



CITY OF REDDING

777 Cypress Avenue, Redding, CA 96001-2718

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If anyone wishes to address the Board on any item considered at this meeting before or during Board's consideration of that item, please fill out a blue Speaker Request Form located on the table in the back of the Community Room and submit it to the Clerk. Staff reports are available in the Public View binder located on the same table.

AGENDA

May 2, 2012

Regular Meeting

5:15 p.m.

Oversight Board to the City of Redding as
Successor Agency to the Redding Redevelopment Agency
Civic Center Community Room, 777 Cypress Avenue
Redding, California

1. Roll Call
2. **PUBLIC COMMENT** - Public Comment Period for non-agendized matters
PURSUANT TO THE BROWN ACT, THE BOARD CANNOT TAKE ACTION ON ANY ITEM UNDER ORAL COMMUNICATIONS
3. Disposition of Assets and Property of the Former Redding Redevelopment Agency
[R-030-605]

Recommendation: Consideration

4. Oral Update regarding Recognized Obligation Payment Schedules
[R-030-605]

Recommendation: Information Only - No Action

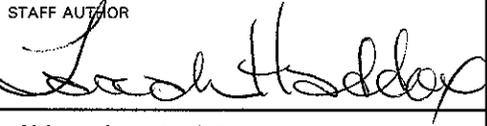
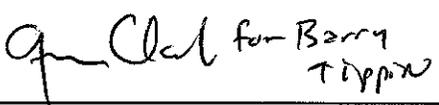
5. Adjournment

Pursuant to the Brown Act, non-confidential materials related to an item on this agenda submitted to the Oversight Board after distribution of the agenda packet are available for inspection during normal business hours at the Office of the City Clerk, 3rd Floor, City Hall, 777 Cypress Avenue, Redding, California.

In compliance with the Americans with Disabilities Act, the City of Redding will make available, to any member of the public who has a disability, a needed modification or accommodation including an auxiliary aid or service, in order for that person to participate in the public meeting. A person needing assistance should contact the Redding City Clerk by telephone at (530) 225-4055 or in person, or by mail at 777 Cypress Avenue, 3rd Floor, Redding, California 96001 at least two (2) working days in advance. Accommodations may include assistive listening devices, accessible seating or documentation in an alternate format.

Revised 4/27/12 10:35 a.m. tjr



ITEM NO.	<u>3</u>
MEETING DATE	<u>05-02-12</u>
APPROVED BY	
STAFF AUTHOR	
ASSISTANT CITY MANAGER	 for Barry Tippin

**OVERSIGHT BOARD TO THE
CITY OF REDDING AS
SUCCESSOR AGENCY TO THE
REDDING REDEVELOPMENT AGENCY**

DATE: April 25, 2012
R-030-605

FROM: Barry Tippin, Assistant City Manager

SUBJECT: Disposition of Assets and Property of the Former Redding Redevelopment Agency

Recommendation

It is the recommendation of staff that the Oversight Board (Oversight Board) to the City of Redding as Successor Agency (Successor Agency) to the Redding Redevelopment Agency (RRA) review and provide direction relative to the disposition of real property formerly owned by the RRA as more fully described in Exhibit 1.

Background

The Oversight Board has specific duties and responsibilities that are described in Health & Safety (H&S) Code Section 34180 - 34181. One of those duties and responsibilities is to oversee the disposal of all assets and property of the former redevelopment agency that were funded by tax increment. The legislation differentiates between developed property assets and undeveloped property assets. Relative to "... assets that were constructed and used for a governmental purpose . . .," the Oversight Board may provide for transfer of ownership of the developed asset to the appropriate public jurisdiction [H&S Code Section 34181(a)]. The Successor Agency holds two such assets of the former RRA. The former RRA assisted with the construction of the underground parking garage under the former Dicker's Building in downtown Redding in 1972 and the construction of the south end of the California Street parking structure in 1977. Title to these structures was retained by the RRA, pending repayment of City of Redding (City) financing. The title to the structures is somewhat complicated and requires additional staff research in order to determine the correct process to transfer, or alternatively, to sell the asset to another entity. In addition, the State Department of Finance (DOF) has not completed its review of the Recognized Obligation Payment Schedules (ROPS) approved by the Oversight Board at its first meeting, that includes the outstanding debt on the California Street facility. For these reasons, staff is not ready to fully discuss the possible sale or transfer of these two assets. A more complete report on the two properties will be brought to the Oversight Board at a subsequent meeting.

Relative to undeveloped real property assets, the Oversight Board is charged with directing the Successor Agency to dispose of all property "... expeditiously and in a manner aimed at maximizing value." [H&S Code Section 34177(5)(e)] As an alternative to disposal by sale on the open market, the Oversight Board may consider allowing a property to be retained by the City, "for future redevelopment activities, funded from its own funds and under its own auspices, . . ." [H&S Code Section 34180(f)(1)] In this case, the legislation requires that a compensation agreement be reached with the other taxing entities relative to the value of each property to be retained. Further, if no other agreement is reached on the valuation of the property to be retained, the legislation states that "... the value shall be the fair market value as of the 2011 property tax lien date as determined by the county assessor." [H&S Code Section 34180 (f)(2)] The text of the legislation is somewhat problematic for several reasons. Prior

to disposition, the Successor Agency is instructed to reach a compensation agreement relative to the value of the property to be retained with the "taxing entities" rather than the Oversight Board. The legislation uses as the default valuation the property's fair market value on the 2011 tax lien date (January 1, 2011) "as determined by the county assessor." It is standard procedure by the County Assessor not to establish or assess a value to property held by government entities not generally subject to property taxes, i.e., the former RRA. Most, if not all, of the properties held by the former RRA have no official taxable market value established.

The undeveloped property assets of the former RRA are detailed in Exhibit 1. The City is interested in retaining four (4) of the ten (10) parcels:

- three (3) parcels acquired for right-of-way necessary for the signalization of Lake Boulevard at Keswick Dam Road; and
- one (1) parcel at the southwest corner of Cedars Road and Highway 273 acquired for right-of-way necessary for the future widening of that intersection.

Staff is seeking clarification relative to the recommended process to determine current value of these parcels within the intent of the legislation and whether the Oversight Board has authority to represent the taxing entities in this type of transaction. Further information relative to the disposal of these properties will be brought back to the Oversight Board at a subsequent meeting for discussion and possible action.

Regarding the remaining six (6) parcels, staff can initiate the sale of these if the Oversight Board so wishes. Current market value is unknown at this time, however, the parcels can be marketed without an asking price, with the condition that upon receipt of an offer to purchase, a full appraisal will be performed. While it is difficult to predict the amount of time it will take to dispose of the properties, it is likely that a couple may generate some market interest, in particular, the parcel at Buenaventura and Railroad Avenue and the parcel at East Cypress Avenue and Hartnell Avenue. It is important to note that the staff time necessary to market the properties is covered within the previously approved administrative budget, however, additional disposition costs such as appraisals, title charges, escrow fees, etc., are not within the existing ROPS or administrative budget. These costs will need to be deducted from the agreed upon final sales price of any property sold.

Alternatives; Implications of Alternatives

The alternatives available to the Oversight Board include:

1. **Direct the Successor Agency to market six (6) parcels owned by the former RRA and identified on Exhibit 1 as Assessor's Parcel Number (APN) 104-350-020; APN 107-430-057; APN 107-430-034; APN 107-400-008; APN 108-080-047; and APN 050-270-033.** This action is consistent with the Oversight Board's responsibility to attempt to expeditiously dispose of the former RRA's property.
2. **Provide staff with alternative direction.**

Conclusion

The Oversight Board has the responsibility to oversee the disposal of all assets and property of the former RRA that were funded by tax increment. Sale of certain assets on the open market is feasible and may be initiated immediately.

Attachment

Exhibit 1 - Property Assets of the former RRA

EXHIBIT 1
PROPERTY ASSETS OF
THE FORMER REDDING REDEVELOPMENT AGENCY

- 1) **Assessor Parcel Numbers 114-080-035, -037, & -039** - These parcels were acquired in 2010 for a total of \$15,900. The property was conveyed through the recordation of "Easement Deeds" providing a permanent public service easement for public project right-of-way to accommodate the construction of a traffic signal at Lake Boulevard/Keswick Dam Road. The traffic signal was scheduled to be constructed during the 2013/14 fiscal year, however, with the loss of redevelopment funding additional resources must be secured. The City would like to retain these parcels for the signalization project.
- 2) **Assessor Parcel Number 104-350-020 - 2520 Leland Avenue** - This .15 acre parcel was originally acquired in 1999, for \$47,000, as part of a larger acquisition utilizing Low- and Moderate-Income Housing Set-aside Fund (LMIHF) resources. In 2009, the LMIHF was repaid using non-housing funds available to the Agency. It is adjacent to two additional parcels that have been transferred to the Successor Housing Agency. The current zoning is Neighborhood Commercial.
- 3) **Assessor Parcel Numbers 107-430-034 & -057 - 2380 Henderson Road** - This .43 acre parcel was acquired in 2005 for \$430,000 as part of the Cypress Bridge widening project. At the time of acquisition, the property was improved with a gas station that has now been demolished. The current zoning is General Commercial.
- 4) **Assessor Parcel Number 107-400-008 - 2515 Henderson Road** - This 1.17 acre parcel was acquired in 1991 for \$170,000. It is identified on the Redding General Plan Land Use Map as the likely location for the eastern footing of a future bridge crossing over the Sacramento River at Parkview Avenue. The site was also historically used for lumber processing. The current zoning is General Office.
- 5) **Assessor Parcel Number 108-080-047 - 2350 Buenaventura Boulevard** - This .66 acre parcel was originally acquired in 1991 as part of a larger property acquisition for the realignment of Railroad Avenue at Buenaventura Boulevard. The total acquisition price for the larger property was approximately \$177,000. The Agency reconfigured the parcels upon completion of the realignment project. The current parcel is zoned General Commercial.
- 6) **Assessor Parcel Number 049-240-043 - 5950 Cedars Road** - This 2.93 acre parcel was acquired in 1991 for \$250,000 for the future widening/realignment of Cedars Road/Westside Road/Highway 273. At the time of acquisition, the property was improved with the remaining structure of the Oak Grove Club facility following a fire. The current zoning of the property is Greenway and Heavy Commercial. The City anticipates the eventual need to improve this corridor and would like to retain the property for that reason.
- 7) **Assessor Parcel Number 050-270-033 - 2321 S. Bonnyview Road** - This .27 acre parcel was acquired in 2004 for \$120,000 for the South Bonnyview Road widening project. At the time of acquisition, the property was improved with a single-family home and a mobile home. Both structures have been demolished. The current zoning is General Commercial.

REAL ESTATE ASSETS OF THE CITY OF REDDING, AS SUCCESSOR AGENCY TO THE REDDING REDEVELOPMENT AGENCY

