

**PLACER COUNTY**  
**REDEVELOPMENT AGENCY**

**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Rich Colwell, Chief Assistant CEO-Redevelopment Director *REC Colwell*  
James LoBue, Deputy Director  
**DATE:** October 21, 2008  
**SUBJECT:** Adopt a Resolution Authorizing the Purchase of 8798 North Lake Boulevard, Kings Beach, for \$425,000 Plus Escrow and Related Costs in an Amount not to Exceed \$15,000, Authorizing the Chief Assistant CEO-Redevelopment Director or Designee to Sign all Related Documents, Adding the Property to the Agency's Master Fixed Asset List, and Approving Findings to Authorize the Utilization of Tax Increment Proceeds for the Acquisition of the Real Property

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**ACTION REQUESTED**

Adopt a resolution authorizing the purchase of 8798 North Lake Boulevard, Kings Beach, for \$425,000 plus escrow and related costs in an amount not to exceed \$15,000, authorizing the Chief Assistant CEO-Redevelopment Director or designee to sign all related documents, adding the property to the Agency's master fixed asset list, and approving findings to authorize the utilization of tax increment proceeds for the acquisition of the real property.

**BACKGROUND**

On April 15, 2008, your Board authorized the Redevelopment Agency (Agency) to take several actions regarding negotiating the purchase of 8798 North Lake Boulevard (APN 090-221-012 and 027), in Kings Beach (Site). The Site is owned by William Johnson. The Site consists of two parcels, with two buildings, and is located on the south side of Highway 28/North Lake Boulevard, directly west of Chipmunk Street in Kings Beach (see Attachment: Map).

Since April 15, 2008, the Agency has conducted extensive due diligence and is satisfied that purchase of the subject property meets redevelopment goals and objectives for the area. The Agency has previously acquired surrounding parcels and the acquisition of the adjacent parcel and this parcel will complete land assembly and allow the Agency to solicit proposals for a Kings Beach Eastern Gateway development project. The negotiated purchase price is supported by a formal appraisal of the property. The site has two buildings containing two residential rental units. It is requested that the purchase be approved using the attached purchase agreement and the property added to the Agency's Master Fixed Asset List.

After acquisition, the Agency intends to temporarily retain the residential units and tenants. Over a period of time, in accordance with California Community Redevelopment Law, the Agency will

vacate and demolish the buildings. The Agency intends to solicit developers who have an interest in owning and developing this Site and its adjoining parcels under a master design plan. The Agency will retain professional residential property management services to oversee the property while leases expire and tenants are relocated, as needed, over time.

California Redevelopment Law (Health and Safety Code Section 33445) requires that your Board make certain findings for the purchase of land. First, a finding must be made that the purchase of land is of benefit to the North Lake Tahoe Redevelopment Project Area (Project Area) or the immediate neighborhood in which the Site is located. The purchase of the land will facilitate the removal of blighting influences and cleanup activities on Site to remove impediments to development. Second, a finding must be made that there are no other reasonable means of financing the acquisition. Staff has determined that there are no other sources of funding available at this time to facilitate Site acquisition. Finally, a finding must be made that acquisition of the Site will assist in the elimination of one or more blighting conditions inside the Project Area and is consistent with the Project Area Implementation Plan adopted pursuant to California Health and Safety Code Section 33490. The Site acquisition will help remove adverse conditions and demolish old and outdated structures to facilitate new development opportunities that will support the overall revitalization of the surrounding commercial district and Kings Beach community.

#### **ACQUISITION KEY ELEMENTS**

- **Price:** The agreed upon purchase price is \$425,000 plus escrow closing costs. The Agency negotiated for the property in "As-Is" condition. The Site contains land coverage, commercial floor area, and development rights which are marketable commodities and may be held by the Agency for future development opportunities.
- **Environmental:** The site is believed to be free from any environmental contaminants as supported by a Phase One study dated October 24, 2007.
- **Due Diligence:** Staff has secured a preliminary title report. The Agency will obtain an ALTA title insurance policy and the appropriate environmental site assessment prior to closing. A Summary appraisal was conducted on the property that indicated a value of \$400,000 and the agreed upon purchase price is \$425,000. A Property Inspection to identify any building shortcomings will be obtained prior to close of escrow. The purchase agreement contains a feasibility period of 45 days from the effective date, to complete any remaining due diligence prior to property transfer.
- **Operational & Maintenance Expenses:** Upon acquisition, the Agency will incorporate the Site into its fixed asset list. The Agency will be responsible for maintenance of the Site until conveyed to a third-party developer. Adequate Agency funds have been budgeted for these activities.

#### **FISCAL IMPACT**

The Agency's FY 2008-09 Budget has \$1,400,000 allocated to purchase subject site and an adjoining property (\$795,000). There will be no impact to the County General Fund.

**ENVIRONMENTAL STATUS**

No development project is currently contemplated for the real property, nor do the proposed actions commit the Agency or your Board to a definite course of action. Therefore, the Board's authorization of real property acquisition, adoption of findings, and related actions will not result in a direct or reasonably foreseeable indirect physical change in the environment (California Environmental Quality Act, Guidelines, Section 15060(c)). At such time as a development project is proposed for the real property, it will be required to undergo the County's application and environmental review process. The proposed action is not a federal undertaking under National Environmental Policy Act guidelines.

**RECOMMENDATIONS**

Adopt a resolution authorizing the purchase of 8798 North Lake Boulevard, Kings Beach, for \$425,000 plus escrow and related costs in an amount not to exceed \$15,000, authorizing the Chief Assistant CEO-Redevelopment Director or designee to sign all related documents, adding the property to the Agency's master fixed asset list, and approving findings to authorize the utilization of tax increment proceeds for the acquisition of the real property.

Attachments: Resolution  
Map  
Purchase Agreement  
Photographs of Site

cc: Karin Schwab, Agency Counsel

**Before the Placer County  
Redevelopment Agency Board of Directors  
State of California**

In the matter of:

Authorizing the purchase of 8798 North Lake Boulevard, Kings Beach for \$425,000 plus escrow and related costs in an amount not to exceed \$15,000, authorizing the Chief Assistant CEO-Redevelopment Director or designee to sign all related documents, adding the property to the Agency's master fixed asset list, and approving findings to authorize the utilization of tax increment proceeds for the acquisition of the real property (California Health and Safety Code, Section 33445)

Resol. No. ....

Ord. No. ....

First Reading.....

The following Resolution was duly passed by the Redevelopment Agency Board of Directors of 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, Redevelopment Agency Board

WHEREAS, by Ordinance No. 4753-B adopted on July 16, 1996, the Board of Supervisors of the County of Placer has adopted the Redevelopment Plan for the North Lake Tahoe Project Area (Project Area); and

WHEREAS, the Redevelopment Agency of the County of Placer (Agency) is vested with responsibility pursuant to the Community Redevelopment Law, Part I of Division 24 of the Health and Safety Code of the State of California (Law) to implement the Redevelopment Plan in the Project Area; and

WHEREAS, the Agency intends to purchase certain real property within the Project Area (Property) to facilitate site assemblage for new development opportunities; and

WHEREAS, Agency assistance in acquisition of the Property and in funding the acquisition is contemplated and provided for in Section 308 of the Redevelopment Plan adopted pursuant to Section 33490 of the Law; and

WHEREAS, by staff report accompanying this Resolution and incorporated herein by this reference (Staff Report), the Agency has been provided with additional information upon which the findings and actions set forth in this Resolution are based; and

WHEREAS, the Agency currently contemplates no development project for the real property, nor do the proposed actions commit the Agency to a definite course of action and will not result in a direct or reasonably foreseeable indirect physical change in the environment and the actions are considered exempt from environmental review pursuant to California Environmental Quality Act Guidelines, Section 15060(c).

NOW, THEREFORE, BE IT RESOLVED THAT, based on information presented to the Board of Supervisors and the Agency Board and in compliance with the requirements of Section 33445 of the Law, the Agency finds and determines as follows:

1. All of the above recitals are true and correct, and the Agency has based the findings and actions set forth in this Resolution, in part, on such recitals.

2. The Agency Board hereby finds and determines that (a) Agency assistance for acquisition of the Property for site assemblage will be of benefit to the Project Area; (b) no other reasonable means of financing the acquisition of the Property and the remediation of environmental deficiencies are available to the community; and (c) the payment of Agency funds for the acquisition of the Property (i) will assist in the elimination of one or more blighting conditions in the Project Area and (ii) is consistent with the Implementation Plan adopted by the Agency pursuant to Section 33490 of the Law. A summary of the factual and analytical basis used by the Agency in making these findings and determinations is set forth in the Staff Report.

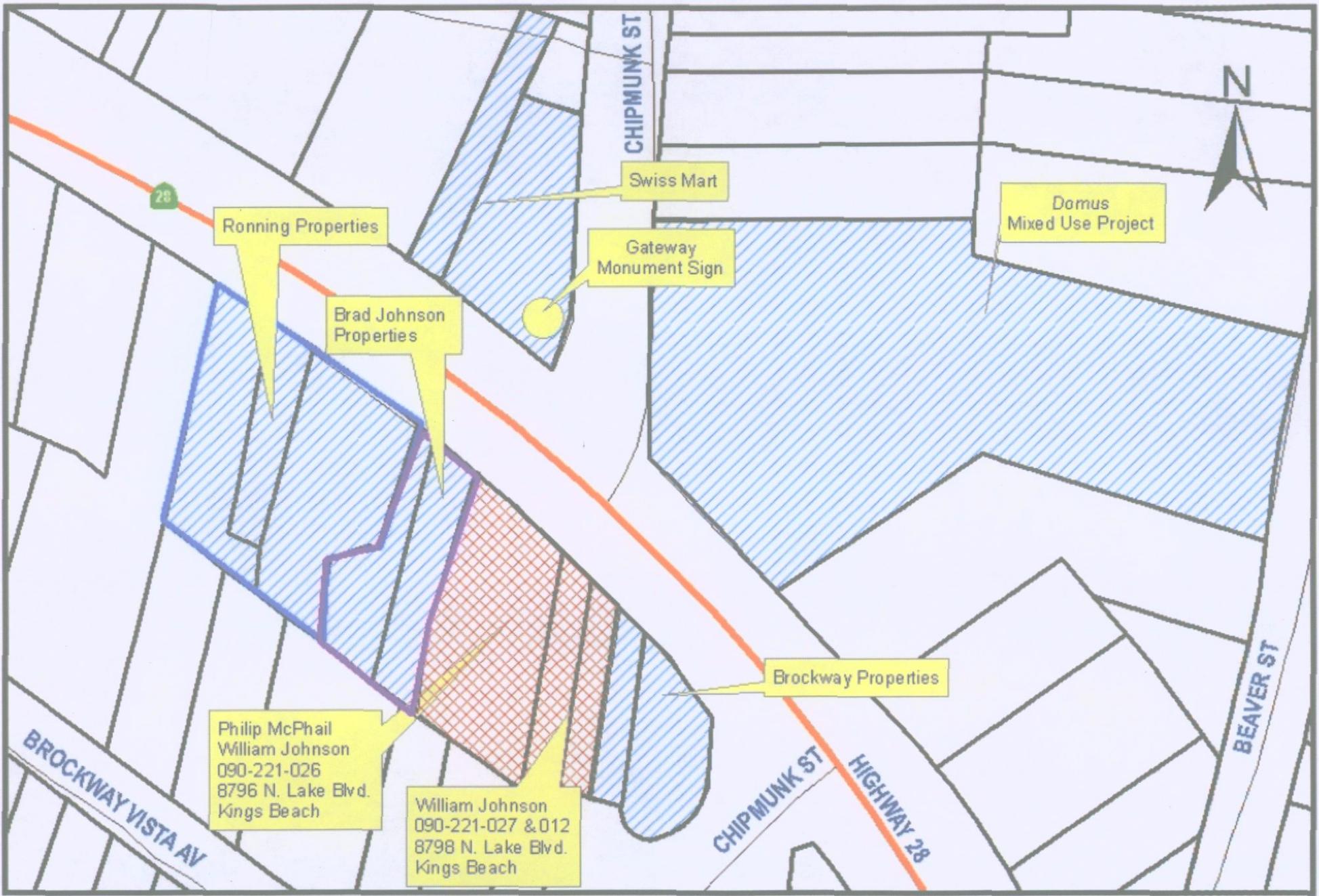
3. The Agency Board approves the payment by the Agency of \$425,000 plus escrow and related expenses of up to \$15,000.

4. The Agency Board authorizes amendment of the Agency's master fixed asset list to include the Property.

5. The Agency Board hereby authorizes the Chief Assistant CEO-Redevelopment Director or designee to sign the attached Purchase and Sale Agreement and Joint Escrow

Instructions and all related escrow documents pursuant to the Purchase and Sale Agreement and Joint Escrow Instructions, and to take such actions and execute such other documents as are appropriate to effectuate the intent of this Resolution.

6. This Resolution shall take immediate effect from and after its passage and approval.



-  Redevelopment Owned Properties
-  William Johnson Properties

### McPhail and Johnson Properties

# William Johnson Property





