

OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE
PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY

BOARD REPORT

MEETING DATE: March 5, 2013

UNFINISHED BUSINESS

TITLE: PROPOSED RESOLUTION APPROVING THE TRANSFER OF CERTAIN ASSETS TO THE HOUSING SUCCESSOR AGENCY AND FINDING, RATIFYING, AND CONFIRMING THE TRANSFER OF CERTAIN ASSETS AND REAL PROPERTY, PREVIOUSLY HELD BY THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, TO THE CITY OF PALM SPRINGS FOR CITY GOVERNMENTAL PURPOSES.

INITIATED: Successor Agency Staff

RECOMMENDATION:

Adopt Resolution No. 013, "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE TRANSFER OF ASSETS TO THE HOUSING SUCCESSOR AGENCY AND RATIFYING AND CONFIRMING THE TRANSFER OF CERTAIN REAL PROPERTY TO THE CITY OF PALM SPRINGS FOR CITY GOVERNMENTAL PURPOSES."

BACKGROUND AND ANALYSIS:

The State of California Controllars Office recently completed its onsite review of the Asset Transfer Assessment, as approved by the Oversight Board and the Successor Agency in December, 2012.

The objective of the State Controller's review is to determine whether the disposition of the former Palm Springs Community Redevelopment Agency's assets were in compliance with Cal. Health and Safety Code § 34167.5. The review covered the period of January 1, 2011, through January 31, 2012.

Attached to this Board Report, as Exhibit A, is a complete list of properties reviewed by the State Controller, along with a property description.

At the conclusion of the review, the State Controller's representatives met with Successor Agency staff and suggested the Successor Agency and/or the Oversight Board take certain actions with respect to the assets, prior to the preparation of their initial draft report, as summarized in the table below.

ITEM NO 3.A.

	Property Description	Category Disposition
A01	Cork 'n Bottle	Land Held for Resale Successor Agency for disposition pursuant to AB 1484
A02	Casa del Camino Property	Land Held for Resale Successor Agency for disposition pursuant to AB 1484
A03	McKinney Parcel	Land Held for Resale Successor Agency for disposition pursuant to AB 1484
A04	Desert Hotel Property	Land Held for Resale Successor Agency for disposition pursuant to AB 1484
B01	Prairie Schooner Parcel (parking lot)	Land Held for Resale Approve for Governmental Purpose
B02	Catholic Church Parking Lot	Land Held for Resale Approve for Governmental Purpose
B03	Blue Coyote Parking Lot	Land Held for Resale Approve for Governmental Purpose
B04	Vineyard Parking Lot	Land Held for Resale Approve for Governmental Purpose
B05	Food Court Parking Lot	Land Held for Resale Approve for Governmental Purpose
B06	Henry Frank Arcade Parking Lot	Land Held for Resale Approve for Governmental Purpose
B07	Village Green	Community Asset Ratify Controllers Determination of Governmental Purpose
B08	Visitor Center	Community Asset Ratify Controllers Determination of Governmental Purpose
B09	Convention Ctr. N Parking	Community Asset Ratify Controllers Determination of Governmental Purpose
B10	Francis Stevens Park	Community Asset Ratify Controllers Determination of Governmental Purpose
B11	Sunrise Park	Community Asset Ratify Controllers Determination of Governmental Purpose
B12	Scrubber/Sweeper Equip.	Community Asset Ratify Controllers Determination of Governmental Purpose
B13	Palm Springs Animal Shelter Construction Contribution	Community Asset Ratify Controllers Determination of Governmental Purpose
B14	Downtown Trash Enclosure	Community Asset Ratify Controllers Determination of Governmental Purpose
B15	Foster Leasehold (part of Convention Ctr. Lease)	Community Asset Ratify Controllers Determination of Governmental Purpose
B16	PSL 315	Community Asset Approve for Governmental Purpose
B17	Plaza Theater	Community Asset Approve for Governmental Purpose
C01	Land Held for Fire Station	Community Asset Ratify the Property was sold in 1997 prior to dissolution
C02	Property Northwest corner Tahquitz Cyn. and Sunrise	Community Asset Ratify the Property was sold in 2005 prior to dissolution
C03	Desert Hotel Property DUPLICATE	Duplicate entry (see No. A04) Successor Agency for disposition pursuant to AB 1484

	Property Description	Category Disposition
C04	Equitec Parcel	Land Held for Resale Ratify Property Sold in 2007 prior to dissolution
C05	Epsteen Parcel	Land Held for Resale Ratify Property Sold in 2007 prior to dissolution
C06	Patel Parcel	Land Held for Resale Ratify Property Sold in 1990's prior to dissolution

Additionally, the State Controller suggested the Oversight Board approve the transfer of Low-Moderate Housing assets to the Housing Successor Agency. These assets would include parcels acquired from the Low-Moderate Housing Fund, with the exception of one disputed item with the California Department of Finance.

Successor Agency Staff has prepared a resolution for consideration and approval by the Oversight Board at the suggestion of the State Controller, as noted in the above table, along with the transfer of Low-Moderate Housing assets to the Housing Successor Agency.

The Palm Springs City Council, acting solely in its capacity as the Successor Agency, will consider the same at its meeting on Wednesday, March 6, 2013.

The State Controller will provide to the Successor Agency a draft initial report of their findings to the City in approximately four to six weeks. The Successor Agency will have ten days to review the report and provide a response. The State Controller will review and consider the response to the initial draft report by the Successor Agency and issue a final report.

ATTACHMENTS:

Exhibit A Description of Properties
Proposed Resolution

Exhibit A
Description of Properties

A01	The Cork n Bottle. This 2,094 square feet property, referred to as APN 513-081- 017, is located at 342-344 North Palm Canyon Drive near Amado Road, within Merged Project Area No. 1. The transfer of the Property is subject to the terms of the tenant Lease with Moustapha El-Khalil, executed on September 3, 2004.
A02	Casa del Camino Property. This 32,852 s.f. property is located at 1479 N. Palm Canyon Drive (near Stevens Road), APN 505-182-004.
A03	The McKinney Parcel. This 6,950 s.f. vacant parcel is located at 190 West Sunny Dunes, APN 508-131-009. The Property is subject to the terms of the Easements for underground utility lines and ingress/egress off Sunny Dunes, dated 1991.
A04	The Desert Hotel property. This.06 acre parcel, APN 513-091-003, is located at 285 North Indian Canyon Drive, within Merged Project Area No. 1, and was acquired by the Agency in 2005.
B01	The Prairie Schooner Parcel. These three parcels bear APN Numbers 508-055- 008, 508-055-009, and 508-055-007 and are generally south of Andreas Road and East of Calle El Segundo in Section 14. 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 HR, LLC for the development of a 500-room hotel.
B02	Catholic Church Parking Lot. This 39,440 s.f..lot at the northwest corner of Alejo and Belardo Road (APN 505-324-002). The property was acquired by the Agency in 1983 and is subject to the terms of an agreement with Our Lady of Solitude Catholic Church for use of site for parking.
B03	Blue Coyote Parking Lot and driveway. These two parcels, at 400 North Belardo Road and 425 North Palm Canyon Drive (513-082-023&040, 23,790 s.f. and 3,218 s.f.) were acquired by the Agency in 1981 and 1983.
B04	Vineyard Parking Lot. 42,729 s.f of improved parking and a horse carriage enclosure, APN 513-153-015, 016 & 025, in the 200 Block of South Belardo Road. The property was acquired by the Agency in 1977. The transfer of the Property is subject to the terms of a Lease for the use of the carriage enclosure (such lease has since been terminated) and is conditioned on the redevelopment and use of the property in conformity with the Merged Project Area No. 1 Redevelopment Plan.
B05	Food Court Parking Lot. This 19,313 s.f. of improved parking (APN 513-082- 043), is on the 300 Block of North Belardo Road. It was acquired by the Agency through a land exchange in 1997. The Property is subject to the terms of an Easement for Access to the trash enclosure.
B06	The Henry Frank Arcade Parking Lot, a 3,682 s.f. improved parking lot, APN 513- 082-043, located at 261-265 North Indian Canyon Drive. The property is the northern half of the Henry Frank Arcade Parking Lot, within Merged Project Area No. 1, and was acquired by the Agency in 1989.

B07	Village Green (211 South Palm Canyon Drive; APN: 513-153-017). The transfer of the Property is subject to the terms of any easements and leases with the Palm Springs Historical Society, the Agua Caliente Band of Cahuilla Band Indians, and Palm Springs Fudge.
B08	Palm Springs Visitor Center (2901 North Palm Canyon Drive; APN: 504-040- 001-8). The Property is subject to the terms of any easements and leases and Agreements with the Agua Caliente Band of Cahuilla Band and the Culver Nichols Charitable Trust.
B09	Convention Center North Parking Lot (APNs 508-023-012, 013, and 014). The Property was subject to the provisions of the Disposition and Development Agreement, which provides for the sale of the property to the Developer per the terms of the Agreement.
B10	Frances Stevens Park: a 3.48 acre park and cultural facilities (APN 505-325- 003), including the Palm Canyon Theater (538 North Palm Canyon Drive) and the Desert Art Center (550 North Palm Canyon Drive). The Property is subject to a lease of the Palm Canyon Theater and the Desert Art Center and a Theater Use Agreement with the Palm Springs International Film Festival for the use of the Palm Canyon Theater; and a Lease Agreement between Desert Art Center, Inc. of the Coachella Valley.
B11	Sunrise Park (1901 E. Baristo Road; APNs 502-200-001 and 502-200-002). The Property is subject to the terms of any easements and leases and Agreements with the Mizell Senior Center, the Boys & Girls Club, the Palm Springs Power, and any other users of facilities in the Park.
B12	Sweeper Scrubbers. The Agency purchased two sweeper scrubbers for downtown maintenance. They remain on the Agency's books.
B13	Animal Shelter. Approximately \$943,000 of the Agency's contribution toward the construction of the new Animal Shelter was listed as an asset of the Agency. The Agency made appropriate findings at the time of the contribution under Health & Safety Code Section 33445 that allowed tax increment to be spent on City-owned assets, so the Shelter itself is owned by the City, not the Agency.
B14	Downtown Trash Enclosure. The Agency invested in the design and construction of a multi-user trash enclosure and alleyway improvements in the downtown. Improvements included the construction of a secured enclosure, 2 state of the art compactors for refuse and cardboard, recycling area, hot water hose, keyless entry gate and other enhancements. In addition, the alleyway was enhanced with new pavers, lighting and decorative elements. The project was completed in November 2008 and is on the Agency's books at \$372,383.40. Like the Animal Shelter, the Agency spent funds on City-owned property after making the appropriate findings.
B15	Foster Leasehold, The Foster Leasehold pertains to the site of the Convention Center at the southwest corner of Avenida Caballeros and Amado Road. This is an Indian leasehold property and was part of the assembly for the Convention Center, Wyndham (now Renaissance) and surrounding properties, the 30 +/- acres known as PSL 315. The City became the holder of the Master Lease in 1989. The Agency has not had an interest in this portion of PSL 315 since 1989 though more documentation of the transactions will be required prior to writing it off the Agency's asset list.

B16	PSL-315 Subleasehold. This is interest in certain real property (the "Leasehold") within Merged Project Area No. 2, generally being 9.62 acres located at the intersection of Amado Road and Avenida Cabelleros. The City is the Master Lessee under Business Lease No. PSL 315 ("Original Lease"). The Master Lease has been amended pursuant to: 1) Amendment No. 1 to PSL-315 approved by the BIA on October 13, 1995; 2) the First Amendment to Business Lease-315, dated April 7, 2004, and approved by the BIA on May 26, 2004; and 3) the Second Amendment to Business Lease No. PSL-315, dated February 9, 2006, and approved by the BIA on February 9, 2006. The Original Lease as amended by the three amendments is collectively referred to in this Agreement as the "Master Lease."
B17	The Plaza Theater. Located at 124-132 South Palm Canyon Drive (APN 513- 144-008). The Property is subject to the terms of the Lease with the Partnership for the Performing Arts and certain easements and leases with the Wessman Family Trust and Plaza Investment Company for certain courtyard, alleyway, and trash area access.
C01	Land for Fire Station. The property was acquired by the Agency for the eventual relocation of Fire Station No. 1, but was transferred to the Agua Caliente Band of Cahuilla Indians (Tribe) per Amendment No. 1 of the DDA, dated August 7, 1996. The parcel was sold to the Tribe soon after, though it was not taken into Indian Trust until several years later. The property has been owned by USA BIA since May 4, 2006. It is now the northwest corner of the Spa Casino site. It will be properly written off the Fixed Asset Report as of June 30, 2012.
C02	NW Corner of Tahquitz and Sunrise - This property was transferred to an Indian allottee in a land exchange deal under which the Agency acquired a 7.9 acre parcel at East Palm Canyon Drive, which it resold via a DDA for the BMW Dealership in late 2005. It will be properly written off the Fixed Asset Report as of June 30, 2012.
C03	285 N. Indian Canyon Drive. Desert Hotel Property. Duplicate entry listed as both "land held for resale" and "fixed asset." See No. A04.
C04	Equitec Parcel. This parcel is a small wedge shaped parcel, part of the Springs Shopping Center and was acquired by Endure Investments, LLC in accordance with a Disposition and Development Agreement dated June 18, 2008. It was removed from the fixed asset report in April, 2011.
C05	Epsteen Parcel. This was the main Agency-owned portion of the former City dumpsite, now part of the Springs Shopping Center which began construction in 2006. The parcel was sold to Endure Investments, formerly known as Geiger, LLC in accordance with a Disposition and Development Agreement dated November 16, 2005. It was removed from the fixed asset report in April, 2011.
C06	Patel Parcel. This was a property acquired through eminent domain as part of Disposition and Development Agreement with Linsu, LLC in 1997, and was immediately resold to the developers. It is now part of the Desert Shadows (now Desert Sun) Resort. It was removed from the Fixed Asset Report in April, 2011.

RESOLUTION NO. 013

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF ASSETS TO THE HOUSING SUCCESSOR AGENCY AND RATIFYING AND CONFIRMING THE TRANSFER OF CERTAIN REAL PROPERTY TO THE CITY OF PALM SPRINGS FOR CITY GOVERNMENTAL PURPOSES.

The Oversight Board of the Successor Agency to the Palm Springs Redevelopment Agency, reaffirms its previous findings in all previous resolutions of the Oversight Board of the Successor Agency to the Palm Springs Redevelopment Agency, and specifically finds and affirms:

A. A Due Diligence Review for the period February 1, 2012 through July 31, 2012, prepared pursuant to Health and Safety Code § 34176(a)(2) was approved by the Oversight Board on October 11, 2012.

B. During a meeting after the review of the Asset Transfer Assessment of former redevelopment agency assets, representatives of the State Controller's Office suggested that the Oversight Board should review and approve the Housing Asset list and the transfer of housing assets to the Housing Successor Agency.

C. The Dissolution Act (AB 1X26 and AB 1484) provides certain flexibility and local benefits in connection with property disposition, including § 34181(a), which allows the Oversight Board to transfer governmental purpose property to the appropriate public entity.

D. In accordance with the provisions of the California Health and Safety Code § 37181, the Oversight Board may "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 . . ."

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

SECTION 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The following properties were categorized in the Asset Transfer Report as Land Held for Resale and, under the State Controller's authority under Health and Safety Code § 34167.5, shall be returned to the Successor Agency for disposition:

1. Cork n Bottle (Land held for resale)
2. Casa del Camino Property (Land held for resale)
3. McKinney Parcel (Land held for resale)
4. Desert Hotel Property (Land held for resale)

SECTION 3. The following properties were categorized in the Asset Transfer Report as Land Held for Resale and which are public parking lots today, serving downtown and the Convention Center Area, or Community Assets, which are typically related to visitor services or the Convention Center, including equipment and physical improvements paid for by the former Redevelopment Agency, and which the Oversight Board has found serve a governmental or public purpose under Health and Safety Code § 34181, and the Oversight Board ratifies, and confirms the transfer of these properties to the City of Palm Springs:

1. Prairie Schooner Parcel Parking Lot
2. Catholic Church Parking Lot
3. Blue Coyote Parking Lot
4. Vineyard Parking Lot
5. Food Court Parking Lot
6. Henry Frank Arcade Parking Lot
7. Village Green
8. Visitor Center
9. Convention Center North Parking Lot
10. Frances Stevens Park
11. Sunrise Park
12. Scrubber/Sweeper Equipment
13. Contribution toward the construction of the Animal Shelter
14. Downtown Trash Enclosure
15. Foster Leasehold (now part of Convention Center leasehold)
16. PSL 315
17. Plaza Theater

SECTION 4. The following properties were categorized in the Asset Transfer Report as Land Held for Resale, or as Community Assets, by the former Redevelopment Agency but which were disposed of prior to the January 1, 2011 date; the Oversight Board has directed these properties to be removed from the Successor Agency property inventory:

1. Land for Fire Station (Property Sold in 1997, transaction final 2006)
2. NW Corner Tahquitz & Sunrise (Land) Sold/ land exchange in 2005)
3. Desert Hotel Property (Duplicate included in Land Held for Resale)
4. Equitec Parcel (Sold in 2007)
5. Epsteen Parcel (Sold in 2007)
6. Patel Parcel (Sold in the 1990's for resale)

SECTION 5. The Oversight Board ratifies and confirms acceptance by the Successor Agency of all Housing Assets and concurs with the City Council as the Successor Agency to the Palm Springs Community Redevelopment Agency approval of the transfer of all Housing Assets (with the exception of the one disputed item contained in the Housing Asset Transfer Form that was disallowed by DOF) to the Housing Successor Agency.

SECTION 6. The Oversight Board directs the Board Clerk/Secretary to perform work in furtherance of the Oversight Board's duties and responsibilities under the Dissolution Act.

SECTION 7. This Resolution shall be effective three (3) business days after adoption.

PASSED, APPROVED AND ADOPTED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY THIS 3RD DAY OF APRIL, 2012.

CHAIRPERSON

ATTEST:

CLERK/SECRETARY

CERTIFICATION

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

I, JAMES THOMPSON, Clerk/Secretary, to the Oversight Board of the Successor Agency to the Palm Springs Community Redevelopment Agency, hereby certify that Resolution No. 013 is a full, true and correct copy, and was duly adopted at a regular meeting of the Oversight Board on March 5, 2013, by the following vote:

AYES:
NOES
ABSTAIN
ABSENT

JAMES THOMPSON
Oversight Board Clerk/Secretary
City of Palm Springs, California