics Uses District Zone

Estimated Current Value: \$0
Based on market value estimate as an existing public parking lot for which no income is received.

Advancement of Planning Objectives: Provide public parking.

The Agency purchased this property to provide public parking and proposes to sell the property to an owner who will continue to use the parcel to provide public parking.



Photo source: Google Maps

**Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan**

FOOD COURT PARKING LOT (PROPERTY 10)

Address: Southeast of N. Belardo Rd & W. Alejo Rd
APN: 513-082-043
Lot Size: 26,136 sq. ft.
Attachment 1 Parcel: 15

Acquisition Date: June 12, 1997, according to City records
Value at Time of Purchase: \$212,438, according to City records
Property Type (DOF Category) Parking Lot/Structure
Permissible Use (City Proposed) Sale of Property
Current Zoning: CU - Civics Uses District Zone

Estimated Current Value: \$0
Based on market value estimate as an existing public parking lot for which no income is received.

Advancement of Planning Objectives: Provide public parking.

The Agency purchased this property to provide public parking and proposes to sell the property to an owner who will continue to use the parcel to provide public parking.

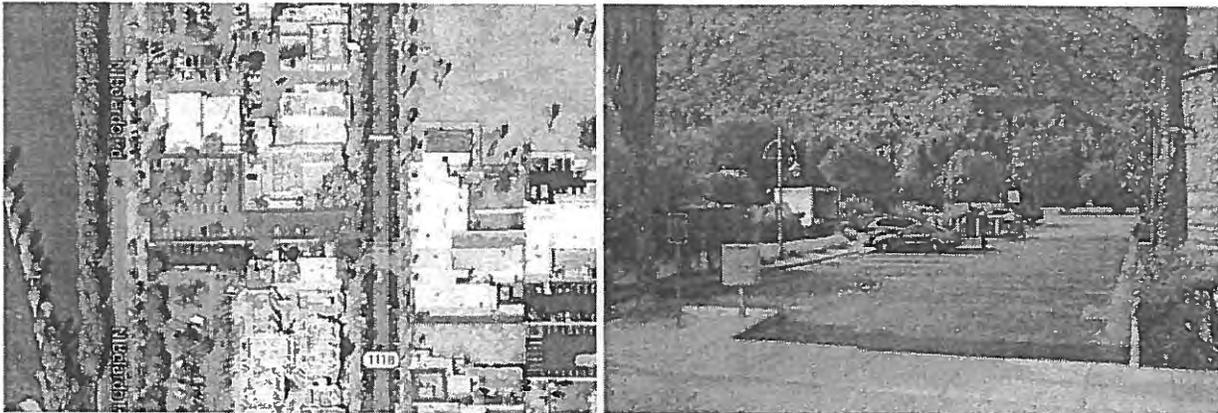


Photo source: Google Maps

Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan

HENRY FRANK ARCADE PARKING LOT (PROPERTY 11)

Address: Southwest of E. Amado Rd. and N. Indian Canyon Dr.
APN: 513-091-004
Lot Size: 7,260 sq. ft.
Attachment 1 Parcel: 16

Acquisition Date: October 1, 1989
Value at Time of Purchase: \$267,000
Property Type (DOF Category): Parking Lot/Structure
Permissible Use (City Proposed): Sale of Property
Current Zoning: CU - Civics Uses District Zone

Estimated Current Value: \$0
Based on market value estimate as an existing public parking lot for which no income is received.

Advancement of Planning Objectives: *Provide public parking.*

The Agency purchased this property to provide public parking and proposes to sell the property to an owner who will continue to use the parcel to provide public parking.



Photo source: Google Maps

**Successor Agency to the Palm Springs Community Redevelopment Agency
Long-Range Property Management Plan**

VINEYARD PARKING LOT (PROPERTY 12)

Address: *Northeast of S. Belardo Rd & W Baristo Rd.*
APN: *513-153-015, 513-153-016, and 513-153-029*
Lot Size: *53,818 sq. ft., according to City records.*
Attachment 1 Parcels: *17 - 19*

Acquisition Date: *June 1, 1977; July 1, 1977; and May 17, 1979;
according to City and public records*

Value at Time of Purchase: *According to City and public record research, value at
the time of purchase for parcels 513-153-015 and 513-
153-016 is unknown; according to City records, value
at the time of purchase for parcel 513-153-029 was
\$198,215*

Property Type (DOF Category) *Parking Lot/Structure*
Permissible Use (City Proposed) *Sale of Property*
Current Zoning: *CU - Civics Uses District Zone*

Estimated Current Value: *\$0*
*Based on market value estimate as an existing public
parking lot for which no income is received.*

Advancement of Planning Objectives: *Provide public parking.*

The Agency purchased this property to provide public parking and proposes to sell the property to an owner who will continue to use the parcel to provide public parking.



Photo source: Google Maps

ATTACHMENTS

1 - Property Inventory Data (DOF Form)

Successor Agency: PALM SPRINGS
County: RIVERSIDE

LONG RANGE PROPERTY-MANAGEMENT PLAN-PROPERTY INVENTORY DATA

HSC 34191.5 (c)(1)(A)				HSC 34191.5 (c)(1)(B)						
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired
1	Vacant Lot/Land	Sale of Property	"Casa del Camino Property"; Sell for future development	4/1/1987	\$ 575,000	\$198,681	12/22/103	Market to Determine	Following DOF approval of PMP	Future development
2	Vacant Lot/Land	Sale of Property	"Desert Hotel Property"; Sell for future development	1/21/2005	\$ 160,000	\$31,985	12/22/103	Market to Determine	Following DOF approval of PMP	To tear down blighted property
3	Vacant Lot/Land	Sale of Property	"McKinney Parcel"; Sell for future development	1/1/2008	Unknown	\$36,488	12/22/103	Market to Determine	Following DOF approval of PMP	Future development
4	Parking Lot/Structure	Sale of Property	"Convention Center North Parking Lot"; Sell to hotel developer. Developer will replace public parking off-site.	5/1/1991	Unknown	\$2,211,888 along with Site 5 and 6	12/22/103	Market to Determine	Following DOF approval of PMP	Future development
5	Parking Lot/Structure	Sale of Property	"Convention Center North Parking Lot"; Sell to hotel developer. Developer will replace public parking off-site.	5/1/1991	Unknown	\$2,211,888 along with Site 4 and 6	12/22/103	Market to Determine	Following DOF approval of PMP	Future development
6	Parking Lot/Structure	Sale of Property	"Convention Center North Parking Lot"; Sell to hotel developer. Developer will replace public parking off-site.	5/1/1991	Unknown	\$2,211,886 along with Site 4 and 5	12/22/103	Market to Determine	Following DOF approval of PMP	Future development
7	Parking Lot/Structure	Sale of Property	"Prairie Schooner Parcel"; Sell for future development	8/10/1994	\$2,275,000 along with Site 8 and 9	\$1,402,632 along with Site 8 and 9	12/22/103	Market to Determine	Following DOF approval of PMP	To sell to hotel developer. The property is subject to the terms of the Repayment Agreement with the Agua Caliente Band of Cahuilla Indians for the construction of a parking lot and a Disposition and Development Agreement with O & M
8	Parking Lot/Structure	Sale of Property	"Prairie Schooner Parcel"; Sell for future development	8/10/1994	\$2,275,000 along with Site 7 and 9	\$1,402,632 along with Site 7 and 9	12/22/103	Market to Determine	Following DOF approval of PMP	Development Agreement with O & M

Successor Agency: PALM SPRINGS
County: RIVERSIDE

LONG RANGE PROPERTY MANAGEMENT		HSC 34191.5 (C)(1)(A) INVENTORY DATA		HSC 34191.5 (C)(1)(D)	HSC 34191.5 (C)(1)(E)	HSC 34191.5 (C)(1)(F)	HSC 34191.5 (C)(1)(G)	HSC 34191.5 (C)(1)(H)			
No.	Address	AFN #	Lot Size (SF)	Current Zoning	Estimate of Current Parcel Value	Estimate of Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity
1	1479 N. Palm Canyon Dr.	505-182-004	29,185	C1 - Retail Business Zone	\$196,561	\$0	N/A	None	Located 51 feet from a Sunline Transit Agency bus stop	Sell for future development	Assemble adjacent parcels to develop mixed-use project
2	285 N. Indian Canyon Dr.	513-091-003	6,106	CU - Civics Uses District Zone	\$31,965	\$0	N/A	None	Located 351 feet from a Sunline Transit Agency bus stop	Sell for future development	Assemble adjacent parcels to develop hotel, expand adjacent fire station
3	180 W. Sunny Dunes Rd.	513-290-013	6,970	CU - Civics Uses District Zone	\$38,468	\$0	N/A	None	Located about 200 feet from a Sunline Transit Agency bus stop	Sell for future development	None
4	Northeast of N. Calle Alvarado and E. Amado Rd.	508-034-012	116,741	CU - Civics Uses District Zone	\$2,211,896 along with Site 5 and 6	\$0	N/A	None	Located 0.3 miles from a Sunline Transit Agency bus stop	Sell for future development	Sell to hotel developer
5	Northeast of N. Calle Alvarado and E. Amado Rd.	508-034-013	111,514	CU - Civics Uses District Zone	\$2,211,896 along with Site 4 and 6	\$0	N/A	None	Located 0.3 miles from a Sunline Transit Agency bus stop	Sell for future development	Sell to hotel developer
6	Northeast of N. Calle Alvarado and E. Amado Rd.	508-034-014	111,514	CU - Civics Uses District Zone	\$2,211,896 along with Site 4 and 5	\$0	N/A	None	Located 0.3 miles from a Sunline Transit Agency bus stop	Sell for future development	Sell to hotel developer
7	Southeast of E. Andrees Rd. & N. Calle El Segundo	508-055-007	62,726	CU - Civics Uses District Zone	\$2,376,893 along with Site 8 and 9	\$0	N/A	None	Located 0.1 miles from a Sunline Transit Agency bus stop	Sell for future development	CRA had been working with developer to construct a 500 room Hard Rock Hotel on this site, but the project was abandoned and eventually the Hard Rock Hotel opened elsewhere in the City. A
8	Southeast of E. Andrees Rd. & N. Calle El Segundo	508-055-008	182,081	CU - Civics Uses District Zone	\$2,376,893 along with Site 7 and 9	\$0	N/A	None	Located 0.1 miles from a Sunline Transit Agency bus stop	Sell for future development	

Successor Agency: PALM SPRINGS
County: RIVERSIDE

LONG RANGE PROPERTY-MANAGEMENT PLAN-PROPERTY INFORMATION		HSC 34191.5 (C)(1)(A)		HSC 34191.5 (C)(1)(B)							
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired
9	Parking Lot/Structure	Sale of Property	"Prairie Schooner Parcel": Sell for future development	8/10/1994	\$2,275,000 along with Site 7 and 8	\$1,402,832 along with Site 7 and 8	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	HR, LLC for the development of a 500-room hotel.
10	Commercial	Sale of Property	"Cork n Bottle": Seek to sell to owner of adjacent property	11/17/2006	\$ 620,000	\$339,620	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To assemble properties in the area for development of boutique hotel
11	Public Building	Sale of Property	"Plaza Theater": Sell, but with conditions to maintain performing arts venue and Class 1 historic structure.	8/28/1988	\$ 1,925,498	\$0	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To maintain performing arts venue and Class 1 historic structure
12	Parking Lot/Structure	Sale of Property	"Catholic Church Parking Lot": Retain for public parking. The Purchase and Sale Agreement between the Agency and Our Lady of Solitude Church, from whom the Agency purchased the property in 1983 obligates the City to provide the church 45 parking spaces.	10/1/1983	\$ 610,000	\$0	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To provide public parking
13	Parking Lot/Structure	Sale of Property	"Blue Coyote Parking Lot and Driveway": Retain for public parking	8/1/1981	\$ 400,000	\$0	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To provide public parking
14	Parking Lot/Structure	Sale of Property	"Blue Coyote Parking Lot and Driveway": Retain for public parking	Unknown	Unknown	\$0	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To provide public parking
15	Parking Lot/Structure	Sale of Property	"Food Court Parking Lot": Retain for public parking	8/12/1997	\$ 212,438	\$0	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To provide public parking

Successor Agency: PALM SPRINGS
County: RIVERSIDE

LONG RANGE PROPERTY-MANAGEMENT		HSC 34191.5 (C)(1)(C)		HSC 34191.5 (C)(1)(D)		HSC 34191.5 (C)(1)(E)		HSC 34191.5 (C)(1)(F)		HSC 34191.5 (C)(1)(G)		HSC 34191.5 (C)(1)(H)	
No.	Address	APN #	Lot Size (SF)	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of Income/Revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity		
9	Southeast of E. Andreas Rd. & N. Calle El Segundo	508-055-008	5,863	CU - Civics Uses District Zone	\$2,378,893 along with Site 7 and 8	\$0	N/A	None	Located 0.1 miles from a Sunline Transit Agency bus stop	Sell for future development	Hotel developer has recently sought to purchase this property from the Successor Agency.		
10	342 N. Palm Canyon Dr.	513-081-017	2,080	CBD - Central Business District Zone	\$339,920	\$2,750 per month	Receipt of lease revenue obligates owner to pay possessory interest property taxes for the property.	None	Located 224 feet from a Sunline Transit Agency bus stop	None	Assemble adjacent parcels to develop boutique hotel		
11	128 S. Palm Canyon Dr.	513-144-010	10,454	CU - Civics Uses District Zone	\$0	\$0	N/A	None	Located 481 feet from a Sunline Transit Agency bus stop	Maintain performing arts venue and Class 1 historic structure	None		
12	Northeast of Belardo Rd. & W. Alejo Rd.	505-324-002	39,440	CU - Civics Uses District Zone	\$0	\$0	N/A	None	Located 0.1 miles from a Sunline Transit Agency bus stop	Provide public parking	None		
13	Southeast of N. Belardo Rd & W. Alejo Rd	513-082-023	19,889	CU - Civics Uses District Zone	\$0	\$0	N/A	None	Located 0.2 miles from a Sunline Transit Agency bus stop	Provide public parking	None		
14	Southeast of N. Belardo Rd & W. Alejo Rd	513-082-040	8,534	CU - Civics Uses District Zone	\$0	\$0	N/A	None	Located 0.2 miles from a Sunline Transit Agency bus stop	Provide public parking	None		
15	Southeast of N. Belardo Rd & W. Alejo Rd	513-082-043	28,136	CU - Civics Uses District Zone	\$0	\$0	N/A	None	Located 0.2 miles from a Sunline Transit Agency bus stop	Provide public parking	None		

Successor Agency: PALM SPRINGS
County: RIVERSIDE

		HSC 34191.5 (C)(1)(A)				HSC 34191.5 (C)(1)(B)					
		LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVESTMENT DATA				SALE OF PROPERTY					
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired
16	Parking Lot/Structure	Sale of Property	"Henry Frank Arcade Parking Lot": Retain for public parking	10/1/1989	\$ 287,000	\$0	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To provide public parking
17	Parking Lot/Structure	Sale of Property	"Vineyard Parking Lot": Retain for public parking	6/1/1977	Unknown	\$0	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To provide public parking
18	Parking Lot/Structure	Sale of Property	"Vineyard Parking Lot": Retain for public parking	7/1/1977	Unknown	\$0	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To provide public parking
19	Parking Lot/Structure	Sale of Property	"Vineyard Parking Lot": Retain for public parking	5/17/1979	\$ 198,215	\$0	Market	12/2/2103	Market to Determine	Following DOF approval of PMP	To provide public parking

Successor Agency: PALM SPRINGS
 County: RIVERSIDE

HSC 34191.5 (C)(1)(A) INVENTORY DATA		HSC 34191.5 (C)(1)(D)	HSC 34191.5 (C)(1)(E)	HSC 34191.5 (C)(1)(F)	HSC 34191.5 (C)(1)(G)	HSC 34191.5 (C)(1)(H)					
No.	Address	APN #	Lot Size (SF)	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity
16	Southwest of E. Amado Rd. and N. Indian Canyon Dr.	513-091-004	7,260	CU - Civics Uses District Zone	\$0	\$0	N/A	None	Located less than 500 feet from a Sunline Transit Agency bus stop	Provide public parking	None
17	Northeast of S. Belardo Rd & W Barfido Rd.	513-153-015	6,000	CU - Civics Uses District Zone	\$0	\$0	N/A	None	Located less than 500 feet from a Sunline Transit Agency bus stop	Provide public parking	None
18	Northeast of S. Belardo Rd & W Barfido Rd.	513-153-016	6,000	CU - Civics Uses District Zone	\$0	\$0	N/A	None	Located less than 500 feet from a Sunline Transit Agency bus stop	Provide public parking	None
19	Northeast of S. Belardo Rd & W Barfido Rd.	513-153-029	41,818	CU - Civics Uses District Zone	\$0	\$0	N/A	None	Located less than 500 feet from a Sunline Transit Agency bus stop	Provide public parking	None

RESOLUTION NO. 20

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY ADJUSTING THE CARRYING VALUES IN THE LONG RANGE PROPERTY MANAGEMENT PLAN.

WHEREAS, the Community Redevelopment Agency of the City of Palm Springs ("Redevelopment Agency") was a redevelopment agency in the City of Palm Springs ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, AB X1 26 and AB X1 27 were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code which effectively dissolves the Redevelopment Agency ("Dissolution Act"); and

WHEREAS, pursuant to Health & Safety Code Section 34191.5(b), successor agencies are required to send long-range property management plans to the oversight board and State Department of Finance no later than six months following the issuance of the finding of completion; and

WHEREAS, the Successor Agency received its finding of completion from the State Department of Finance on January 2, 2014; and

WHEREAS, the Successor Agency submitted a Long Range Property Management Plan to the State on December 16, 2013, in accordance with the provisions of Section 34191.3 of the Dissolution Act, indicating the intended disposition and use of the real property assets of the former Redevelopment Agency; and

WHEREAS, the Long-Range Property Management Plan is being reviewed by the State Department of Finance, which has requested that the Successor Agency adjust, by resolution, the values on properties 7 through 12 listed in the Plan to reflect the Carrying Value rather than the estimated market value; and

WHEREAS, the Oversight Board reviewed and considered the Board Report dated February 25, 2014, pertaining to adjusting certain values in the Long-Range Property Management Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS AS FOLLOWS:

SECTION 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and incorporates them herein by reference.

SECTION 2. The Oversight Board approves the following values for properties 7 through 12 listed in the Long Range Property Management Plan (as shown in a table submitted hereto as Attachment 1) to reflect the Carrying Values of the properties rather than the estimated market value.

SECTION 3. Upon a decision to convey any of the properties in the Long Range Property Management Plan to another party or to the City, the Successor Agency retains its right to appraise the property to determine the market value of the property at the time of the transaction, and convey at the fair market value rather than the Carrying Value.

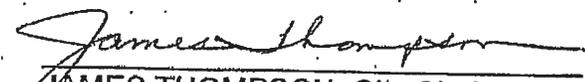
SECTION 4. All other sections of the Long Range Property Management Plan remain unchanged.

SECTION 5. This Resolution shall take effect five days of its adoption.

PASSED, APPROVED AND ADOPTED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS THIS 25TH DAY OF FEBRUARY, 2014.


THOMAS FLAVIN, Chairman

ATTEST:

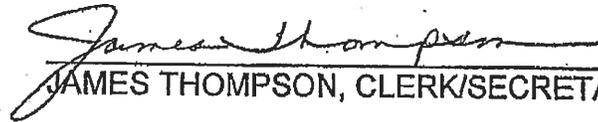

JAMES THOMPSON, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, James Thompson, Secretary of the Oversight Board of the Successor Agency of the Palm Springs Community Redevelopment Agency hereby certify that Resolution No. 20 was adopted by the Oversight Board at a Special Meeting held on the 25th day of February, 2014, by the following vote:

AYES: Boardmember Foat, Boardmember Marshall, Boardmember Ready,
Boardmember Van Horn, and Chairmari Flavin.
NOES: None.
ABSENT: Boardmember Arthur, and Vice Chair Howell.
ABSTAIN: None.



JAMES THOMPSON, CLERK/SECRETARY

ATTACHMENT 1

LONG RANGE PROPERTY MANAGEMENT PLAN
ADJUSTMENTS TO CARRYING VALUE

#	Site Name	Assessors Parcel Number(s)	Original Value in the LRPMP	Carrying Value
7	Plaza Theater	513-144-010	\$0	\$1,543,483
8	Catholic Church Parking Lot	505-324-002	\$0	\$685,000
9	Blue Coyote Parking Lot and Driveway	513-082-023 and 513-082-040	\$0	\$141,500
10	Food Court Parking Lot	513-082-043	\$0	\$341,826
11	Henry Frank Arcade Parking Lot	513-091-004	\$0	\$266,673
12	Vineyard Parking Lot	513-153-015, 513-153-016, and 513-153-029	\$0	\$482,457