

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

BOARD REPORT

MEETING DATE: APRIL 19, 2016

NEW BUSINESS

TITLE: APPROVE AMENDMENT OF THE LONG RANGE PROPERTY MANAGEMENT PLAN TO ALLOW FOR RETENTION OF THOSE REAL PROPERTIES USED FOR PUBLIC PARKING BY DESIGNATING THEM AS GOVERNMENTAL USE PURSUANT TO THE PROVISIONS OF SB 107 AND AMENDED SECTION 34191.3(B) OF THE HEALTH AND SAFETY CODE. APPROVE TRANSFER OF OWNERSHIP OF FIVE PUBLIC PARKING LOTS TO THE CITY OF PALM SPRINGS.

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 AN AMENDMENT TO THE LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP), ALLOWING FOR RETENTION OF THOSE REAL PROPERTIES USED FOR PUBLIC PARKING BY DESIGNATING THEIR PERMISSIBLE USE GOVERNMENTAL USE PURSUANT TO THE PROVISIONS OF SB 107 AND AMENDED SECTION 34191.3(B) OF THE HEALTH AND SAFETY CODE."

2. Adopt Resolution No. _____, "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE TRANSFER OF OWNERSHIP OF CERTAIN REAL PROPERTIES USED AS PARKING FACILITIES AND LOTS DEDICATED SOLELY TO PUBLIC PARKING TO THE CITY OF PALM SPRINGS UPON DEPARTMENT OF FINANCE APPROVAL OF THE AMENDED LRPMP".

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 Redevelopment Agency (RDA) either for specific 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 Long Range Property Management Plan (LRPMP) was approved by the Oversight

Board on December 16, 2013 and approved by the Department of Finance (“DOF”) in a letter dated March 25, 2014. The LRPMP addresses the intended disposition of 12 properties (consisting of 19 parcels in total) from the dissolved RDA. At the time of submission of the LRPMP in December 2013, the categories of real properties that could be retained for governmental use were limited and excluded public parking facilities as a permissible “governmental use”.

The City and the Successor Agency have always held the position that the public parking lots serve a governmental purpose and should be transferred to the City of Palm Springs. In fact, since early 2011, prior to the Dissolution Act, the former Community Redevelopment Agency and then later the Successor Agency, through Oversight Board actions in December 2012 and in March 2013, attempted to transfer those parking lots to the City. However, DOF’s interpretation of property used for governmental purposes has evolved over the last few years since the Dissolution Act came into effect. Prior response from DOF on June 14, 2013 and June 26, 2013 disallowed a number of transfers of properties that the City held for governmental use, including the five subject public parking lots, citing that “they are not reserved for the sole use of governmental agencies or persons visiting those agencies”.

Based on the prior rejection by DOF to allow the transfer of the public parking lots to the City, and on the experiences of other cities in California that had already submitted their LRPMPs, City Staff and the City’s redevelopment property consultant anticipated that DOF would be reluctant to approve the LRPMP with a disposition plan that included retention of public parking lots for governmental use. In the interest of avoiding delays in the DOF processing of the LRPMP, the recommended approach for disposition of the public parking lots in the LRPMP was to sell the property, likely to the City itself, rather than to try to make the argument that the public parking lots were governmental use properties.

DOF interpretations changed when, on September 23, 2015, Governor Brown signed SB 107 making significant changes to redevelopment dissolution laws. Section 34191.3(b) of the Health and Safety Code was amended to read: *“If the department [of Finance] has approved a successor agency’s LRPMP prior to January 1, 2016, the successor agency may amend its LRPMP once, solely to allow for retention of real properties that constitute ‘parking facilities and lots dedicated solely to public parking’ for governmental use pursuant to Section 34181. An amendment to a successor agency’s LRPMP under this subdivision shall be submitted to its oversight board for review and approval pursuant to Section 34179, and any such amendment shall be submitted to the department prior to July 1, 2016.”*

Amendment of the LRPMP to retain public parking lots for governmental use would allow the Successor Agency to transfer the ownership of the subject properties back to the City of Palm Springs so that they could continue to be used – as they now are – for public parking.

Pursuant to Health and Safety Code Section 34181, the Oversight Board shall direct the

Successor Agency to transfer ownership of parking facilities and lots dedicated solely for public parking, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of the parking facility. Any compensation to be provided to the Successor Agency for the transfer of the parking facility shall be governed by the agreements relating to its construction or use.

In addition, "Parking facilities and lots dedicated solely to public parking" do not include properties that generate revenues in excess of reasonable maintenance costs of the properties. None of the subject parking lots generate revenue in excess of their maintenance costs.

The table below provides a summary of the originally proposed plan for disposition of public parking lots in the LRPMP, and the proposed amendment to the disposition plan. Attachment No. 1 contains the detailed printout of the DOF LRPMP Inventory Data spreadsheet listing the amended property disposition plan for public parking lots which, if approved by the Oversight Board, will be submitted to DOF along with the resolution amending the LRPMP.

# **	Site Name	Assessor's Parcel Number(s)	Disposition (Original LRPMP)	Disposition (Proposed Amendment to LRPMP)
8	Catholic Church Parking Lot	505-324-002	Sell Property	Governmental Use
9	Blue Coyote Parking Lot and Driveway	513-082-023 and 513-082-040	Sell Property	Governmental Use
10	Food Court Parking Lot	513-082-043	Sell Property	Governmental Use
11	Henry Frank Arcade Parking Lot	513-091-004	Sell Property	Governmental Use
12	Vineyard Parking Lot	513-153-015, 513-153-016, and 513-153-029	Sell Property	Governmental Use

** This is the site number referenced in the Original LRPMP.

If approved by the Oversight Board, this Staff Report and Resolution will be attached as an addendum to the LRPMP dated December 12, 2013, amending the disposition plan of properties numbered 8 through 12 as real properties to be retained for governmental use and superseding all references to sale of these properties. Upon approval by the DOF, the Oversight Board is directing the Successor Agency to transfer those properties used exclusively for public parking purposes to the City of Palm Springs under the provisions of the LRPMP.

FISCAL IMPACT:

No fiscal impact is associated with approval of the staff recommendation.

RESOLUTION NO. _____

"A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY APPROVING AMENDMENT OF THE LONG RANGE PROPERTY MANAGEMENT PLAN DESIGNATING THE PERMISSIBLE USE OF THE PUBLIC PARKING LOTS TO BE GOVERNMENTAL USE PURSUANT TO THE PROVISIONS OF SB 107 AND SECTION 34191.3(B) OF THE HEALTH & SAFETY CODE"

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 ("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 of California Department of Finance on January 2, 2014; and

WHEREAS, the Successor Agency submitted a Long Range Property Management Plan ("LRPMP") 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, on September 23, 2015, SB 107 was enacted by the State of California making significant changes to redevelopment dissolution laws, including the permissible retention of real properties that constitute parking facilities and lots dedicated to public parking for governmental use pursuant to Health and Safety Code Section 34181; and

WHEREAS, the Successor Agency of the Palm Springs Community Redevelopment Agency prepared an amendment to the Long Range Property Management Plan, amending the disposition plan of those real properties used exclusively for public parking as real properties to be retained for governmental use, in the form attached herewith as Attachment 1, a detailed LRPMP Inventory Data spreadsheet provided by DOF, in accordance with the provisions of Section 34191.3 of the Dissolution Act, indicating the intended disposition and use of those real property assets of the former Redevelopment Agency.

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 amendment to the long-range property management plan designating public parking lots numbered 8 through 12 in the LRPMP, identified hereto as Attachment 1, as properties to be retained for government use pursuant to Health and Safety Code Section 34181, subject to the approval by the Department of Finance.

Section 3. This Resolution shall become effective in accordance with California Health and Safety Code Section 34179(h), which authorizes the California Department of Finance to review all actions taken by the Oversight Board.

OVERSIGHT BOARD CHAIR

ATTEST:

JAMES THOMPSON,
CLERK/SECRETARY

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
)

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 19th of April, 2016, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Attachment No. 1

Long Range Property Management Plan

Property Inventory Data Spreadsheet

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

HSC 34191.6 (C)(1)(C)		HSC 34191.6 (C)(2)				
No.	Address or Description	APN	Property Type	Permissible Use	Permissible Use Detail	If Sale of Property, specify intended use of sale proceeds
1	Catholic Church Parking Lot	505-324-002	Parking Lot/Structure	Governmental Use	Public Parking/Governmental	
2	Blue Coyote Parking Lot	513-082-023	Parking Lot/Structure	Governmental Use	Public Parking/Governmental	
3	Blue Coyote Parking Lot	513-082-040	Parking Lot/Structure	Governmental Use	Public Parking/Governmental	
4	Food Court Parking Lot	513-082-043	Parking Lot/Structure	Governmental Use	Public Parking/Governmental	
5	Henry Frank Arcade Parking Lot	513-091-004	Parking Lot/Structure	Governmental Use	Public Parking/Governmental	
6	Vineyard Parking Lot	513-153-015	Parking Lot/Structure	Governmental Use	Public Parking/Governmental	
7	Vineyard Parking Lot	513-153-016	Parking Lot/Structure	Governmental Use	Public Parking/Governmental	
8	Vineyard Parking Lot	513-153-029	Parking Lot/Structure	Governmental Use	Public Parking/Governmental	
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LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

HSC 34191.5 (c)(1)		HSC 34191.5 (c)(1)(A)				Estimated Current Value Basis
No.	Address or Description	Acquisition Date	Value at Time of Acquisition	Estimated Current Value	Date of Estimated Current Value	Estimated Current Value Basis
1	Catholic Church Parking Lot	10/1/1083	610,000	685,000	2/25/2014	Book
2	Blue Coyote Parking Lot	8/1/1981	400,000	141,500	2/25/2014	Book
3	Blue Coyote Parking Lot	Unknown	Unknown		2/25/2014	Book
4	Food Court Parking Lot	6/12/1997	212,438	341,826	2/25/2014	Book
5	Henry Frank Arcade Parking Lot	10/1/1989	267,000	266,673	2/25/2014	Book
6	Vineyard Parking Lot	6/1/1977	Unknown		2/25/2014	Book
7	Vineyard Parking Lot	7/1/1977	Unknown	482,457	2/25/2014	Book
8	Vineyard Parking Lot	5/17/1979	198,215		2/25/2014	Book
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LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

No.	Address or Description	SALE OF PROPERTY <i>(If applicable)</i>		Property Value/Sale	HSC 34191.5 (c)(1)(B) Purpose for which property was acquired	Lot Size	HSC 34191.5 (c)(1)(C)
		Proposed Sale Value	Proposed Sale Date				
1	Catholic Church Parking Lot				To provide public parking	39,440 Square Feet	CU-Civic Uses Zone
2	Blue Coyote Parking Lot				To provide public parking	19,889 Square Feet	CU-Civic Uses Zone
3	Blue Coyote Parking Lot				To provide public parking	6,534 Square Feet	CU-Civic Uses Zone
4	Food Court Parking Lot				To provide public parking	26,136 Square Feet	CU-Civic Uses Zone
5	Henry Frank Arcade Parking Lot				To provide public parking	7,260 Square Feet	CU-Civic Uses Zone
6	Vineyard Parking Lot				To provide public parking	6,000 Square Feet	CU-Civic Uses Zone
7	Vineyard Parking Lot				To provide public parking	6,000 Square Feet	CU-Civic Uses Zone
8	Vineyard Parking Lot				To provide public parking	41,818 Square Feet	CU-Civic Uses Zone
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LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

HSC 34191.5 (c)(1)		HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)
No.	Address or Description	Estimate of Current Parcel Value	Annual Estimate of Income/Revenue	Are there any contractual requirements for use of income/revenue?	Has there been historic environmental contamination, studies, and/or remediation, and designation as a brownfield site for the property?
1	Catholic Church Parking Lot	685,000	0/No		No
2	Blue Coyote Parking Lot	141,500	0/No		No
3	Blue Coyote Parking Lot		0/No		No
4	Food Court Parking Lot	341,826	0/No		No
5	Henry Frank Arcade Parking Lot	266,673	0/No		No
6	Vineyard Parking Lot		0/No		No
7	Vineyard Parking Lot	482,457	0/No		No
8	Vineyard Parking Lot		0/No		No
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LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

HSC 34191.5 (c)(1)		HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)	Other Property Info
No.	Address or Description	Does the property have the potential as a transit oriented development?	Were there advancements to the successor agency's planning objectives?	Does the property have a history of previous development proposals and activity?	
1	Catholic Church Parking Lot	Yes	Yes	No	
2	Blue Coyote Parking Lot	Yes	Yes	No	
3	Blue Coyote Parking Lot	Yes	Yes	No	
4	Food Court Parking Lot	Yes	Yes	No	
5	Henry Frank Arcade Parking Lot	Yes	Yes	No	
6	Vineyard Parking Lot	Yes	Yes	No	
7	Vineyard Parking Lot	Yes	Yes	No	
8	Vineyard Parking Lot	Yes	Yes	No	
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RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE PALM
SPRINGS COMMUNITY REDEVELOPMENT
AGENCY APPROVING THE TRANSFER OF
OWNERSHIP OF CERTAIN REAL PROPERTY
TO THE CITY OF PALM SPRINGS FOR CITY
GOVERNMENTAL PURPOSES

WHEREAS, the Dissolution Act (AB 1X26 and AB 1484) provides certain flexibility and local benefits in connection with property disposition, including Section 34181 (a), which allows the Oversight Board to direct the transfer of governmental purpose property to the appropriate entity; and

WHEREAS, in accordance with the provisions of the California Health and Safety Code Section 37181, the Oversight Board may direct the Successor Agency to transfer ownership of those assets that were constructed and used for governmental purposes, including parking facilities and lots dedicated solely to public parking, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of those assets; and

WHEREAS, the Successor Agency of the Palm Springs Community Redevelopment Agency amended the Long Range Property Management Plan, amending the disposition plan regarding those real properties used for public parking as real properties to be retained for governmental use pursuant to the provisions of SB 107 and Section 34191.3(B) of the Health and Safety Code.

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 approves and directs the Successor Agency to transfer the following real properties, numbered 8 through 12 in the LRPMP to the City of Palm Springs:

- 8. Catholic Church Parking Lot
- 9. Blue Coyote Parking Lot
- 10. Food Court Parking Lot
- 11. Henry Frank Arcade Parking Lot
- 12. Vineyard Parking Lot

Section 2. This Resolution shall become effective in accordance with California Health and Safety Code Section 34179(h), which authorizes the California Department of Finance to review all actions taken by the Oversight Board.

OVERSIGHT BOARD CHAIR

ATTEST:

JAMES THOMPSON,
CLERK/SECRETARY

CERTIFICATION

STATE OF CALIFORNIA)
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ABSTAIN:

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OVERSIGHT BOARD
City of Palm Springs, California