

**LONG RANGE  
PROPERTY MANAGEMENT PLAN**

**SUCCESSOR AGENCY TO THE FORMER  
ARROYO GRANDE REDEVELOPMENT AGENCY**

**300 East Branch Street  
Arroyo Grande, CA 93420**

## **INTRODUCTION**

On June 27, 2012, Governor Brown signed into law Assembly Bill (AB1484), 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 the former redevelopment agency property. This document is the Long Range Property Management Plan for the Successor Agency (Successor Agency) to the former Arroyo Grande Redevelopment Agency (RDA).

## **SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY**

There is only one (1) former RDA property owned and controlled by the Successor Agency, which is a vacant property at El Camino Real and Faeh Street.

## **HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITIES**

On June 26, 2007, an Exclusive Negotiation Agreement (ENA) was approved by the Arroyo Grande Redevelopment Agency with South Valley Developers for purchase the El Camino/Faeh Street site and development of a hotel at the site. The developers were not able to produce a final development proposal and the ENA terminated. On September 14, 2010, a second ENA was approved with Legacy Hospitality for purchase and development of a hotel at the site. Again, the developer was not successful in generating a final development proposal and this second ENA was also terminated.

## **INVENTORY**

Section 3419(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 Arroyo Grande Successor Agency, this inventory has only the one site referenced in the two prior sections. An aerial photograph of the property is attached.

### Date of Acquisition and Value

The property was acquired by the RDA on July 18, 2006 for \$830,000. The property was appraised in 2006 for \$933,000. The most recent appraisal was on December 28, 2009 for \$1,025,000.

### Purpose Property was Acquired

Given the limited existence of vacant property along the freeway, the RDA wanted to ensure the optimal development potential of freeway frontage of this parcel was taken advantage of. The primary intent was to pursue a hotel development, which was pursued, but was not successful prior to dissolution of the RDA.

### Parcel Data

The undeveloped parcel APN number is 006-151-027. The property is zoned Highway Mixed-Use (HMU). The total area of the parcel is 0.83 acres or 36,250 sq. ft. The area minus public improvements is 0.79 acres or 34,630 sq. ft. Parking requirements are 1

space/250 sq. ft. of floor area for commercial businesses/office space. This parking requirement changes depending on the exact proposed use. According to the Assessor's Map, which is attached, the property consists of 12 total underlying lots as well as a 50' wide area for the extension of North Alpine.

#### Estimate of the Current Value

The most recent appraisal of the property was \$1,025,000 on December 28, 2009.

#### Estimate of Lease, Rental or Other Revenues Generated by the Property

The property is undeveloped so there has been no revenue generated from the property.

#### History of Environmental Contamination or Remediation Efforts

There is no known history of environmental contamination on this site. A phase one environmental review was performed in connection with the last prior development proposal described above which did not reveal any issues of concern.

#### Property's Potential for Transit-Oriented Development and the Advancement of Planning Objectives of the Successor Agency

The property is located directly adjacent to the City's park-and-ride facility, which serves Highway 101 and regional bus service. Therefore, the property is ideally situated to accommodate some form of transit oriented development.

#### History of Previous Development Proposals and Activities

On June 26, 2007, an Exclusive Negotiation Agreement (ENA) was approved by the RDA with South Valley Developers for purchase of the site and development of a hotel at the site. The developers were not able to produce a final development proposal and the ENA terminated. On September 14, 2010, a second ENA was approved with Legacy Hospitality for purchase and development of a hotel at the site. Again, the developer was not successful in generating a final development proposal and this second ENA was also terminated.

The property was also located within the City's "Green Corridor", which was a former program that provided incentives for new businesses selling environmentally oriented products and services. As a result, the property was also marketed for that purpose, but no proposals were received.

### **USE OF DISPOSITION OF PROPERTIES**

Because the RDA had been unsuccessful in achieving a hotel development on the site, it is proposed the property be sold. It is proposed an updated appraisal be obtained. It is then proposed a real estate agent be engaged by the Successor Agency and approved by the Oversight Board, along with a recommended listing price. Any proposed sale would then be presented to the Oversight Board for approval.

Health and Safety Code Section 34191.5(c)(2)(B) states in pertinent part:

If the plan directs the liquidation of the property . . . the proceeds from the sale shall be distributed as property tax to the taxing entities.

In accordance with Section 34191.5(c)(2)(B), proceeds of the sale of the El Camino Real/Faeh Street site, minus the cost of sale (including but not limited to real estate commissions, environmental costs if any, escrow costs, and title costs) shall be turned over to the county auditor-controller for distribution to the affected taxing agencies.

**EXHIBITS**

- Aerial photograph of the El Camino Real/Faeh property
- Assessor's Map of the El Camino Real/Faeh property