

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

BOARD REPORT

MEETING DATE: May 8, 2014

NEW BUSINESS

TITLE: APPROVING THE SALE OF THE PRAIRIE SCHOONER PARKING LOT (PROPERTY 3, APN 508-055-007, 508-055-008, and 508-055-009) AND APPROVING THE SALE OF THE CONVENTION CENTER NORTH PARKING LOT (PROPERTY 4, APN 508-034-012, 508-034-013, 508-034-014) TO THE CITY OF PALM SPRINGS, PURSUANT TO THE APPROVED LONG-RANGE PROPERTY MANAGEMENT PLAN

INITIATED: Department of Community & Economic Development

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.

On December 16, 2013, the Oversight Board approved a PMP for submittal to the State Department of Finance for review and approval.

These actions are the sale of two of the properties listed in the PMP at the value listed in the PMP. They are both parking lots near the City's Convention Center.

RECOMMENDATION:

1. Adopt Resolution No. 024, "A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY, TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE SALE OF THE PRAIRIE SCHOONER PARKING LOT (PROPERTY 3, APN 508-055-007, 508-055-008, and 508-055-009) TO THE CITY OF PALM SPRINGS, PURSUANT TO THE APPROVED LONG-RANGE PROPERTY MANAGEMENT PLAN."
2. Adopt Resolution No. 025, "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY, TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE SALE OF THE CONVENTION CENTER NORTH PARKING LOT (PROPERTY 4, APN 508-034-012, 508-034-013, 508-034-014) TO THE CITY OF PALM SPRINGS, PURSUANT TO THE APPROVED LONG-RANGE PROPERTY MANAGEMENT PLAN."

3. Direct the Clerk of the Successor Agency to cause the execution of the Resolutions and submit them to the State Controller's Office and the State Department of Finance.

BACKGROUND AND ANALYSIS:

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.

On December 16, 2013, the Oversight Board approved a PMP for submittal to the State Department of Finance for review and approval. At the same time, it approved actions that allowed the Successor Agency request a Finding of Completion from DOF. That finding was received by the Successor Agency on January 2, 2014.

In January, the Oversight Board was asked to approve an amendment to the PMP for a number of properties that had their values originally listed as "zero." Those properties had low values, in the consultant's opinion, due to their low economic potential either because of the amount of renovation necessary to bring it to a market condition (e.g. Plaza Theatre) or because they were downtown parking lots, zoned as parking only (five downtown lots).

The Oversight Board adopted Resolution 020, which adjusted the zero values to the "carrying" or book value the property is held by the City at for the purposes of GASB. In many cases the carrying values are likely to be in excess of the true market value, and Resolution 020 contains language that would allow the Successor Agency to commission an appraisal at the time of sale in order to establish a lower sale price.

The other six properties, including these two lots, did not have their values challenged by DOF. Instead, the estimates of value were based on a body of relatively recent transactions and are considered fair.

These two actions approve the sale of two of the properties listed in the PMP at the value listed in the PMP. They are both parking lots near the City's Convention Center. 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.

The City desires the right to purchase the Prairie Schooner Parking Lot (APNs 508-055-007, 508-055-008, and 508-055-009) from the Successor Agency for the amount of One Million Four Hundred Two Thousand, Six Hundred Thirty Two Dollars (\$1,402,632); and the Convention Center North Parking Lot (APNs 508-034-012,

508-034-013, 508-034-014) from the Successor Agency for the amount of Two Million Two Hundred Eleven Thousand, Eight Hundred Ninety Six Dollars (\$2,211,896).

Because these are “sales” and not holding land for governmental purposes, no compensation agreements with other taxing entities are necessary. Instead, the sale proceeds shall be remitted to the County Auditor-Controller for allocation to all of the affected taxing agencies on the normal basis.

RESOLUTION NO. 024

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY, TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE SALE OF THE PRAIRIE SCHOONER PARKING LOT (PROPERTY 3, APN 508-055-007, 508-055-008, and 508-055-009) TO THE CITY OF PALM SPRINGS, PURSUANT TO THE APPROVED 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 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; 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 DOF no later than six months following the issuance of the finding of completion; and

WHEREAS, the Successor Agency requested that DOF issue a finding of completion on December 16, 2013; and

WHEREAS, the DOF issued a finding of completion to the Agency on January 2, 2014; and

WHEREAS, the Successor Agency prepared a Long Range Property Management Plan 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 was approved by the Oversight Board on December 16, 2013 and by the California Department of Finance in March, 2014; and

WHEREAS, the Long-Range Property Management Plan indicated that all twelve (12) of the Agency-held properties were to be sold, and that the City of Palm Springs was the likely buyer for a number of the properties, particularly parking lots; and

WHEREAS, the City desires to purchase the Prairie Schooner Parking Lot (APNs 508-055-007, 508-055-008, and 508-055-009) from the Successor Agency at the property value prepared by the Successor Agency's independent consultant and contained in the Long-Range Property Management Plan in the amount of One Million Four Hundred Two Thousand, Six Hundred Thirty Two Dollars (\$1,402,632).

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR 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 sale of the Prairie Schooner Parking Lot (APNs 508-055-007, 508-055-008, and 508-055-009) to the City of Palm Springs Plan in the amount of One Million Four Hundred Two Thousand, Six Hundred Thirty Two Dollars (\$1,402,632), pursuant to the approved Long-Range Property Management Plan.

SECTION 3. 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 4. This Resolution shall take effect three (3) business days after 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 8TH DAY OF MAY, 2014.

THOMAS FLAVIN, CHAIRMAN

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. 024 was adopted by the Oversight Board at a Special Meeting held on the 8TH day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES THOMPSON
OVERSIGHT CLERK/SECRETARY
City of Palm Springs, California

RESOLUTION NO. 025

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY, FOR THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE SALE OF THE CONVENTION CENTER NORTH PARKING LOT (PROPERTY 4, APN 508-034-012, 508-034-013, 508-034-014) TO THE CITY OF PALM SPRINGS, PURSUANT TO THE APPROVED 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 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; 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 DOF no later than six months following the issuance of the finding of completion; and

WHEREAS, the Successor Agency requested that DOF issue a finding of completion on December 16, 2013; and

WHEREAS, the DOF issued a finding of completion to the Agency on January 2, 2014; and

WHEREAS, the Successor Agency prepared a Long Range Property Management Plan 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 was approved by the Oversight Board on December 16, 2013 and by the California Department of Finance in March, 2014; and

WHEREAS, the Long-Range Property Management Plan indicated that all twelve (12) of the Agency-held properties were to be sold, and that the City of Palm Springs was the likely buyer for a number of the properties, particularly parking lots; and

WHEREAS, the City desires to purchase the Convention Center North Parking Lot (APNs 508-034-012, 508-034-013, 508-034-014) from the Successor Agency at the property value prepared by the Successor Agency's independent consultant and contained in the Long-Range Property Management Plan in the amount of Two Million Two Hundred Eleven Thousand, Eight Hundred Ninety Six Dollars (\$2,211,896).

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR 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 sale of the Convention Center North Parking Lot (APNs 508-034-012, 508-034-013, 508-034-014) to the City of Palm Springs Plan in the amount of Two Million Two Hundred Eleven Thousand, Eight Hundred Ninety Six Dollars (\$2,211,896), pursuant to the approved Long-Range Property Management Plan.

SECTION 3. 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 4. This Resolution shall take effect three (3) business days after 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 8th DAY OF MAY, 2014.

THOMAS FLAVIN, CHAIRMAN

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. 025 was adopted by the Oversight Board at a Special Meeting held on the 8th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES THOMPSON
OVERSIGHT CLERK/SECRETARY
City of Palm Springs, California