

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

BOARD REPORT

MEETING DATE: December 16, 2013

NEW BUSINESS

TITLE: APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN

INITIATED: Department of Community & Economic Development

RECOMMENDATION:

1. Adopt Resolution No. _____, "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN"

BACKGROUND AND ANALYSIS:

The Dissolution Act calls for the Successor Agency, under the direction of the Oversight Board, to dispose of real property it received from the Dissolved RDA either for limited public uses, or for disposition into the private market expeditiously and with a view toward reasonably maximizing value, with the disposition proceeds ultimately made available for distribution to the affected taxing entities.

The Successor Agency holds a total of 12 properties (consisting of 19 parcels in total) from the Dissolved RDA. These include sites assembled for future redevelopment, public parking lots and other real property. Disposition of these properties cannot occur until the Department of Finance ("DOF") issues a finding of completion and approves a long-range property management plan, which includes an inventory of these properties and other pertinent information. Assembly Bill XI 26 added Health and Safety Code Section 34191.1-34191.5 requiring that successor agencies send a long-range property management plan to the oversight board and DOF no later than six months following the issuance of the finding of completion. Although the Successor Agency has not yet received its finding of completion from DOF, this is expected to occur before the end of 2013, after which a long-range property management plan may be submitted to the DOF.

Enclosed for the Oversight Board's consideration is the proposed Long-Range Property Management Plan ("LRPMP") for the Successor Agency. Prepared in collaboration with a qualified dissolution and real estate consultant, the LRPMP contains detailed information on each property, such as the date and purpose of acquisition, parcel characteristics, estimate of the current value and any lease, rental or other revenues, histories of environmental contamination, a description of each property's potential for

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transit-oriented development and the advancement of the City’s planning objectives, and previous development proposals. In most cases, estimates of value were derived from recent comparable sales of like properties in the area since appraisals are not required for the LRPMP. Most importantly, the LRPMP addresses the intended disposition of each property. Permissible uses include retention for governmental use, retention for future development, sale of the property, or use of property to fulfill an enforceable obligation. The Dissolved RDA’s properties that were retained by the City for government use have been previously transferred to the City with the approval of the DOF, so no such properties are included in the LRPMP.

The Dissolved RDA is one of dozens of former redevelopment agencies that owned public parking lots to fulfill parking needs of commercial districts. While the prevailing view is that such lots are clearly a governmental use, the DOF has been reluctant to approve other LRPMPs with this disposition plan, having only approved one (Santa Barbara) over the past several months. This has led to extensive delays in the processing of the LRPMPs and suspension of any disposition efforts, and is likely a matter that could be litigated on top of the 150+ lawsuits filed on the dissolution proceedings.

Such procedural or litigation delays impair a successor agency from not only receiving approval of their LRPMP, but selling property itself. Consequently, it can be advisable, under certain circumstances, to take a different path for the LRPMP, particularly if there is significant interest in purchasing properties. In this case, the Successor Agency has such interest from buyers seeking to acquire some of the properties that have development potential, and staff is recommending that it is prudent to hasten the approval of the LRPMP by agreeing to sell public parking lots (likely to the City itself) rather than argue these are governmental use properties. Though the facts clearly support the latter conclusion, DOF has not consistently nor timely provided favorable determinations and held up transfers of these and other properties in the process.

Thus, the LRPMP outlines that the Successor Agency would sell all 12 properties. The table below provides a summary of the proposed disposition of each property and the property inventory and long-range property management plan provides further details.

#	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

There is no cost associated with approving the LRPMP. The costs incurred to prepare these documents include consultant and staff time, which were itemized separately on the Recognized Obligation Payment Schedule 13-14A, previously approved by the Oversight Board and California Department of Finance (“DOF”). Upon approval by the Oversight Board and DOF, the LRPMP would facilitate the transfer of properties to other parties pursuant to state law, which may result in sales proceeds collected by the Successor Agency (net of transaction costs) which would be transferred later to the County Auditor-Controller for dissemination to each of the affected taxing agencies of the former redevelopment project area.

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF
THE SUCCESSOR AGENCY TO THE PALM
SPRINGS COMMUNITY REDEVELOPMENT
AGENCY APPROVING 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, the Community Redevelopment Agency was responsible for the administration of redevelopment activities within the City; 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, under the Dissolution Act, the term "successor agency" was defined to refer to the dissolved redevelopment agency's sponsoring community (the city, county or city and county that formed the Dissolved RDA), unless the sponsoring community adopted a resolution electing not to serve in that capacity; 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 requested that the State Department of Finance issue a finding of completion on December 16, 2013; and

WHEREAS, staff and consultants to the Successor Agency of the Palm Springs Community Redevelopment Agency prepared a Long Range Property Management Plan, in the form attached herewith as Attachment 1, 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, pursuant to Health & Safety Code Section 34191.5(b), the Long-Range Property Management Plan shall be submitted for review and approval to the Oversight

Board and Department of Finance no later than six months from the date the finding of completion is issued by the State Department of Finance.

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 long-range property management plan (as submitted hereto as Attachment 1) subject to the approval of the State Department of Finance.

SECTION 3. Upon receipt of the finding of completion from the State Department of Finance, staff is directed to submit the long-range property management plan to the State Department of Finance as required by law.

SECTION 4. Staff is directed to prepare a marketing plan for the disposition of certain properties outlined in the long-range property management plan.

SECTION 5. At such time as the Successor Agency receives proceeds from the sale of any property as identified in the long-range property management plan, the Successor Agency shall comply with applicable statutes regarding the distribution of these proceeds to the County Auditor Controller for dissemination to the affected taxing agencies.

SECTION 6. This Resolution shall take effect three days after its adoption.

THOMAS FLAVIN, Chairman
CRA Oversight Board

ATTEST:

JAMES THOMPSON, Clerk/Secretary

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. _____ was adopted by the Oversight Board at a Special Meeting held on the 16th day of December, 2013, and that the same was adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES THOMPSON, Secretary
CRA OVERSIGHT BOARD

ATTACHMENT 1

LONG-RANGE PROPERTY MANAGEMENT PLAN

SUCCESSOR AGENCY OF THE
CITY OF PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY