



GUADALUPE OVERSIGHT BOARD

AGENDA – SPECIAL BOARD MEETING

**Thursday, July 7, 2016
at 3:00 p.m.**

Council Chambers, Guadalupe City Hall
918 Obispo Street, Guadalupe, CA 93434

MEMBERS:

Hugo Lara, Chair

Andrew Carter, Secretary

Michael Black

Dan Eidelson

Scott McGolpin

Virginia Ponce

Gina Rubalcaba

STAFF:

Heather Whitham, Legal Counsel

Annette Muñoz, City Finance Director

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1. **ROLL CALL** Hugo Lara, Andrew Carter, Michael Black, Dan Eidelson, Scott McGolpin, Virginia Ponce, Gina Rubalcaba
 2. **PLEDGE OF ALLEGIANCE**
 3. **COMMUNITY PARTICIPATION FORUM** – *Public Comment period is set aside to allow public testimony on items not on today's agenda and that are within the subject matter of the Oversight Board. The time allocated to each speaker will be set at the discretion of the Chair.*
 4. **ADMINISTRATIVE ACTIONS**
 - a. Swear in Scott McGolpin (County of Santa Barbara Representative).
 - b. Minutes for the Guadalupe Oversight Board Meeting of January 28, 2016 to be ordered filed.

5. **CONSIDERATION OF RESOLUTION NO. OB 2016-02 APPROVING THE EXECUTION OF DEEDS AND OTHER ACTIONS BY THE SUCCESSOR AGENCY TO THE FORMER GUADALUPE COMMUNITY DEVELOPMENT AGENCY NECESSARY TO TRANSFER TITLE TO 303 OBISPO STREET AND 836 AND 848 GUADALUPE STREET FROM THE SUCCESSOR AGENCY TO THE CITY OF GUADALUPE PURSUANT TO THE LONG RANGE PROPERTY MANAGEMENT PLAN.**

- a. Written Staff Report (Heather Whitham, Oversight Board Legal Counsel)
- b. Oversight Board discussion and consideration.
- c. It is recommended that the Oversight Board adopt Resolution No. OB 2016-02.

6. **FUTURE AGENDA ITEMS.**

7. **ADJOURNMENT.**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, please contact the City of Guadalupe at (805) 356-3891 at least 48 hours prior to the meeting to insure that reasonable arrangements can be made to provide accessibility to the meeting.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the City Hall display case, the Water Department and the City Clerk's office not less than 72 hours prior to the meeting. Dated this 28th day of June 2016.



Andrew Carter
Secretary, Oversight Board

Motion by Carter, 2nd by Rubalcaba, to approve minutes. Passed 6-0. (Ponce absent.)

5. CITY OF GUADALUPE SUCCESSOR AGENCY RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 16-17) FILED FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017 AND ADOPT RESOLUTION NO. OB 2016-01.

- a. Written Staff Report (Annette Muñoz, Finance Director)
- b. Oversight Board discussion and consideration.
- c. It is recommended that the Oversight Board adopt Resolution No. OB 2016-01.

Finance Director Munoz provided the staff report. Pursuant to new state rules, the ROPS for all of FY 2016/17 are being presented at once. **Ms. Munoz** noted that the SERAF payment on ROPS 16-17A will be the last payment for this loan and that the expenditures for remediation at the Al's Union site should be reimbursed by the State's Leaking Underground Fuel Tank program. In response to questions by the Oversight Board, **Ms. Munoz and Mr. Carter** provided background information on the amount shown for Administrative Cost Allowance.

Motion by Carter, 2nd by Rubalcaba, to approve minutes. Passed 6-0. (Ponce absent.)

6. FUTURE AGENDA ITEMS

Mr. Carter announced that the escrow documents for sale of the Lantern Hotel have been signed. **Mr. Carter** said that the only need for future Oversight Board meetings will be to dispose of the remaining Successor Agency property (sale of Al's Union site, transfer of Royal Theatre and City water processing facility/corp yard to the City) and to approve the 2017/18 ROPS.

7. ADJOURNMENT. Meeting adjourned at 3:22 pm.

Andrew Carter
Secretary, Oversight Board

REPORT TO THE GUADALUPE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO
THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF GUADALUPE
Agenda of July 7, 2016



Prepared by:
Heather Whitham
Legal Counsel

SUBJECT:

Consideration of Resolution No. 16-02 approving the execution of deeds and other actions by the Successor Agency to the former Guadalupe Community Development Agency necessary to transfer title to 303 Obispo Street and 836 and 848 Guadalupe Street from the Successor Agency to the City of Guadalupe pursuant to the Long Range Property Management Plan.

RECOMMENDATION:

Staff recommends the Oversight Board pass Resolution No. 16-02 approving the execution of deeds and other actions by the Successor Agency to the former Guadalupe Community Development Agency necessary to transfer title to 303 Obispo Street and 836 and 848 Guadalupe Street from the Successor Agency to the City of Guadalupe pursuant to the Long Range Property Management Plan.

BACKGROUND:

Pursuant to Assembly Bill x1 26, the Guadalupe Community Development Agency (RDA) and all other redevelopment agencies in the State of California were dissolved, with dissolution occurring on February 1, 2012. As a result of the dissolution, the City Council elected to act as the Successor Agency (Successor Agency) to the RDA. Upon dissolution, all non-housing assets of the RDA were transferred, by operation of law, to the Successor Agency pursuant to the terms of the Dissolution Law. Under the Dissolution Law, the Successor Agency was required to prepare a Long-Range Property Management Plan (LRPMP) to dispose of the real property assets of the RDA.

Under the LRPMP, a number of former RDA properties were designated for transfer to the City, including the Royal Theatre and adjoining vacant land, located at 836 and 848 Guadalupe Street, and the City's corporation yard located at 303 Obispo Street. To complete the property transfers and establish clear chains of title for the properties, the execution of deeds and such other instruments and actions is necessary. At its June 14, 2016 meeting, the Successor Agency adopted Successor Agency Resolution No. 2016-02, authorizing and directing the Executive Director of the Successor Agency to execute such deeds and other instruments, and take such other actions necessary to accomplish the conveyance of the three properties to the City.

Adoption of the attached Resolution by the Oversight Board, as recommended by staff, approves the actions set forth in the Successor Agency Resolution No. 2016-02. The transfer of the three properties complies with the LRPMP. In addition, the conveyances comply with the dissolution laws in that they are done in furtherance of the disposition of properties and winding down of the affairs of the former redevelopment agency.

Fiscal Impact:

There is no fiscal impact anticipated from this Resolution. Ultimately, because the Royal Theatre and adjoining lots were designated for "future development," as opposed to "government use," the Resolution approved by the Successor Agency includes a requirement that a compensation agreement be negotiated pursuant to Health and Safety Code Section 34180(f)(1). This would require the City to provide payments to other taxing entities in proportion to their share of the base property tax for the properties. This would result in the City receiving only approximately 15% of the property proceeds should the property be sold.

OVERSIGHT BOARD RESOLUTION NO. 2016-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER GUADALUPE COMMUNITY DEVELOPMENT AGENCY APPROVING THE EXECUTION OF DEEDS AND OTHER ACTIONS BY THE SUCCESSOR AGENCY NECESSARY TO TRANSFER TITLE TO 303 OBISPO STREET AND 836 AND 848 GUADALUPE STREET FROM THE SUCCESSOR AGENCY TO THE CITY OF GUADALUPE PURSUANT TO THE LONG RANGE PROPERTY MANAGEMENT PLAN

WHEREAS, the City of Guadalupe (“City”) is a municipal corporation organized and operating under the laws of the State of California; and

WHEREAS, the Successor Agency to the Guadalupe Community Development Agency (“Successor Agency”) is a public agency, established and operating under Health and Safety Code Sections 34170 et seq., and is the successor to the former Guadalupe Community Development Agency (“former Agency”) that was previously a community redevelopment agency organized and existing pursuant to the Community Redevelopment Law, Health and Safety Code Sections 33000, et seq. (“CRL”); and

WHEREAS, Assembly Bill x1 26, as amended by Assembly Bill 1484 (together the “Dissolution Laws”) caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; and

WHEREAS, as of February 1, 2012 the former Agency was dissolved pursuant to the Dissolution Laws, and as a separate public entity the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency’s affairs, all subject to the review and approval by an oversight board (“Oversight Board”); and

WHEREAS, Health and Safety Code Section 34191.5(b) required the Successor Agency to prepare a “long-range property management plan” addressing the future disposition and use of all real property of the former Agency no later than six months following the issuance by the California Department of Finance (“DOF”) to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, DOF issued a finding of completion to the Successor Agency on March 18, 2013; and

WHEREAS, on February 24, 2015, the Successor Agency approved a Long Range Property Management Plan (the “LRPMP”), and the LRPMP prepared by the Successor Agency was approved by the Oversight Board on February 26, 2015; and

WHEREAS, the approved LRPMP is attached to this Resolution as Exhibit “A”;
and

WHEREAS, the LRPMP describes all of the properties currently held by the Successor Agency, as successor in interest to the former Agency (the “Successor Agency Properties”); and

WHEREAS, the LRPMP designates certain of the Successor Agency Properties as “Governmental Use” properties (the “Governmental Use Properties”) and designates certain of the Successor Agency Properties as “Future Development” properties (the “Future Development Properties”); and, together with the Governmental Use Properties, (the “Retained Properties”); and

WHEREAS, the LRPMP provides that some of the Retained Properties will be conveyed by the Successor Agency to the City; and

WHEREAS, on June 14, 2016, the Successor Agency Board approved Successor Agency Resolution No. 2016-02 authorizing the execution of deeds and other instruments and such other actions as may be necessary to accomplish the conveyance of the Retained Properties to the City; and

WHEREAS, the Oversight Board finds that the conveyance of the Retained Properties by the Successor Agency to the City pursuant to the LRPMP complies with the CRL and the Dissolution Laws and is in the best interests of the taxing entities; and

WHEREAS, the Oversight Board approves the actions set forth in Successor Agency Resolution No. 2016-02 authorizing the execution of deeds and other instruments and such other actions as may be necessary to accomplish the conveyance of the Retained Properties to the City, including the preparation of a compensation agreement with the other taxing entities pursuant to Health and Safety Code Section 34180.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER GUADALUPE COMMUNITY DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the actions set forth in Successor Agency Resolution No. 2016-02 authorizing and directing the Chairman, Clerk and Executive Director of the Successor Agency, and any of their authorized designees, to execute such deeds and other instruments and take such other actions on behalf of the Successor Agency as may be necessary or appropriate to accomplish the conveyance of the Retained Properties set forth

in Exhibit "B" to the City, including without limitation paying fees and charges relating to escrow, title, recording and taxes, if applicable, and to negotiate a compensation agreement pursuant to Health and Safety Code Section 34180. Resolution No. 2016-02 further authorized and instructed the Executive Director of the Successor Agency to obtain preliminary title reports, title commitments, and title insurance policies relating to the conveyance of the Retained Properties to the City, if and to the extent determined to be appropriate by the Executive Director.

Section 3. The Chair shall sign the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

PASSED AND ADOPTED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER GUADALUPE COMMUNITY DEVELOPMENT AGENCY this 7th day of July, 2016, by the following vote:

Motion:

AYES:

NOES:

ABSENT:

ABSTAIN:

Hugo Lara, Chairman

ATTEST:

Andrew Carter, Secretary

Exhibit "A"

Long Range Property Management Plan

OB RESOLUTION 2015-02

**RESOLUTION OF THE OVERSIGHT BOARD
OF THE REDEVELOPMENT AGENCY OF THE CITY OF
GUADALUPE APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND
SAFETY CODE SECTION 34191.5 (c) (1)**

WHEREAS, Health and Safety Code section 34191.5 (c) (1) requires the Redevelopment Agency Successor Agency to prepare a long range property management plan that details each commercial property that was owned by the former redevelopment agency when it was eliminated; and

WHEREAS, the long range property management plan must be reviewed and approved by the State Department of Finance before any potential real estate transaction can occur; and

WHEREAS, the Guadalupe Redevelopment Agency owned five commercial properties when redevelopment was eliminated, and said properties are in the control of the Successor Agency, which has prepared the Long Range Property Management Plan; and

WHEREAS, the Long Range Property Management Plan was presented to and approved by the Successor Agency at the February 24, 2015 meeting; and

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the dissolved Guadalupe Redevelopment Agency does hereby resolve as follows

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.

SECTION 2. CEQA Compliance. The approval of the Long Range Property management Plan through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirement of the California Environment Act.

SECTION 3. Approval of the Long-Range Property Management Plan. The Oversight Board hereby approves and adopts the Long Range Property management Plan, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code section 34191.5 (c) (1).

SECTION 4. Implementation. The Oversight board hereby directs staff to submit a copy of the Long-Range Property Management Plan to the Department of Finance for approval.

SECTION 5. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or application of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution. The Oversight Board hereby directs Staff to submit a copy of the Long-Range Property Management Plan to the State of California Department of Finance after the effective date of the Oversight Board Resolution.

SECTION 6. Effective Date. Pursuant to Health and Safety Code section 34191.5 (c) (1), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

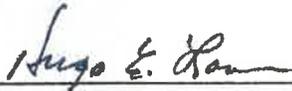
SECTION 7. The Secretary shall certify to the adoption of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code section 34191.5 (c) (1).

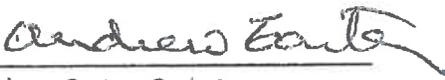
Adopted by the Oversight Board to the Redevelopment Agency at a regular meeting held on February 26, 2015 by the following vote:

PASSED, APPROVED, AND ADOPTED by the Successor Agency, on a motion by Board Member **ANDREW CARTER**, seconded by Board Member **VIRGINIA PONCE**, this 26th day of February 2015.

AYES: 6 LARA, CARTER, BLACK, PAUL, PONCE, RUBALCABA
NOES: 0
ABSENT: 1 EIDELSON

By: 
Hugo Lara
Oversight Board Chair

ATTEST: Oversight Board

By: 
Andrew Carter, Secretary



Long Range Property Management Plan Successor Agency to the former Guadalupe Redevelopment Agency

INTRODUCTION

On June 27, 2012, Governor Brown signed into law Assembly Bill 1484 (AB 1484), a budget trailer bill that makes substantial changes to the Redevelopment Agency dissolution process implemented by Assembly Bill 1X 26. One of the key components of AB 1484 is the requirement that all Successor Agencies develop a Long Range Property Management Plan that governs the disposition and use of former Redevelopment Agency property. This document is the Long Range Property Management Plan for the Successor Agency to the former Guadalupe Redevelopment Agency.

There are five (5) properties owned and controlled by the Successor Agency. They include the following:

1. 303 Obispo Street. Lot on the west side of Obispo Street where the City's 1.6 million gallon water storage tank and water treatment facility is located. This 1.75-acre industrial parcel was originally purchased by the Guadalupe Redevelopment Agency to address the health and safety needs of the community with respect to water storage. This parcel serves as the City's primary water storage and water treatment facility. It also serves as the City's corporation yard. APN 115-180-026.
2. 848 Guadalupe Street (Royal Theatre). A 7,200 square foot commercial parcel developed with a 6,000 square foot movie theatre called the Royal Theatre. The Guadalupe Redevelopment Agency purchased the property from the previous owners under a note secured by a deed of trust. Non-profit groups used the property for public concerts in the past. Then it was used as a recording studio. The building is currently vacant. It was red-tagged after an electrical fire in 2011. It is not ADA-compliant and needs seismic upgrades. APN 115-101-001.
3. 836 Guadalupe Street. Two vacant commercial lots next door to and behind the Royal Theatre. The lots were purchased in the same transaction with the theatre. The intent was to combine the lots with the Royal Theatre. A new entrance to the theatre would be built on part of the front lot to deal with ADA and safe exit issues. A portion of the rear lot might be used for the construction of dressing rooms to facilitate use of the theatre for live

performances. The remainder of the two lots could be used for on-site parking. APN's 115-113-001 and 115-101-011.

4. 879 Guadalupe Street (Former Lantern Hotel): A 7,200 square foot commercial lot with a 9,250 square foot multi-story building (4,000 square feet on first floor) was redeveloped and renovated as a mixed-use property with retail and service commercial downstairs and residential housing on the second floor and partial third floor. The Redevelopment Agency loaned money to a developer for this purpose. Title never transferred because the developer fell behind in payments on the loan. APN 115-092-012
5. 995 Guadalupe Street (Former Al's Union). This vacant 0.42 acre commercial parcel, which is contaminated, was donated to the Guadalupe Redevelopment Agency. The property is designated by the State as Leaking Underground Fuel Tank (LUFT) Site #52010. It has been accepted into the State Water Resources Control Board Cleanup of Underground Storage Tanks (UST) Fund. The Control Board has approved a remediation Letter of Commitment (LOC) in the amount of \$1.5 million to be paid over time as funds become available. The lot is on the corner of Guadalupe & 10th Street. The primary street address is 995 Guadalupe Street. There is also a secondary street address of 4646 10th Street. APN 115-071-001.

HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITIES

All of the properties included in the Successor Agency's inventory were acquired in an effort to redevelop and revitalize the Redevelopment Agency project area in the City of Guadalupe.

The Guadalupe Redevelopment Agency accepted a development proposal on the property located at 879 Guadalupe Street (former Lantern Hotel). A loan was executed and the uninhabitable property was rehabilitated and transformed from a fire-gutted hotel to a mixed-use commercial and residential building.

The other four properties have no history of development proposals. The property at 303 Obispo Street was purchased by the Guadalupe Redevelopment Agency with the expectation of retaining it for governmental purposes. The Agency purchased the property to construct a water storage tank, water treatment facility, and public works building. (The public works building has not yet been built.)

The property at 848 and 836 Guadalupe Street (three parcels – Royal Theatre and two adjacent lots) was purchased for a performing arts center and requires retrofit, ADA, and safe exit improvements before it may be used for the purpose intended. The Guadalupe Redevelopment Agency was open to remodeling the building, placing historic murals on the south wall, and combining the parcels for a significant downtown revitalization project.

The property at 995 Guadalupe Street (Al's Union) was accepted by the Guadalupe Redevelopment Agency as a donation. The property is contaminated and requires remediation efforts toward State closure certification. The Agency anticipated either commercial development or the creation of a parking lot in an area of downtown where off-street parking is scarce.

INVENTORY

Section 34191.5 (c) (1) of the Health and Safety code, which was added as part of AB 1484, requires that the Long Range Property Management Plan include an inventory of all properties held in the Community Redevelopment Property Trust Fund. For the City of Guadalupe Successor Agency, this includes the five properties referenced in the two prior sections. As per the statute, each of these properties is described separately.

Property #1:

Vacant lot on the west side of Obispo – 303 Obispo Street

Date of Acquisition and its value at the time; an estimate of current value.

The property is zoned General-Industrial. The address is 303 Obispo Street. The parcel was originally purchased with other land totaling 19.22 acres in aggregate, all located on the west side of Obispo Street. The purchase price in August 1988 for all the property was \$670,000. The other lots were sold off over the years for private development. This is the only parcel still owned by the Successor Agency. The parcel has a lot size of 1.75-acres. The acquisition value for this parcel is recorded as \$105,507.

The purpose for which the property was acquired.

The original intent for the purchase of property in this area was two-fold. The purchase and sale of the other lots addressed the lack of available small industrial-zoned parcels in the City. The purchase and holding of this specific lot helped the City deal with inadequate water storage. The lack of water storage posed a major threat to health, sanitation and fire safety. The 1.6 million gallon Obispo Street water tank and water treatment facility was constructed in 2006, bringing to fruition the planned water storage project.

Parcel data for each property, including address, lot size and current zoning.

The property address is 303 Obispo Street. It is 1.75 acres in size. The Assessor's Parcel Number is 115-180-026. The parcel was zoned General-Industrial at the time of purchase and retains that zoning. Since 2006, the current site contains the City's 1.6 million gallon water storage tank and water treatment facility. The lot is also used as the City's corporation yard for the storage of public works equipment. Eventually, the City would like to build a public works building and garage on the property.

An estimate of the current value of the parcel, including any appraisal information, if available.

The Successor Agency estimates the current value of this lot with improvements at \$6,222,216 based primarily on the value on 6/30/14 of the water tank, water well, water treatment facility, and water booster pumps on the property.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

The City and the Guadalupe Redevelopment Agency entered into a lease agreement for the property. The lease provided for the land to be used by the City for the purpose of installing the 1.6 million gallon water tank and water treatment facility. No lease payments were required. Thus no revenue is associated with the lease. There is no history of revenue associated with this property.

Any history of environmental contamination or remediation efforts.

There is no history of environmental contamination on this site.

A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

This specific site does not have potential for transit-oriented development. The area is not zoned to allow high-density residential or other types of transit-oriented development. Instead, it is zoned General-Industrial. Although the property is located on a transit line with a nearby transit stop, the existing structures, in particular the large water tank, are not conducive to transit-oriented development. The existing public works yard does not serve transit users. Lastly, the City hopes to construct a public works building and covered garage on the site for the protection of public works vehicles and equipment.

A brief history of the previous development proposals and activities, including the rental or lease of property.

As mentioned above, property in this area was acquired to help expand the number of industrial parcels in the City and address the health, sanitation and fire safety needs of the community. The other property was sold and this lot remained vacant until the water storage tank and treatment facility were built. There have been no other development proposals or rental activity related to the parcel. The water storage tank and treatment facility were constructed in 2006.

Property #2:

848 Guadalupe Street (Royal Theatre)

Date of Acquisition and Its value at the time; an estimate of current value.

This property was purchased for \$125,000 in January 2001. Commercial real estate values have been relatively flat during the economic slowdown as there are many empty storefronts on Guadalupe Street. The current value of the property is unlikely to be significantly different from the historic value of \$125,000.

The purpose for which the property was acquired.

The property purchased by the Guadalupe Redevelopment Agency included land and the Royal Theatre building. The building was built in 1939 and for decades screened motion pictures in a variety of languages. In 1989, the theatre was closed. The structure had fallen into disrepair and the Agency's intent in 2001 was to rehabilitate it. The Agency believed the building to have a high occupancy potential and wished to renovate and upgrade to provide a structurally safe building for community use. The intent was to lease the property to potential public or private parties who would use the theatre for the purpose intended – movies, plays, and concerts.

Parcel data for each property, including address, lot size and current zoning.

The property is located at 848 Guadalupe Street. The Assessor's Parcel Number is 115-101-001. The property is zoned General Commercial. The total lot size is 7,200 square feet. The building size is approximately 6,000 square feet.

An estimate of the current value of the parcel, including any appraisal information, if available.

The Agency estimates the value to be the same as on the purchase date – \$125,000.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

The Successor Agency still owes approximately \$25,000 related to a note secured by a deed of trust. In the past, the Guadalupe Redevelopment Agency entered into lease agreements with two separate tenants and the intended purpose of movies, plays and concerts was accomplished. Lease revenue generated from these agreements amounted to approximately \$5,000. Revenues were used to make payments on the loan. The property is currently vacant and red-tagged due to an electrical fire in 2011.

Any history of environmental contamination or remediation efforts.

This property has no history of environmental contamination.

A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

The use of this property for transit-oriented development does not fit the planning objectives of the Successor Agency. The Guadalupe Redevelopment Agency's Five Year Plan, completed in 2009, listed one of its goals as "assisting with the rehabilitation of the Royal Performing Arts Center". The building is a single story building with a second floor projection booth. The entrance is on Guadalupe Street. The lobby is small with a snack bar and two tiny non-ADA compliant bathrooms. There is also a ticket counter in a small room to the side. The "Royal Performing Arts Center" is located in the heart of the Central Business District. The area is not zoned to allow high-density residential or other types of transit-oriented development.

A brief history of the previous development proposals and activities, including the rental or lease of property.

As mentioned above, the former Redevelopment Agency leased the property for several years and movies, plays and concerts took place in the theatre. The last tenant used the building as a recording studio. The current disrepair, retrofit needs, and ADA requirements for the building are the major drawbacks to future occupancy. The building needs to be renovated and fully remodeled before it can be successfully leased. There are no formal development proposals at this time although several local non-profit groups have expressed an interest in the building.

Property #3 (two parcels)

836 Guadalupe Street (next door and behind Royal Theatre)

Date of Acquisition and its value at the time; an estimate of current value.

These two parcels were purchased in one transaction in August 2001 at the same time the Royal Theatre was purchased. The purchase price was \$75,000 for both parcels. Commercial real estate values have been relatively flat during the economic slowdown as there are many empty storefronts on Guadalupe Street. The current value is unlikely to be significantly different from the historic value of \$75,000.

The purpose for which the property was acquired.

The property consists of two vacant lots, next door and behind the Agency-owned Royal Theatre. The Guadalupe Redevelopment Agency hoped to renovate the Royal Theatre. To use that building as a performing arts center would require the construction of a new entrance to the side to address ADA and safe exit issues and possible construction of dressing rooms to the rear. A potential on-site parking lot was also considered. Other possible uses of the space are for park benches, painted murals on the south-facing wall of the theatre, an open-air visitors' center, a farmers' market venue, etc. The overall intent was to revitalize the downtown business district.

Parcel data for each property, including address, lot size and current zoning.

The lot next door to the Royal Theatre is 836 Guadalupe Street. The Assessor's Parcel Number is 115-113-001. The property is 0.28 acres in size. The lot behind the Royal Theatre is also shown as 836 Guadalupe Street (same address). The Assessor's Parcel Number is 115-101-011. The property is 0.17 acres in size. Both properties are zoned General Commercial.

An estimate of the current value of the parcel, including any appraisal information, if available.

The Agency estimates the value of the two lots to be the same as on the purchase date – \$75,000.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

These vacant lots have never generated revenue for the Agency.

Any history of environmental contamination or remediation efforts.

These lots have no history of environmental contamination.

A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

The use of this property for expansion of the Royal Theatre would advance the planning objectives of the Successor Agency. It would be difficult to develop the two parcels separately from the Royal Theatre because they surround the Royal Theatre. They are part of a planned larger project that ties to the Royal Theatre. The downtown business district is not zoned to allow high-density residential or other types of transit-oriented development.

A brief history of the previous development proposals and activities, including the rental or lease of property.

The lots have been vacant since the Agency purchased them in 2001. There have been no development proposals or activities related to the rental or lease of the property.

Property #4:

879 Guadalupe Street (former Lantern Hotel)

Date of Acquisition and its value at the time; an estimate of current value.

The Guadalupe Redevelopment Agency purchased the property in 1993 for a purchase price of \$63,660. The Agency estimates the current value at \$750,000 based on an appraisal value which took place in February 2014.

The purpose for which the property was acquired.

This property was the original site of the historic Lantern Hotel, which burned down in 1983. The former Redevelopment Agency was inspired to purchase the property for future development. At the time of purchase, it was a dilapidated burnt-out shell of a building. The intent was to find a developer to renovate the property. An ideal project would include commercial space downstairs and apartments upstairs. Such a project was completed in 2007.

Parcel data for each property, including address, lot size and current zoning.

The property is located at 879 Guadalupe Street. The Assessor's Parcel Number is 115-092-012. The parcel is 7200 square feet and zoned General Commercial. The building has 9250 square feet of floor area on 2-1/2 floors.

An estimate of the current value of the parcel, including any appraisal information, if available.

The renovated property appraised at \$750,000 in February 2014.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

In 2004, the Guadalupe Redevelopment Agency loaned a developer \$1,360,000 to renovate the property. The improvement project was completed in 2007. The developer began repayment on the interest-bearing loan upon completion per contractual agreement, but then fell quickly behind. The Successor Agency continues to hold title to the property. Transfer of title to the developer did not take place because of collection issues. The current loan balance due is almost \$1,500,000 (with unpaid interest increasing the overall balance). The developer holds commercial and residential tenant leases. The three upstairs apartments are occupied. The downstairs commercial property is leased to a church.

Any history of environmental contamination or remediation efforts.

There is no history of environmental contamination.

A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

This specific site does not have strong potential for transit-oriented development. Although it is in the downtown area, the recently renovated three-story structure takes up most of the lot. The area is not zoned to allow high-density residential or other types of transit-oriented development.

A brief history of the previous development proposals and activities, including the rental or lease of property.

The Successor Agency does not believe there is potential for collecting the debt. That's because the appraised value of the property is less than the outstanding loan. Also, the loan is in the name of a Limited Liability Corporation (LLC) with no other assets, so the owners of the LLC can walk away from the debt with no personal consequence. The Agency is currently negotiating to retake possession of the property and serve as lessor to the tenants until the property can be sold to a private party and returned to the property tax rolls.

Property #5:

995 Guadalupe Street /4646 10th Street (One parcel/two lots)

Date of Acquisition and its value at the time; an estimate of current value.

This vacant commercial property was acquired by way of donation in August 2006 under an agreement accepted by the former Redevelopment Agency. The assessed value is \$54,591. The property appraised in November 2013 at \$85,000.

The purpose for which the property was acquired.

The Guadalupe Redevelopment Agency accepted the property as a donation. The site's location in the Downtown Business District created potential to revitalize the immediate area. Acquisition also fit into the plan to clean-up an environmentally contaminated site. The State Water Resources Control Board set aside \$1.5 million from its Cleanup of Underground Storage Tank (UST) Fund. Once remediation has taken place, the site could be used for future commercial development or as off-street parking for other properties in the area. That includes the American Legion Hall across 10th Street and the Dunes Center and Cultural Art Center nearby on Guadalupe Street. The Legion Hall is used for community events and houses the Guadalupe Historical Society Museum plus an Alcoholics Anonymous meeting room. The abandoned privately-owned Basque House is across the street at 998 Guadalupe Street. This is a former hotel and restaurant which could be renovated.

Parcel data for each property, including address, lot size and current zoning.

The property is a 0.42-acre vacant corner lot. The property is zoned General Commercial. The Assessor's Parcel Number is 115-071-001. At the front of the lot on Guadalupe Street is where the former Al's Union gas station was located. Other buildings at the rear of the lot, no longer there, used to face 10th Street.

An estimate of the current value of the parcel, including any appraisal information, if available.

The Agency estimates the current value is \$85,000 based on the property appraisal in November 2013. Once remediated, the property would be worth \$103,000 according to the same appraisal.

An estimate of any lease, rental, or other revenues generated by the property and a description of the contractual requirements for disposition of those revenues.

The Guadalupe Redevelopment Agency received the property in 2006 and has not generated any revenue from the property.

Any history of environmental contamination or remediation efforts.

There is a history of environmental contamination caused by a release of petroleum products from underground fuel tanks associated with the former Al's Union gas station. Remediation activity is underway. Tasks performed to date have included site assessment, waste profiling development of a corrective action plan, and semi-annual monitoring.

The former Redevelopment Agency expended a total of \$188,607 towards the cleanup costs through June 30, 2012. The UST fund has reimbursed the full amount expended through that date.

During fiscal year 2012-13, the State UST Fund allotted only \$15,000 for remediation. The remediation consultant has not yet billed the Successor Agency for the work performed during this period, but the total cost was approximately \$15,000.

The UST Fund approved \$20,000 for fiscal year 2013-14. That budget was only enough to place required wells on the site, but was not enough to install remediation equipment and implement the remediation process.

The environmental consultant estimates that the site contamination cleanup will require approximately two years of active remediation before it can be closed under the State's current Low-Threat Closure guidelines. The Successor Agency does not yet know when that project will be funded to the extent required to get active remediation activities going at the site. If Budget Change Orders are approved by the State, the environmental consultant estimates active remediation can be started sometime this fiscal year.

Vacant private property adjacent to the Successor Agency parcel is also contaminated and is also an eligible UST clean-up site. Because it is a larger site in land area, it is at a higher priority for clean-up with the State. The Successor Agency's environmental consultant is also the environmental consultant for the adjacent site and is trying to process work on both sites in tandem to reduce remediation costs on both sites and expedite clean-up on both sites.

A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

The Redevelopment Agency's Five Year Implementation Plan did not include transit-oriented activities as a goal for this property. The Agency's highest priority was clean up of the contamination. The location has been discussed as a potential parking lot. Commercial development is not automatically blocked by the presence of contamination, but is certainly

hampered by it. The area is not zoned to allow high-density residential or other types of transit-oriented development.

A brief history of the previous development proposals and activities, including the rental or lease of property.

As mentioned above, this site was acquired in 2006 under a donation agreement accepted by the Redevelopment Agency. Development activities and rental or lease agreements do not exist because the site is contaminated and under remediation.

USE OR DISPOSITION OF PROPERTIES

Section 34191.5 (c) (2) of the Health and Safety Code requires that Successor Agencies address the use or disposition of all properties in the Community Redevelopment Trust Fund. The properties can be retained for governmental use, retained for future development, sold or used to fulfill an enforceable obligation. The legislation goes on to state the following:

- *The plan should separately identify and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.*
- *Property intended to be used for a project identified in an approved redevelopment plan will be transferred to the host city or county.*
- *If the successor agency plans to liquidate the property or use the revenues from the property for any purpose other than fulfilling an enforceable obligation or for a contemplated redevelopment project, the proceeds from the sale shall be distributed as property tax to the taxing entities.*

As stated above, the Guadalupe Successor Agency wishes to utilize the five parcels as follows:

Property #1: 303 Obispo Street – Transfer to the City for Government Use

The Guadalupe Successor Agency wishes to transfer the property to the City for governmental use as permissible by Health and Safety Code 34191.5 (c) (2). The City currently uses the 1.75 acres at 303 Obispo Street for two purposes.

First, it serves as the City's only water treatment facility and our primary water storage facility. There is a 1.6 million gallon water tank on site, a water treatment building, a water well, and a booster pumping station. We pump water from the well and inject it with chlorine to make it safe to drink. We mix the chlorinated well water with chlorinated surface water arriving onsite from the Central Coast Water Authority (state water). The processed water is then stored in the 1.6 million gallon water tank on-site or in the 100,000-gallon elevated water tower on 10th Street before it flows through water lines to homes and businesses in Guadalupe.

Second, the 303 Obispo Street facility serves as the City's corporation yard. City public works vehicles, equipment and supplies are stored on site. That includes pick-up trucks, a street sweeper, lawn mowers and other motorized and non-motorized equipment. Most of the vehicles, equipment and supplies are stored outside, but the City also has rented "sea-train" containers to store items which must be kept out of the weather. The City would like to build a permanent garage and storage building on site for public works vehicles, equipment, and supplies.

Property # 2 and #3: 848 Guadalupe Street; 836 Guadalupe Street (Royal Theatre and neighboring parcels) – Retained by the Successor Agency this project is consistent with the Guadalupe Redevelopment five year Implementation plan and this property is intended to be used for the project identified in an approved Redevelopment Plan:

The Guadalupe Successor Agency wishes to transfer this property to the City for future development. As such, the City will enter into a compensation agreement with the taxing entities pursuant to Health & Safety Code 34180(f). Both properties have long been planned to be part of the rehabilitation of the Royal Performing Arts Center. Community discussions anticipated a new entrance, dressing room expansion, southside wall for the historic Judy Baca murals, open-air visitor center, farmer's market venue, and parking lot.

The Successor Agency would issue a Request for Proposal for a commercial development renovation project on the contiguous parcels. The proposals would need to conform to the General Plan and fit the Successor Agency's vision for the area. It is anticipated that the Successor Agency would seek a developer that is experienced with the renovation of historic arts and entertainment property.

Property # 4: "Former Lantern Hotel" - 879 Guadalupe Street – Sale of Property

The Guadalupe Successor Agency wishes to sell the property as permissible by Health & Safety Code 34191.5 (c) (2). The developer has defaulted on the loan. The Successor Agency is in the process of retaking possession of the property. The Successor Agency then hopes to sell the property to a private party. If successful, proceeds will be distributed to the County Auditor Controller for distribution to the taxing entities.

Property #5: "Former Al's Union" - 995 Guadalupe Street – Retained by Successor Agency and continue clean-up of the property; Sale of Property

The Guadalupe Successor Agency wishes to retain the property to fulfill environmental remediation and then sell the property as permissible by Health and Safety Code 34191.5 (c) (2). As discussed earlier, the lot is contaminated and under remediation. Development is not automatically blocked by the presence of contamination, but once remediated, the site has greater potential for development. The Successor Agency desires to continue the clean up with the intention to sell the property as soon as possible. If successful, proceeds will be distributed to the County Auditor Controller for distribution to the taxing entities.

Exhibit "B"

Specified Retained Properties for Transfer to City

1. LRPMP Property #1, 303 Obispo Street (Vacant lot)
2. LRPMP Property #2, 848 Guadalupe Street (Royal Theatre)
3. LRPMP Property #3, 836 Guadalupe Street (next door and behind Royal Theatre)