

**PLACER COUNTY
SUCCESSOR AGENCY
MEMORANDUM**

TO: Honorable Placer County Successor Agency Board
FROM: Allison Carlos, Successor Agency Officer Designee
DATE: August 20, 2013
SUBJECT: Receive a report on the long-range property management plan and authorize submission to the Placer County Oversight Board for approval

ACTION REQUESTED

Receive a report on the long-range property management plan required by the California Health & Safety Code, Section 34191.5, and authorize submission to the Placer County Oversight Board for approval.

BACKGROUND / SUMMARY

California Health & Safety Code Section 34191.5, subsections (b) and (c) outline the requirements for a long-range property management plan (Plan) prepared by a Successor Agency. The primary purpose of the Plan is to "address the disposition and use of real properties of the former redevelopment agency". This Plan must be prepared and submitted for approval by the Oversight Board and California Department of Finance (DOF) within six months following the DOF approval of a finding of completion. Placer County Successor Agency (Agency) received a finding of completion last March and must provide this Plan to the DOF by mid-September.

As identified in statute, examples of elements to be included in the Plan are: (1) inventory of all assets with acquisition dates, parcel location, history of environmental contamination, and the potential for transit-oriented development; and (2) address the permissible use or disposition of properties, which can include sale, use of the property to fulfill an enforceable obligation, retention of property for governmental use or retention of the property for future development.

Your Board received a report on the properties held by the Agency on July 10, 2012. Twenty-two parcels were identified, all located within the North Lake Tahoe Kings Beach community. All parcels have been included in the Plan, plus sixteen additional parcels in Kings Beach that may shortly fall under ownership of the Agency.

PROPERTIES

A. A number of sites are conducive to development that will promote mixed-use and catalyze urban renewal in the Kings Beach area within proximity to transportation systems.

Sixteen parcels under current ownership of the Successor Agency planned for sale for future development:

Everett – Four parcels on the south side of North Lake Blvd purchased in 2009 for commercial and residential development within the Kings Beach downtown area with proximity to transportation.

Eastern Gateway – Ten parcels of vacant land south of North Lake Blvd purchased between 2006 and 2008 for commercial and residential development near transportation. Portions of this site are under the oversight of the Lahontan Regional Water Quality Control Board for cleanup of contaminated soil and groundwater. Soil removal is occurring and the properties will be marketed for sale following remediation efforts.

Swiss Mart – Two parcels on the northwest side of North Lake Blvd on the corner of Chipmunk Street purchased in 2006 for commercial development. This site was formerly a gasoline service station under the oversight of the Lahontan Regional Water Quality Control Board for cleanup of contaminated soil and groundwater.

Other properties in which the Agency has a security interest:

Kings Beach Town Center – Sixteen parcels on the northwest side of North Lake Blvd, west of Fox street, and south of Salmon street with prior development plans for a mixed use project. Unlike all other properties contained in the Plan, the Agency does not currently own these parcels. However, since 2010, the Agency has held four promissory notes which are currently in default and which are secured by the property. These parcels are included in the Plan as separate actions by the Agency could result in ownership by the Agency within the next few months.

B. Four additional sites containing six parcels owned by the Agency are identified for governmental use as public parking lots. These parking lots do not generate revenue; they are required mitigation under the California Environmental Quality Act to offset the loss of public street parking in the commercial district resulting from construction of the Kings Beach Commercial Core Improvement Project.

Minnow Avenue - Three parcels purchased in 2005 containing 20 public parking spaces south of Minnow Avenue and north of North Lake Blvd.

Brook Street – One parcel purchased in 2003 containing 20 public parking spaces on the north side of Brook Avenue and one block from Lake Tahoe.

Salmon Street – One undeveloped parcel purchased in 2005, to be developed with the Kings Beach Commercial Core Improvement Project (KBCCIP).

Deer Street/Rainbow Avenue – One undeveloped parcel purchased in 2007 on the south side of Rainbow Avenue, two blocks north of North Lake Blvd, also to be constructed with KBCCIP.

C. Quart Ridge – A site comprised of three parcels located at 360 Silver Bend Way, Auburn, CA is the subject of a Disposition and Development Agreement (DDA) executed by the former Redevelopment Agency and Quartz Ridge Family Apartments, L.P. The DDA provides for conveyance of the property to the Developer for development of affordable housing. Conveyance of the property is consistent with the Redevelopment Plan, the Implementation Plan adopted in connection with the Redevelopment Plan.

CONCLUSION

While the Dissolution Act originally provided that the Successor Agency was required to dispose of assets and properties expeditiously and in a manner aimed to maximize value, under AB 1484, Agencies may retain property pending disposition for development consistent with redevelopment and community plans. Staff suggests that the Plan as proposed, if approved by the DOF and well executed, would lead to compliance with statute and will facilitate project development as contemplated by the County and community, and will result in sale proceeds and property tax revenue increases to the taxing entities.

ENVIRONMENTAL STATUS: This is an administrative action, does not constitute a project, and is exempt from environmental review per the California Environmental Quality Act Guidelines Section 15378(b)(5).

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FISCAL IMPACT: This action has no fiscal impact as contemplated and would not result in an encumbrance of Successor Agency or County General funds.

Attachments:
Long Range Property Management Plan

cc: David Boesch, Successor Agency Officer
Susan Bloch, Placer County Successor Agency Counsel

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Placer County Successor Agency
Long-Range Property Management Plan - August 2013

	Everett	Eastern Gateway	Swiss Mart	Minnow Avenue Parking Lot	Brook Street Parking Lot	Salmon Street Parking Lot	Deer Street Parking Lot	Kings Beach Town Center	Quartz Ridge - Affordable Housing
Property Description/address	8716 & 8720 N. Lake Blvd and 8717 & 8723 Brockway Vista Ave., Kings Beach	8796-8798 North Lake Blvd., Kings Beach	8793 & 8797 N. Lake Blvd, Kings Beach	South side of Minnow Avenue, 250+/- ft west of Chipmunk Street, Kings Beach	North side of Brook Avenue 100+/- ft east of Bear Street, Kings Beach	North side of Salmon Avenue, 275+/- ft east of Coon Street, Kings Beach	South side of Rainbow Avenue, north side of Trout Avenue, 50+/- ft East of Deer Street, Kings Beach	North side of North Lake Blvd, west of Fox St., south of Salmon St., in Kings Beach	360 Silver Bend Way, Auburn,
Permissible Use	Mixed use - commercial/retail/residential	Mixed use - commercial/retail/residential	Commercial	Governmental use with no revenue generation	Mixed use - commercial/retail/residential	Residential			
Date of Acquisition	9/14/2009	2/20/2006- 11/26/2008	11/7/2006	3/31/2005	9/02/2003	8/07/2005	10/19/2007	Not applicable; Successor Agency holds promissory notes in default.	3/23/2009
Value of Property at Acquisition	\$1,834,000	\$3,298,000	\$520,000	\$480,000	\$285,000	\$495,000	\$510,000	Not applicable	\$816,614
Purpose Acquired	Promote mixed use of residential and commercial projects; catalyzing urban renewal proximate to transportation and reduction of blight	Promote mixed use of residential and commercial projects; catalyzing urban renewal proximate to transportation and reduction of blight	Promote mixed use of residential and commercial projects; catalyzing urban renewal proximate to transportation and reduction of blight	This public parking lot offsets loss of on street public parking in the commercial district associated with the Kings Beach Commercial Core Improvement Project. This parking lot supports revitalization of the downtown area and improves traffic flow and safety.	This public parking lot offsets loss of on street public parking in the commercial district associated with the Kings Beach Commercial Core Improvement Project. This parking lot supports revitalization of the downtown area and improves traffic flow and safety.	This public parking lot offsets loss of on street public parking in the commercial district associated with the Kings Beach Commercial Core Improvement Project. This parking lot supports revitalization of the downtown area and improves traffic flow and safety.	This public parking lot offsets loss of on street public parking in the commercial district associated with the Kings Beach Commercial Core Improvement Project. This parking lot supports revitalization of the downtown area and improves traffic flow and safety.	Promote mixed use of residential and commercial projects catalyzing urban renewal proximate to transportation and reduction of blight	Convey for the development of affordable housing consistent with the North Auburn Implementation Plan
Assessor Parcel Number and Lot Size (sf)	090-142-001 090-142-002 090-142-029 090-142011 Vacant Commercial - 20,192 Vacant Residential - 26,280	090-221-012 090-221-013 090-221-014 090-221-018 090-221-020 090-221-021 090-221-026 090-221-027 090-370-005 090-370-006 Vacant Commercial - 64,848 Vacant Residential - 4,719	090-192-041 090-192-055 9,187	090-190-058 090-190-059 090-190-060 9662	090-122-019 12,706	090-126-020 12,500	090-074-025 21,875	090-133-003 090-133-005 090-133-006 090-133-007 090-133-008 090-133-009 090-133-010 090-133-011 090-133-015 090-133-016 090-133-018 090-126-021 090-126-022 090-126-024 090-126-039 090-126-040 153,068	054-171-031 054-171-032, 054-171-035-038 267,676
Zone	Commercial and Residential	Commercial and Residential	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial and Residential	Affordable Housing
Estimated Current Value of Parcel	\$ 975,000	\$1,500,000 *does not include potential deductions for environmental contamination.	\$440,000 *does not include potential deductions for environmental contamination.	\$ 130,000.00	\$ 170,000	\$ 350,000	\$ 360,000	\$4.2M	\$1.2M
Appraisal Information Available	No current appraisal	No current appraisal	No current appraisal	No current appraisal	No current appraisal	No current appraisal	No current appraisal	No current appraisal	No current appraisal
Estimate of Revenues generated by property	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	To be determined	\$0.00

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	Everett	Eastern Gateway	Swiss Mart	Minnow Avenue Parking Lot	Brook Street Parking Lot	Salmon Street Parking Lot	Deer Street Parking Lot	Kings Beach Town Center	Quartz Ridge - Affordable Housing
Contractual Requirements for Disposition of Funds	None	This site is under oversight by Lahontan Regional Water Quality Control Board for clean up of contaminated soil and groundwater.	A Tolling Agreement was entered into with State of California Water Resources Control Board which requires the Agency or its successors or assigns to reimburse the State \$40,237 upon transfer of the site to a third party.	None	None	None	None	Successor Agency holds promissory note for a forgivable pre-development loan	Successor housing entity holds promissory note for a forgivable pre-development loan
Environmental History	To the best of staff knowledge, there is no known contamination	Property under oversight by the Lahontan Regional Water Quality Control Board for clean up of contaminated soil and groundwater	Property under oversight by the Lahontan Regional Water Quality Control Board for clean up of contaminated soil and groundwater	To the best of staff knowledge, there is no known contamination	To the best of staff knowledge, there is no known contamination	To the best of staff knowledge, there is no known contamination	A letter of no further action regarding underground storage tank use was received from Lahontan Regional Water Quality Control Board in 2008. One monitoring well remains remains on site.	To best of staff knowledge, there is no known contamination	To best of staff knowledge, there is no known contamination
Potential for Transit Oriented Development	The site is located in the Kings Beach downtown business district and is proximate to transit stops operated by the Tahoe Regional Transit Agency along Hwy 28	The site is located in the Kings Beach downtown business district and is proximate to transit stops operated by the Tahoe Regional Transit Agency along Hwy 28	The site is located in the Kings Beach downtown business district and is proximate to transit stops operated by the Tahoe Regional Transit Agency along Hwy 28	The site is located in the Kings Beach downtown business district and is proximate to transit stops operated by the Tahoe Regional Transit Agency along Hwy 28	The site is located in the Kings Beach downtown business district and is proximate to transit stops operated by the Tahoe Regional Transit Agency along Hwy 28	The site is located in the Kings Beach downtown business district and is proximate to transit stops operated by the Tahoe Regional Transit Agency along Hwy 28	The site is located in the Kings Beach downtown business district and is proximate to transit stops operated by the Tahoe Regional Transit Agency along Hwy 28	The site is located in the Kings Beach downtown business district and is proximate to transit stops operated by the Tahoe Regional Transit Agency along Hwy 28	This site is located in North Auburn and is proximate to transit stops operated by Placer Transit Agency along Lincoln Way
History of Previous Development Proposals	The former Redevelopment Agency issued a request for proposals to develop the site in 2010 however received no responses. The former RDA entered into a contract with Gary Davis Group to design a mixed use building prior to the dissolution of the RDA, the contract was terminated upon dissolution of the RDA by the California Legislature.	The former Redevelopment Agency issued a request for proposals to develop the site in 2010. Mountain Smarts, LLC was selected to develop the site into a mixed-use development. The former RDA and Mountain Smarts, LLC entered into an Exclusive Negotiating Rights Agreement October 25, 2011.	Mountain Smarts, LLC submitted a request to enter into an Exclusive Negotiating Rights Agreement with the former Redevelopment Agency in 2011. The request was put on hold due to the dissolution of the Redevelopment Agency.	Public parking lot	Public parking lot	Public parking lot	Public parking lot	The parcels were purchased by a private party in 2006. Subsequently, the former Redevelopment Agency purchased the bank notes. The property owner communicated July 2013 to the Successor Agency that he will not proceed with notes repayment or a project. The Successor Agency is proceeding with actions that may result in ownership of the property within the next few months.	The property was acquired March 23, 2009 from an affordable housing developer after they defaulted on their loans to the redevelopment agency. A RFP for the site was issued and a new developer was selected to construct affordable housing on the undeveloped property.
Planned Disposition	Retain pending disposition for development consistent with redevelopment and community plans; upon conveyance, net proceeds will be distributed to taxing entities in proportion to each entity's share of the tax base.	Retain pending disposition for development consistent with redevelopment and community plans; upon conveyance, net proceeds will be distributed to taxing entities in proportion to each entity's share of the tax base.	Retain pending disposition for development consistent with redevelopment and community plans; upon conveyance, net proceeds will be distributed to taxing entities in proportion to each entity's share of the tax base.	Retain to mitigate for the loss of public on street parking due to the Kings Beach Commercial Core Improvement Project.	Retain to mitigate for the loss of public on street parking with the Kings Beach Commercial Core Improvement Project.	Retain to mitigate for the loss of public on street parking with the Kings Beach Commercial Core Improvement Project.	Retain to mitigate for the loss of public on street parking with the Kings Beach Commercial Core Improvement Project.	If the Successor Agency obtains ownership, the properties will be retained pending disposition for development consistent with redevelopment and community plans; upon repayment of promissory notes, appropriate funds will be distributed to taxing entities in proportion to each entity's share of the tax base.	Convey to the affordable housing developer pursuant to enforceable obligation for development consistent with redevelopment and the North Auburn Implementation Plan.

