

# **COUNTY OF PLACER**

County Administrative Center 175 Fulweiler Avenue Auburn, CA 95603

# **Oversight Board**

of the Successor Agency of the former Placer County Redevelopment Agency

April 22, 2013 9:30 A.M. Kings Beach, California

North Tahoe Event Center, 8318 North Lake Blvd., Kings Beach, CA

#### Members of the Board:

Jennifer Montgomery, Placer County Board of Supervisors, Chair
Ron McIntyre, Public Member appointed by County Board of Supervisors
Gerald Johnson, appointed by Superintendent of Board of Education
Dr. Ronald Feist, Public Member appointed by Superintendent of Board of Education
Chris Yatooma, appointed by California Community College Chancellor
Lane Lewis, appointed by North Tahoe Public Utility District
Thomas Hart, former Redevelopment Agency Employee appointed by County Board of Supervisors

#### **AGENDA**

- 1. Call to Order
- 2. Pledge of Allegiance
- 3. Public Comments

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the items come up for Board consideration. Any person addressing the Board will be limited to a maximum of three (3) minutes so that all interested parties have an opportunity to speak. Comments from the audience WITHOUT coming to the podium will be disregarded or ruled out of order. Please state your name and address for the record.

4. Designation of the Placer County Executive Officer, or designee, as the Placer County Successor Agency Officer pursuant to the Dissolution Act.

#### **Action Item**

Under the Dissolution Act the Placer County Oversight Board must designate an official responsible for communication with the Department of Finance and the implementation of winding down the affairs of the former Placer County Redevelopment Agency.

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April 22, 2013

5. Approval to enter into a remediation contract for contaminated soil removal on property located in Kings Beach in the amount of \$265,000.

#### **Action Item**

Under the Dissolution Act the Placer County Oversight Board must authorize the execution of any new obligation required to conduct the work of winding down the former Placer County Redevelopment Agency work program.

6. Granting of an underground easement in Kings Beach to Placer County for the just compensation of \$25,000.

#### **Action Item**

Grant a right-of-way underground drainage easement to Placer County located on property obtained by the former Placer County Redevelopment Agency for the just compensation of \$25,000 to be returned to the Placer County taxing entities.

7. Receive an update and consider steps relating to financial notes for the B.B., LLC properties.

#### **Information Only**

Pursuant to the Oversight Board's request, staff is returning with an update on the status of the financial condition of B.B., LLC's notes.

#### 8. Close.

Future items and meetings.

The above actions of the Oversight Board (Board) shall not become effective for five (5) business days, pending any request by the Department of Finance (DoF). If DoF requests review of the above Board actions, it will have forty (40) days from the date of its request to approve the Board action or return if to the Board for reconsideration and action. If action is taken by the Oversight Board, action will not be effective until approved by DoF.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the Clerk of the Board's office at 175 Fulweiler Avenue, Auburn, CA during normal business hours. Placer County is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you are hearing impaired, we have listening devices available. If you have a disability and need a disability-related modification or accommodation to participate in the meeting, please contact the Clerk of the Board's office at (530) 889-4000. Contact the Clerk of your needs at least 24 hours prior to the meeting. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Clerk five (5) business days prior to the scheduled meeting for which you are requesting accommodation. Request received after such time will be accommodated on if time permits.

Designation of Placer County Executive
Officer, or designee, as the Placer County
Successor Agency Officer pursuant to the
Dissolution Act

#### PLACER COUNTY

#### OVERSIGHT BOARD

#### **MEMORANDUM**

**TO:** Honorable Members of the Oversight Board

**FROM:** Rae James, Director **DATE:** April 22, 2013

**SUBJECT:** Designation of the County Executive Officer, or designee, as Placer County Successor

Agency Officer pursuant to the Dissolution Act

#### **ISSUE**

On June 27, 2012 the Assembly Bill 1484 was signed into law (the "Dissolution Act"). Under the Dissolution Act the Placer County Oversight Board must designate an official responsible for communication with the Department of Finance and the implementation of winding down the affairs of the former Placer County Redevelopment Agency ("RDA").

#### **BACKGROUND**

On June 27, 2012, the Assembly Bill 1484 was signed into law (the "Dissolution Act"). The Dissolution Act transferred all former redevelopment agency assets, property, staff, contracts, records, and leases to a "successor agency".

Pursuant to Health & Safety Code Sections 34179(10)(h) and (n) your Oversight Board is to designate an official to conduct the process of winding down the RDA and to function as the primary contact with the Department of Finance and other state offices as needed to proceed with dissolution.

Over time, the Successor Agency will undertake the wind down of all former RDA activities and disposing of its assets. In accordance with the Dissolution Act, the RDA work program has been discontinued. The Oversight Board has already approved a disposition and retention program for all the former RDA properties. It is anticipated that all remaining assets will be disposed of in a manner that maximizes the revenue to be distributed to the County's taxing entities. The Successor Agency Officer will oversee the necessary activities and contracts required to conduct dissolution of the RDA. On March 12, 2013 the Placer County Board of Supervisors approved the Placer County Executive Officer, or designee, to act as the Placer County Successor Agency Officer.

#### **ACTION REQUESTED**

cc:

Adopt a resolution declaring that the Placer County Executive Officer, or designee, is the Placer County Successor Agency Officer pursuant to Health & Safety Code Section 34179(10)(h).

Susan Bloch, Placer County Successor Agency Counsel

# Before the Oversight Board to the Placer County Successor Agency County of Placer, State of California

In t	he	matter	of:
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Declaring that the Placer County Executive Officer, or designee, is the Placer County Successor Agency Officer pursuant to Health & Safety Code Sections 34179(h) stating each county Oversight Board must designate an official responsible for communication with the Department of Finance and responsible for proceeding with the wind down of the former Placer County Redevelopment Agency.

Reso. No	
Ord. No:	
First Reading: _	

The following Resolution was duly passed	by the Oversight Board
for the County of Placer at a regular meeting hel	ld
by the following vote on roll call:	
Ayes:	
Noes:	
Absent:	
Signed and approved by me after its passage.	
Attest: Clerk of said Board	Chair, Agency Board

WHEREAS, Health & Safety Code Section 34179(h) require that each county Oversight Board must designate an official responsible for communication with the Department of Finance and responsible for proceeding with the wind down of the affairs of the former Placer County Redevelopment Agency; and,

WHEREAS, the Placer County Executive Officer, or designee, meets the criteria and serves the purpose required under the Health & Safety Code Section and 34179(h);

NOW, THEREFORE, BE IT RESOLVED that the Placer County Executive Officer, or designee, is the Placer County Successor Agency Officer pursuant to Health & Safety Code Section 34179(h) stating each county Oversight Board must designate an official responsible for communication with the Department of Finance and responsible for proceeding with the wind down of the former Placer County Redevelopment Agency.

Approval to enter into a remediation contract for contaminated soil removal on property located in Kings Beach in the amount of \$265,000.

#### PLACER COUNTY

#### OVERSIGHT BOARD

#### **MEMORANDUM**

**TO:** Honorable Members of the Oversight Board **FROM:** Allison Carlos, Principal Management Analyst

**DATE:** April 22, 2013

SUBJECT: Approval to enter into a Contaminated Soil Removal Contract in an amount not to exceed

\$265,000 on property located at 8784 North Lake Boulevard in Kings Beach

#### **PURPOSE**

Approve a Contaminated Soil Removal Contract for 8784 North Lake Boulevard in Kings Beach for an amount not to exceed \$265,000.

#### **ISSUE**

The former Placer County Redevelopment Agency (RDA) purchased property located at 8784 North Lake Boulevard, Kings Beach in 2007. The property was formerly developed as a Chevron gasoline service station and was known to be a contaminated soil site. RDA initiated remediation activities yet there are still tasks that are required by Lahontan Regional Water Quality Control Board (Lahontan) to address remaining contamination. Your Board has directed Successor Agency staff to pursue clean up of the site prior to putting it on the market to sell, in order to maximize the value of the land and the proceeds to be returned to the taxing entities.

#### **BACKGROUND**

The site in question was historically developed as a Chevron gasoline service station. A Corrective Action Plan (CAP) which details the required engineering work to clean and monitor the site, was prepared and submitted to Lahontan for approval.

Previous remediation at the property consisted of underground storage tank removal performed by Chevron in 1974, removal of a waste oil underground storage tank, limited soil excavation by Environmental Control Associates in 2005, and removal of approximately 1,500 cubic yards of contaminated soil in the fall of 2011 by the RDA. Additional remediation is required by Lahontan to address remaining contamination.

The total cost to complete site clean-up as specified in the CAP is estimated to be \$705,000, with soil remediation construction costs estimated at approximately \$264,700.

Pursuant to Health & Safety Code Section 34173(f) relative to implementing activities specified under the Polanco Act, the Placer County Department of Public Works (DPW) has agreed to oversee the soil remediation effort. DPW will prepare and manage a formal bid process leading to a soil removal contract for work to be completed this summer. Health & Safety Code Section 34171(d)(1)(F) includes within the definition of "enforceable obligation" costs of maintaining assets prior to disposition. In addition, pursuant to Health & Safety Code Section 34177.3(b) your Board may approve the execution of a new contract which is necessary to conduct the work of winding down the

former RDA. Upon approval, this contract will be listed as an enforceable obligation on the Recognized Obligation Payment Schedule (ROPS).

# **ACTION REQUESTED**

Adopt a resolution pursuant to Health & Safety Code Section 34177.3 (b) authorizing the execution of a contract to remove contaminated soil on property located at 8784 North Lake Boulevard in Kings Beach for an amount not to exceed \$265,000.

Attachment: Resolution

cc: Susan Bloch, Placer County Successor Agency Counsel

# Before the Oversight Board to the Placer County Successor Agency County of Placer, State of California

In the matter of:	
Adopting a resolution pursuant to Health & Safety C	
(b) authorizing the execution of a contract to remove soil on property located at 8784 North Lake Boulev	( ) nd No.
Beach for an amount not to exceed \$265,000.	First Reading:
The following Resolution was duly passed by	the Oversight Board
for the County of Placer at a regular meeting held_	
by the following vote on roll call:	
Ayes:	
Noes:	
Absent:	
Signed and approved by me after its passage.	
Attest: Clerk of said Board	Chair, Agency Board

WHEREAS, Health & Safety Code 34177.3(b) allows the Oversight Board to authorize the Placer County Successor Agency to create enforceable obligations to conduct the work of winding down the former Placer County Redevelopment Agency (RDA);

WHEREAS, contaminated soil on property located at 8784 North Lake Boulevard in Kings Beach, purchased by the former RDA under the Polanco Act, requires removal; and

WHEREAS, the Placer County Oversight Board has previously resolved that, in order to maximize the proceeds returned to the taxing entities, this property be cleaned prior to sale;

NOW, THEREFORE, BE IT RESOLVED that in accordance with Health & Safety Code Section 34177.3(b), the Placer County Oversight Board authorizes the execution of a contract to remove contaminated soil on property located at 8784 North Lake Boulevard in Kings Beach for an amount not to exceed \$265,000.

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Granting of an underground easement in Kings Beach to Placer County for the just compensation of \$25,000.

#### PLACER COUNTY

#### OVERSIGHT BOARD

#### **MEMORANDUM**

**TO:** Honorable Members of the Oversight Board **FROM:** Allison Carlos, Principal Management Analyst

**DATE:** April 22, 2013

**SUBJECT:** Request to Grant an Underground Drainage Easement on Assessor Parcel Number (APN)

090-370-005 in Kings Beach to Placer County

#### **PURPOSE**

Grant an underground drainage easement on Assessor's Parcel Number 090-370-005 in Kings Beach to Placer County for \$25,000, to be distributed to the affected Placer County taxing entities.

#### **ISSUE**

The Kings Beach Commercial Core Improvement Project (Kings Beach CCIP) is proposing to construct curb, gutter, sidewalk, water quality improvements, and other pedestrian enhancements to revitalize the commercial corridor on Highway 28 from Highway 267 to Chipmunk Street. An underground drainage easement located on property purchased by the former Redevelopment Agency (APN: 090-370-005) is critical to the proposed Lower Chipmunk Clean Water Pipe Project as part of the Kings Beach CCIP.

#### **BACKGROUND**

Placer County is in the process of constructing public improvements to Highway 28, the main commercial corridor through Kings Beach. This is a heavily-travelled, two-lane roadway slated for improvements such as sidewalk installations and pedestrian crossings.. The proposed Lower Chipmunk Clean Water Pipe Project involves the continuation of a storm drainage pipe from the south side of Highway 28 to Lake Tahoe. The storm drainage pipe is considered a "clean water pipe" as the system only conveys treated storm water runoff, or runoff that has passed through a treatment facility. These facilities are located in three basins: one basin is the Chipmunk basin located north of the intersection of Chipmunk and Salmon, the second basin is the treatment basin located at the intersection of Highway 28 and Chipmunk (north side of Highway 28), and the third basin is the Caltrans basin located on the east side of lower Chipmunk (south of Highway 28).

The project will include the installation of an underground storm drainage pipe, storm drainage manholes, drainage inlets, porous pavement, sediment vaults, advanced filter vaults, and a flared end section/rock dissipater at the outfall to the Lake located on APN 090-370-005 at the southwest corner of Highway 28 and Chipmunk Street.

An independent appraisal was ordered that indicated just compensation for the easement to be \$25,000. In accordance with the Dissolution Act, said compensation will be distributed to the taxing entities that share in the former Kings Beach redevelopment project area tax base according to the standard property tax distribution allocation.

## **ACTION REQUESTED**

Adopt a resolution pursuant to Health & Safety Code 34180(h) authorizing the Successor Agency to execute a Stormwater Drainage Easement Agreement with Placer County pursuant to which the Successor Agency would grant an easement for underground drainage on Assessor Parcel Number 090-370-005 to Placer County for just compensation in the amount of \$25,000.

Attachments: 1) Easement Agreement 2) Appraisal Summary

cc: Susan Bloch, Placer County Successor Agency Counsel

# Before the Oversight Board to the Placer County Successor Agency County of Placer, State of California

In the matter of:	
Adopting a resolution authorizing the Successor Agenc	ey to execute Reso. No
a Stormwater Drainage Easement Agreement with Pland to grant an easement for underground drainage	' Ind No.
Parcel Number 090-370-005 to Placer County compensation in the amount of \$25,000	
The following Resolution was duly passed by	the Oversight Board
for the County of Placer at a regular meeting held_	
by the following vote on roll call:	
Ayes:	
Noes:	
Absent:	
Signed and approved by me after its passage.	
Attest: Clerk of said Board	Chair, Agency Board

WHEREAS, pursuant to Health & Safety Code 34180(h), the Oversight Board may authorize the Placer County Successor Agency to enter into agreements with Placer County;

WHEREAS, Placer County must complete Highway 28 public roadway improvements (the "Kings Beach CCIP") to satisfy health and safety concerns and mitigation measures required by the Environmental Impact Report-Environmental Impact Statement (EIR-EIS), CA State Clearinghouse No. 2002112087;

WHEREAS, to implement the Kings Beach CCIP, the County requires a stormwater drainage easement (the "Easement") on Assessor's Parcel Number 090-370-005 in the area identified in the proposed Stormwater Drainage Easement Agreement (the "Easement Agreement");

WHEREAS, an appraisal has determined just compensation for the Easement to be \$25,000; and

WHEREAS, the compensation received by the Successor Agency will be distributed to the affected taxing entities that share in the tax base in the former Kings Beach redevelopment project area;

NOW, THEREFORE, BE IT RESOLVED that the Placer County Oversight Board adopt a resolution pursuant to Health & Safety Code 34180(h) authorizing the Successor Agency to execute the Easement Agreement substantially in the form presented to the Oversight Board, and to grant the Easement to Placer County for just compensation in the amount of \$25,000.

Recording Requested by and when Recorded, return to:

Placer County Department of Public Works

Auburn, CA 95604

Attn: Design/Construction Division

EXEMPT FROM RECORDING FEES PER GOVERNMENT CODE §§6103, 27383

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(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

#### STORMWATER DRAINAGE EASEMENT AGREEMENT

This Stormwater Di	rainage Easement Agreement (this "Easement Agreement")
dated as of	, 2013, is executed by and between the Successor
Agency to the Placer Cou	nty Redevelopment Agency ("Grantor") and the County of
Placer, a political subdivis	ion of the State of California ("County"). The Grantor and
the County are hereafter r	eferred to collectively as the "Parties."

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. <u>Grant of Easement.</u> Grantor is the fee owner of that certain real property located within the unincorporated area of Placer County, California known as Placer County Assessor's Parcel No. 090-370-005 (the "**Property**"). Grantor hereby grants to County a permanent nonexclusive subsurface storm drain easement under the Property in the area described in <u>Exhibit A</u> attached hereto and depicted in <u>Exhibit B</u> attached hereto (the "**Easement Area**") for the purpose of installing and maintaining a gravity flow or pressure pipe for stormwater drainage purposes, and for no other purpose.
- 2. <u>Consideration.</u> In consideration for the easement granted hereby (the "**Easement**"), County shall pay to Grantor the sum of Twenty-Five Thousand Dollars (\$25,000). County shall be responsible for payment of all escrow and recording fees, if any, and for the cost of any policy of title insurance County elects to obtain in connection with this Easement Agreement.
- 3. Character of Easements; Successors in Interest.
- (a) The Easement is expressly for the benefit of the County, and its successors in interest, and shall be binding upon Grantor and its successors in interest.
- (b) Grantor hereby subjects the Property to the covenants, conditions and restrictions set forth in this Easement Agreement. The Parties hereby declare their express intent that all such covenants, conditions and restrictions shall be deemed covenants running with the land and shall pass to and be binding upon Grantor and its successors and assigns. Each and every contract, deed or other instrument hereafter

executed applicable to or conveying the Property or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, conditions and restrictions, regardless of whether or not such covenants, conditions and restrictions are set forth in such contract, deed or other instrument.

- (c) This Easement Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors, and assigns, as applicable, of each of the Parties. Whenever a reference in this Easement Agreement is made to Grantor or to County, such reference shall be deemed to also mean a reference to the successors in interest of each such Party (or Parties), as applicable, as if in every case so expressed.
- 4. <u>Maintenance.</u> Grantee shall, at Grantee's sole expense without reimbursement, be solely responsible for the cost to maintain the Easement Area and for the cost to install and maintain any equipment County installs therein.
- 5. <u>Indemnity</u>. Grantee shall indemnify, defend and hold harmless Grantor (and its successors and assigns) from and against any and all claims, demands, liabilities, actions, suits, legal or administrative proceedings, penalties, deficiencies, fines, damages, judgments, losses, costs and expenses (including reasonable attorneys' fees and expenses) arising from or related to Grantee's or Grantee's agents, employees, or contractors maintenance or use of the Easement Area including, but not limited to, any damage to property or injury to or death of any person, except to the extent the same are caused by Grantor's or Grantor's agents, employees, or contractors gross negligence or willful misconduct.

#### 6. Miscellaneous.

**Grantor:** 

6.1 <u>Notices</u>. All notices to be sent pursuant to this Easement Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

# Successor Agency to the Placer County Redevelopment Agency Attention: Grantee:

County of	Placer		
Attention:			

- 6.2 <u>Authority</u>. Each person executing this Easement Agreement on behalf of a Party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind.
- 6.3 <u>Recordation</u>. Following execution by all Parties, this Easement Agreement shall be recorded in the Official Records of Placer County.
- 6.4 <u>Governing Law; Venue.</u> This Easement Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Any action to enforce or interpret this Easement Agreement shall be filed in the Superior Court of Placer County, California or in the Federal District Court for the Eastern District of California.
- 6.5 <u>No Waiver</u>. No waiver of, acquiescence in or consent to any breach of any term, covenant or condition hereof shall be construed as, or constitute a waiver of, acquiescence in, or consent to, any other, further or succeeding breach of the same or any other term, covenant or condition.
- 6.6 <u>Further Assurances</u>. The Parties agree to execute, acknowledge and deliver to the other such other documents and instruments, and to undertake such other actions, as either shall reasonably request as may be necessary to carry out the intent of this Easement Agreement.
- 6.7 <u>Severability</u>. If any term, provision, covenant or condition contained in this Easement Agreement or its application to any party or circumstances is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Easement Agreement or the application of the term, provision, covenant or condition to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall continue in full force and effect.
- 6.8 <u>Amendments</u>. This Easement Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed and acknowledged by the Parties, and recorded in the Official Records of Placer County.
- 6.9 <u>Captions; Construction.</u> The section headings used in this Easement Agreement are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. The Parties acknowledge that this Easement Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Easement Agreement, this Easement Agreement shall

not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

- 6.10 <u>Entire Agreement</u>. This Easement Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and all prior negotiations, documents and discussions with respect thereto are hereby superseded.
- 6.11 <u>Counterparts</u>. This Easement Agreement may be executed in counterparts, each of which shall be an original, and all of which taken together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Parties have executed this Stormwater Drainage Easement Agreement of the date first set forth above.

#### **GRANTOR:**

SUCCESSOR AGENCY TO THE PLACER C	OUNTY REDEVELOPMENT AGENCY
Ву:	
Name:	
Title:	
Approved as to form:	
By: Successor Agency Counsel	
GRANTEE:	
COUNTY OF PLACER	
By:	
Name:	
Title:	
Approved as to form:	

**County Counsel** 

### **CERTIFICATE OF ACCEPTANCE**

executed by the Successor Agen ("Grantor") to the County of Plac ("Grantee"), is hereby accepted pursuant to authority conferred by Supervisors of the County of Place.	n real property conveyed by the Stormwater Drainage, 2013 (the "Easement Agreement"), cy to the Placer County Redevelopment Agency er, a political subdivision of the State of California on behalf of the Grantee by its y Resolution No, adopted by the Board of cer on, 2013, and that the Grantee sement Agreement by its duly authorized officer.
Dated, 20	By:  Print Name:  Title:
ATTEST:	
By: County Clerk	
APPROVED AS TO FORM:	
By:County Counsel	

# STATE OF CALIFORNIA)

# COUNTY OF PLACER)

On	, 20	_, before me,		, (here insert name
and title of the of	ficer), per	rsonally appeared		, (here insert name , who
proved to me on is/are subscribed executed the sar	tne basis I to the wi ne in his/I he instrun	or satisfactory evi ithin instrument an her/their authorize nent the person(s)	idence to be the pe id acknowledged to d capacity(ies), and	erson(s) whose name(s) o me that he/she/they d that by his/her/their behalf of which the
I certify under PE foregoing paragr			er the laws of the S	State of California that the
WITNESS my ha	and and o	fficial seal.		
Signature			(Seal)	
STATE OF CALI	FORNIA)			
COUNTY OF PL	ACER)			
proved to me on is/are subscribed executed the sar signature(s) on t person(s) acted,	the basis I to the wi me in his/l he instrun executed	ithin instrument an her/their authorize nent the person(s) I the instrument.	dence to be the pend acknowledged to describe the capacity (ies), and the entity upon	, (here insert name , who erson(s) whose name(s) o me that he/she/they d that by his/her/their o behalf of which the
I certify under PE foregoing paragr			er the laws of the S	State of California that the
WITNESS my ha	and and o	fficial seal.		
Signature			(Seal)	

# Exhibit A

## **LEGAL DESCRIPTION OF EASEMENT AREA**

(Attach legal description of Stormwater Drainage Easement Area.)

# Exhibit B

## **DIAGRAM OF EASEMENT AREA**

(Attach plat of Stormwater Drainage Easement Area.)

# Johnson-Perkins & Associates, inc.

REAL ESTATE APPRAISERS & CONSULTANTS

Main Office: 295 Holcomb Avenue, Suite 1 ■ Reno, Nevada 89502 ■ Telephone (775) 322-1155
Lake Tahoe Office: P.O. Box 11430 ■ Zephyr Cove, Nevada 89448 ■ Telephone (775) 588-4787
FAX: Main Office (775) 322-1156 ■ Lake Tahoe Office (775) 588-8295
E-mail: jpareno@johnsonperkins.com ■jpatahoe@johnsonperkins.com

Stephen R. Johnson, MAI, SREA Reese Perkins, MAI, SRA Cynthia Johnson, SRA Cindy Lund Fogel, MAI Scott Q. Griffin, MAI Daniel B. Oaks, MAI Benjamin Q. Johnson, MAI Karen K. Sanders Gregory D. Ruzzine Chad Gerken

February 13, 2013

Mr. John Weber Placer County Department of Public Works 3091 County Center Drive, Suite 220 Auburn, California 95603

Re: Proposed easement near Chipmunk Street in Kings Beach

Dear Mr. Weber:

On January 22, 2013, we complete an appraisal of a proposed drainage easement to be located just west of Chipmunk Street in Kings Beach. This is a supplemental letter to that report, which is incorporated by reference herein.

In the appraisal of the proposed drainage easement, we had estimated that an easement factor was 75% of the unencumbered fee simple value of the easement area. This was based on the legal description, which indicated that the easement would be an open drainage channel. Since our appraisal of the proposed easement, the legal description has been revised to exclude the statement that it would be an open drainage channel. In discussions with Mr. Brian Stephenson of Dokken Engineering, he indicated that the easement would be underground and that there could be asphalt paving or landscaping installed over the drainage channel. As an underground easement, it is not considered to be as significant of an

Reno 🛮 Lake Tahoe 🗈

# OHNSON~PERKINS & ASSOCIATES, INC. REAL ESTATE APPRAISERS & CONSULTANTS

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encumbrance as an open drainage channel. Accordingly, we believe it is appropriate to adjust the easement factor to 50%.

As set out previously in the January 22, 2013 appraisal report, we estimated the unencumbered fee simple value of the easement area at \$50,225. Applying the 50% factor for the drainage easement results in a Just Compensation due the property owner of \$25,112.50. This will be rounded to \$25,000.

# JUST COMPENSATION DUE THE PROPERTY OWNER FOR THE PROPOSED DRAINAGE EASEMENT

\$25,000

Again, it is noted that this Just Compensation estimate does not include an analysis of any potential damages associated with the remainder of the property.

If you have any additional questions, please do not hesitate to contact us.

Respectfully submitted,

Daniel B. Oaks, MAI

California Certified General Appraiser

License #AG041360

Stephen R. Johnson, MAI, SREA California Certified General Appraiser

License Number AG007038

7

Receive an update and consider steps relating to financial notes for the B.B., LLC properties

#### PLACER COUNTY

#### OVERSIGHT BOARD

#### **MEMORANDUM**

**TO:** Honorable Members of the Oversight Board **FROM:** Allison Carlos, Principal Management Analyst

**DATE:** April 22, 2013

**SUBJECT:** Receive an update relating to Successor Agency loans secured by the B.B., LLC

properties

#### **PURPOSE**

Receive an update regarding Successor Agency loans secured by property owned by B.B., LLC.

#### **BACKGROUND**

On February 20, 2013 the Placer County Oversight Board received information regarding three promissory notes that were acquired by the former Placer County Redevelopment Agency (RDA) and that are currently held by the Placer County Successor Agency (Successor Agency) and secured by property owned by B.B., LLC. Additionally, your Board was informed of a pre-development loan provided by the RDA to assist B.B., LLC with completing environmental review for the project that the company had proposed to develop on the property. B.B., LLC is currently in default on all four of the loans. Staff was directed by your Board to return regarding next steps.

B.B., LLC is a limited liability company whose managing member was the Steven K. and Candace Brown Trust (Trust). In 2007, Mr. Brown owned a total of 16 parcels in Kings Beach under the auspices of B.B., LLC. In 2008, B.B., LLC submitted an application to Placer County and Tahoe Regional Planning Agency to develop a centrally located mixed-use development project. Also in 2008, the RDA Board approved the provision of a pre-development loan in the amount of \$500,000 to B.B., LLC.

Subsequently, the owners encountered financial difficulty, and in 2010, B.B., LLC, faced bank foreclosure due to defaults on the loans. For the purpose of maintaining site assemblage and furthering the implementation of a mixed use development project, the RDA engaged with Mr. Brown's lenders. In October 2010, the RDA Board approved the purchase of the B.B., LLC loans originated by Central Pacific Bank, with a face value of \$2.2 million for the discounted amount of \$1.5 million. In November 2010, the RDA Board approved the purchase of the loan from Umpqua Bank valued at \$4.2 million for the discounted amount of \$2.8 million. In summary, the RDA purchased B.B., LLC's loans valued at \$6.4 million, for \$4.3 million.

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Additionally, the terms of the RDA predevelopment loan agreement required B.B., LLC to continue to pursue project entitlement approvals and to remain current with property tax payments. The Successor Agency is now aware that the project application was withdrawn, and the property taxes are owed.

#### **SUMMARY**

On March 4, 2013, staff sent a letter to Steven K. Brown and to John Davis, B.B., LLC's current managing member, notifying them that the company is in default on all four of the loans held by the Successor Agency. The letter further requested key clarifying information regarding the status of the property and the proposed new mixed-use project being proposed to inform staff in developing recommendations relative to proceeding with loan collection. The B.B., LLC team provided due diligence information within the specified time frames which revealed financial limitations of the Trust. Therefore, staff immediately requested additional financial capacity documentation from John Davis. A letter was received April 15, 2013 as this staff report was being finalized that affirmed John Davis is the new managing director of B.B.,LLC and provided banking reference contact information. After preliminary review, staff is suggesting more review time and contemplation of assurances for loan repayment and project development financing. Regarding payment of delinquent property taxes, staff understands there have been payments of current taxes and discussion with the Treasurer Tax Collector's Office regarding a payment plan to cure the delinquencies. However, it appears no payment plan has been executed.

For informational purposes, the property representatives have requested time during this item to present their concept for the new mixed-use project. At that time, they may be able to provide additional information as relates to tax delinquencies and financial capacity for consideration by the Oversight Board.

#### **CONCLUSION**

The interest was to return to Oversight Board today with sufficient details to recommend next steps. Ultimately, a path of securing loan repayment through the option of a loan work out agreement is dependent upon the Oversight Board acceptance that the principals of B.B., LLC have provided significantly compelling information. Input as to the Oversight Board's level of current satisfaction is helpful at this time. Absent other specific input today, staff will continue to examine assurances from B.B., LLC for loan repayment and financial capacity for delivering a development. This will include preparation of a performance milestones schedule and preliminary loan repayment terms for report to the Successor Agency Board and the Oversight Board.

cc: Susan Bloch, Placer County Successor Agency Counsel