

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

BOARD REPORT

MEETING DATE: APRIL 11, 2018

NEW BUSINESS

TITLE: APPROVE SALE OF THE SUCCESSOR AGENCY-OWNED PROPERTY LOCATED AT 285 NORTH INDIAN CANYON DRIVE, KNOWN AS DESERT HOTEL PROPERTY (APN 513-091-003) AND IDENTIFIED AS PROPERTY NO. 2 IN THE LONG RANGE PROPERTY MANAGEMENT PLAN, TO THE CITY OF PALM SPRINGS PURSUANT TO SECTION 34191.5(C) OF THE HEALTH AND SAFETY CODE.

INITIATED: Department of Community & Economic Development

RECOMMENDATION:

1. Adopt Resolution No. 050, "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY APPROVING THE SALE OF THE PROPERTY LOCATED AT 285 NORTH INDIAN CANYON DRIVE, KNOWN AS THE DESERT HOTEL PROPERTY AND IDENTIFIED AS PROPERTY NO. 2 IN THE LONG-RANGE PROPERTY MANAGEMENT PLAN TO THE CITY OF PALM SPRINGS"

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.

At the time of dissolution, the Successor Agency held a total of 12 properties (consisting of 19 parcels in total) from the Dissolved RDA, including the Subject Property.

These include sites assembled for future redevelopment, public parking lots and other real property. Disposition of these properties could not occur until the Department of Finance ("DOF") issued a finding of completion and approved a long-range property management plan, which includes an inventory of these properties and other pertinent information. The Successor Agency received its finding of completion from DOF on January 2, 2014 and submitted its Long Range Property Management Plan ("LRPMP") simultaneously.

The LRPMP was prepared in collaboration with a qualified dissolution and real estate consultant and contained 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 transit-oriented development and the advancement of the City’s planning objectives, and previous development proposals. The Dissolution Act does not require that properties be appraised at the time of the preparation or adoption of the LRPMP. For most of the Successor Agency held properties, estimates of value were derived from recent comparable sales of like properties in the area. 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 LRPMP outlined that the Successor Agency would sell all 12 properties including the Desert Hotel Property shown below:

#	Site Name	Assessor’s Parcel Number(s)	Estimated Value
2	Desert Hotel Property	513-091-003	\$31,965



The former Community Redevelopment Agency purchased the property in January 2005 for \$160,000 in order to tear down the blighted property on the land which was successfully completed. The Agency intended to assemble this parcel along with adjacent parcels for a hotel development, but that development did not occur. Because the parcel is adjacent to City Fire Station No. 1, the City has an interest to purchase the property to expand the fire station. The State-approved value in the Long Range Property Management Plan (LRPMP) for this 6,106 square foot parcel is \$31,965.

The property was appraised at a value of \$163,000 in August 2017. A Request for Proposals (RFP) inviting proposals from qualified bidders to purchase the property was posted on the City’s website and notice of the opportunity was sent to all property owners within a 500 foot radius of the property along with a list of approximately 150 commercial brokers and developers as well as on OppSites, an online resource for

cities and economic development professionals to share real property opportunities. One offer was received in the amount of \$165,000. Upon further consideration, it was determined that it would be in the best interest of the City to retain this property for expansion of the fire station. The provisions of the California Health and Safety Code Section 37181 allows the Oversight Board to "direct the successor agency to transfer ownership of those assets that were constructed and used for governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings"... The disposition plan in the LRPMP is to sell all Successor Agency-owned properties whether to the City or a private entity. At the time of the LRPMP preparation, the plan to sell all properties was to ensure that a finding of completion and approval of the LRPMP would not be delayed. Since the intended use of this property is for expansion of the fire station, a governmental use, it is the City's rationale that the property should be purchased at the minimum allowed in the LRPMP, subject to approval of the Oversight Board and the State of California Department of Finance ("DOF").

FISCAL IMPACT:

The sale of the property to the City is \$31,965. The City will receive a share of 27% of the sales proceeds of the transaction from the County Auditor-Controller. The remainder of those sales proceeds will be allocated to other taxing entities, such as the school district and the County.

RESOLUTION NO. 050

"A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY APPROVING THE SALE OF THE DESERT HOTEL PROPERTY LOCATED AT 285 NORTH INDIAN CANYON DRIVE (APN 513-091-003) TO THE CITY OF PALM SPRINGS UNDER THE PROVISIONS OF THE LONG-RANGE PROPERTY MANAGEMENT PLAN"

The Oversight Board of the Successor Agency to the Palm Springs Community Redevelopment Agency finds:

A. The Community Redevelopment Agency of the City of Palm Springs was a redevelopment agency in the City of Palm Springs, 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.

B. The Successor Agency for the Palm Springs Community Redevelopment Agency received its finding of completion from the California Department of Finance on January 2, 2014, pursuant to the Dissolution Act.

C. A Notice of Public Meeting pursuant to the sale was posted and published on March 31, 2018, pursuant to California Health and Safety Code Section 34181.

D. The Oversight Board conducted a duly noticed meeting on April 11, 2018, for the purpose of considering the sale of the Cork n Bottle property, and received and reviewed supplemental information, supporting the value of the land sale, including the following:

1. The Community Redevelopment Agency of the City of Palm Springs purchased the property in January 2005 in the amount of \$160,000.
2. The estimated value of the property approved in the Long Range Property Management Plan was \$31,965.
3. The City of Palm Springs desires to purchase the property from the Successor Agency for the amount of \$31,965.

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. All legal prerequisites to the adoption of this Resolution have been satisfied.

SECTION 3. The Oversight Board approves the sale of Property No. 2 in the Long Range Property Management Plan, the Desert Hotel Property, to the City of Palm Springs for \$31,965.

SECTION 4. At such time as the Successor Agency receives proceeds from the sale of the property, 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 5. 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.

CATHY VAN HORN
OVERSIGHT BOARD CHAIRPERSON

ATTEST:

ANTHONY J. MEJIA
CITY CLERK/SECRETARY

CERTIFICATION

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

I, ANTHONY MEJIA, City Clerk/Secretary of the Oversight Board for the Successor Agency of the Palm Springs Community Redevelopment Agency hereby certify that Resolution No. 050 was adopted by the Oversight Board at a Special Meeting held on the 11th day of April, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ANTHONY J. MEJIA
CITY CLERK/SECRETARY