LONG RANGE PROPERTY MANAGEMENT PLAN FOR THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY DEVELOPMENT AGENCY OF THE TOWN OF DANVILLE

Reviewed and approved by

The Oversight Board to the Successor Agency

On November 18, 2013

INTRODUCTION AND OVERVIEW

This document represents the Long-Range Property Management Plan (LRPMP) for the Successor Agency (the "Successor Agency") to the former Community Development Agency of the Town of Danville (the "Former CDA"). This document was prepared in accordance with Health and Safety Code Section 34191.5.

The Former CDA was dissolved on February 1, 2012, pursuant to ABx1 26 (subsequently amended by AB 1484, collectively the "Dissolution Statute"). The Dissolution Statute requires the Successor Agency to dispose of real property previously owned by the Former CDA. At the time of dissolution, the Former CDA owned two parcels of real property which were not "housing assets" as defined in Health and Safety Code Section 34176(a). Ownership of both of these parcels (the "Properties") was transferred to the Successor Agency on February 1, 2012.

Both of the Properties are located within the boundaries of the Downtown Redevelopment Project Area of the Former CDA and are subject to the provisions of the Redevelopment Plan for the Project Area. Use of the Properties is also governed by the Town of Danville 2030 General Plan, the Town's Zoning Ordinance and other provisions of the Town's Municipal Code and private easements and restrictions, as explained in detail below under the heading of "Property Inventory."

The Successor Agency obtained its Finding of Completion from the California Department of Finance ("DOF") on May 24, 2013. This LRPMP was presented to and approved by the Successor Agency's Oversight Board on November 18, 2013. This LRPMP meets all requirements of Health and Safety Code Section 34191.5(c).

HISTORY OF REDEVELOPMENT IN DOWNTOWN DANVILLE

The Downtown Redevelopment Plan

The Town of Danville, located in Contra Costa County, was incorporated in 1982. Within the first few years after incorporation, the Town began to look at ways to revitalize the downtown commercial area of Danville. In 1986, the Town Council adopted the Redevelopment Plan for the Downtown Redevelopment Project. The Downtown Project Area consisted of approximately 140 acres in the Town's historic downtown area.

The Redevelopment Plan identified the specific conditions constituting blight within the Project Area. As relevant to the Properties owned by the Successor Agency, those conditions included:

- Deterioration and Dilapidation. Nearly half of the Project Area's 219 buildings were judged to be in less than standard condition, with one out of five structures considered to be substantially dilapidated.
- Age and Obsolescence. A large number of structures within the Project Area were determined to have been built at least 60 to 80 years ago and were in unsound condition because they had not been well maintained, were constructed from poor materials or did not meet current building code standards.
- Inadequate Public Improvements, Facilities and Utilities. Specific deficiencies identified included poor vehicular circulation affecting both traffic flow and safety; poor pedestrian circulation due to the absence of sidewalks in several sections of the Project area; and, insufficient parking.
- Lots of Irregular Form, Shape and Size. The prevalence of such lots, exacerbated by multiple ownership interests in small parcels throughout the Project Area, precluded the assembly of suitably sized development parcels.

In order to address these conditions identified above, the Redevelopment Plan identified a number of goals, including the following:

- The elimination of environmental deficiencies in the Project Area, including, among others, small and irregular lots, incompatible and uneconomic land uses, obsolete and aged building types, and inadequate or deteriorated public improvements and facilities.
- The assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- The replanning, redesign and development of undeveloped areas which are stagnant or improperly utilized.
- The expansion and/or improvement of the community's supply of housing for low- and moderate-income persons.

Increasing focus on the North End of the Project Area

The Former CDA achieved considerable success in eliminating blight in most of the Project Area, particularly the area south of Diablo Road (see map of area, Exhibit 2). However the northern end of the project area, particularly Hartz Avenue north of Linda Mesa retained many of the conditions of blight originally identified in the Redevelopment Plan.

The last five year Implementation Plan adopted by the Former CDA (covering the period from 2010 through 2014) contained a program specifically addressing the North Hartz area:

> "The northern end of the Project Area (generally, Hartz and Railroad Avenues north of Linda Mesa) has not seen the same level of public improvements or private reinvestment as other areas of the Project Area. Much of this area is still characterized by some of the initial blighting conditions identified in the original

Plan: small, irregular sized lots, older buildings in need of rehabilitation, inadequate public improvements, etc.

The Agency and the Town have identified several possible programs/strategies to help facilitate redevelopment of the North End. The first is Capital Improvement Project C-319 which would complete the street and beautification work on Hartz Avenue from Linda Mesa to the intersection with Railroad Avenue. Approximately $700,000 has already been appropriated for this project. The project has been on hold for some time due to lack of consensus with adjoining property owners on right-of-way issues. The Town and the Agency will continue to look for ways to move forward with this project or alternative projects which address the poor state of public infrastructure in this area.

A second possible strategy involves a small property owned by the Agency at 383 Hartz Avenue. The property is located at the intersection of Hartz Avenue, Railroad Avenue and Danville Boulevard, adjacent to an existing privately owned commercial building and is improved with a small public parking lot. The property could potentially be conveyed to the adjoining owners as part of a redevelopment of those buildings and/or expanded as a public parking lot in conjunction with private redevelopment."

Discussion of North Hartz in the Town's General Plan

In March of 2013, the Town adopted the 2030 General Plan. While the General Plan describes the historic "Old Town" commercial district on Hartz Avenue as the "heart and soul" of the community, the General Plan also identifies the North Hartz area as an area of special concern, including the following policy discussion:

"North Hartz Avenue

The North Hartz Area is bounded by Railroad Avenue on the west, San Ramon Creek on the east, San Ramon Valley High School on the north, and Linda Mesa Avenue on the south. Hartz Avenue bisects the area. This 8-acre area includes a mix of retail, office, and residential uses which have been developed incrementally over many decades. Parcels vary in size and shape compared to the more standardized lot pattern in the Downtown core.

While the North Hartz Area is part of Downtown Danville, the area lacks the fine-grained, pedestrian-friendly character of the Old Town area to the south. Whereas Old Town is characterized by continuous storefronts, interesting facades, historic buildings, and pedestrian-friendly streets, the North Hartz Area is less cohesive in building placement, size and orientation. The Town's vision is to extend the walkable character of Old Town into the area over the next 20 years through a combination of streetscape improvements, infill development, and rehabilitation of older structures.

Property owners in this area may propose improvements or new structures in the coming decades. As this occurs, high quality development is strongly supported, with parcels aggregated to create larger development sites wherever possible...

At the time of adoption of the 2030 Plan, the Town was implementing a street beautification project along North Hartz Avenue to encourage private investment in the area. The project includes widening of the right-of-way for new pedestrian amenities and new diagonal, public curbside parking spaces. It also includes landscaping, sidewalks, street furniture, and tree planting.... Additional opportunities for off-street municipal parking should be pursued. Other strategies for managing parking demand, such as encouraging uses with different peak parking demand times, should be encouraged."

PROPERTY INVENTORY

This section of the LRPMP provides information for each of the two Properties owned by the Successor Agency. The information for each Property is organized to follow the requirements of Health and Safety Code Section 34191.5(c)(1)(A)-(H).

The Properties are immediately adjacent to one another and are located in the North Hartz area, described above in both the Former CDA's Implementation Plan and the Town's 2030 General Plan. They are shown on Exhibit 4.

Property 1- 115-125 Hartz Avenue

(A) Date of Acquisition and Valuation. The Former CDA made its initial offer to purchase 115-125 Hartz on December 23, 1010, entered into contract to purchase on January 13, 2011 and closed escrow on March 28, 2011.

The purchase price for the property was $2,600,000 (exclusive of closing costs, which was paid for out of the following sources: CDA funds of $2,140,163, CDA housing Funds of $135,000, and Town of Danville General Purpose funds of $324,837.

While the Successor Agency has not yet had the property appraised, based on recent sales and conversations with local brokers the current value of the property is estimated to be in the range of $2,200,000 to $2,600,000.

(B) Purpose for which the property was acquired. As described above, both the Former CDA and the Town have focused their efforts for many years on the North Hartz area of the downtown, seeking to eliminate blight and make this area of the downtown as viable as those blocks of Hartz Avenue south of Linda Mesa Avenue. Acquisition of this property allowed the Former CDA to address this goal in two ways.

First, the Former CDA would be able to work with adjoining property owners in an effort to consolidate several small, irregular lots, which have limited any attempts at private redevelopment of the area (see section (G) below for

further discussion). This property was one of four parcels identified as Area H-6 in the Town of Danville 2007-2014 Housing Element certified by the State of California. Area H-6 was identified for use as potential mixed use development, including development of a total of 23-32 second story residential units. As the largest of the four parcels within Area H-6, this property would allow the Former CDA to facilitate an assemblage in this important area.

Second, the Former CDA and the Town have planned, designed and appropriated funding for a significant capital improvement project (CIP Project C-319, Hartz Avenue Beautification) which would improve Hartz Avenue between Linda Mesa and Railroad by: installing curb, gutter and sidewalk on the west side of Hartz; adding new public on-street parking and increasing the size of the Town's public parking lot at the intersection of Railroad and Hartz; adding street lights and trees; repaving the street; relocating underground utility vaults; and, upgrading storm drainage facilities. All of this work would make the public infrastructure of this block match that of the rest of the downtown project area.

In order to accomplish this project, the Town was required to acquire right-of-way across several properties on Hartz Avenue, including 115-125 Hartz. During negotiations for right-of-way acquisition, the owners of 115-125 Hartz indicated that rather than sell the necessary right-of-way to the Town, they would prefer to sell the entire property. Coupling this offer with the potential for property aggregation, the Former CDA made the decision to acquire the property.

(C) *Parcel Data.* The street address for the property is 115-125 Hartz Avenue and the assessor's parcel number is 199-330-035. The parcel is approximately 0.34 acres in size (approximately 14,810 square feet). The building on the property is approximately 6,030 square feet in size and currently is divided into four separate commercial tenant spaces (see section (E) below for further information on current leases). The building was constructed in 1946. Due to the age of the building, many components of the building do not meet current codes, with upgrades having occurred only as required through tenant improvements over the years. There is no master sign program for the property. It is likely in the near future that repairs to the roof and other elements of the building will be required. (See Exhibit 3 for photographs of the building)

The General Plan and zoning designations for the property are both Downtown Business District, Area 4 (Residential Serving Commercial). These designations call for ground floor retail with offices uses allowed on the second floor. The maximum floor area ratio is 50% with a two story or 35 foot height limit.

In addition, the Housing Element of the Town's General Plan contains a policy to promote mixed use development, specifically looking to promote

residential units above ground floor retail. The Housing Element specifically calls for a feasibility study to implement this in the North Hartz Area of the Downtown, including possible incentives to help achieve this type of mixed use development. The Program EIR certified by the Town for adoption of the 2030 General Plan included a traffic analysis of this possibility and the Town Council's workplan for 2014 will look at the remaining aspect of this option. The relevant provisions of the Redevelopment Plan and Implementation Plan relevant to the North Hartz area and this property were described above.

(D) *Estimate of Current Value.* As described above in section (A), the Successor Agency has not had any appraisals prepared for the property. Based on recent sales and conversations with brokers, it is estimated that the current value of the property is likely in the range of $2,200,000 to $2,600,000. Factors which could impact value (aside from general market forces) would include completion of the street improvement and beautification project and the outcome of decisions to allow or promote residential uses on a potential second story for the property.

(E) *Revenue and Contractual Obligations.* As described above, the property is divided into four separate tenant spaces, each of which is currently leased. Current tenant information is as follows:

-115 Hartz: A 2,177 square foot tenant space leased to Iron Horse Deli which operates the space as a deli with a small retail outlet. Current monthly rent is $5,150 which adjusts annually. The lease runs through August 31, 2014, with the tenant holding an option to extend.

-117 Hartz: An 840 square foot tenant space leased to the US Government as a military recruiting station. Current monthly rent is $2,940. The lease runs through August 31, 2017.

-121 Hartz: A 1,275 square foot tenant space leased to YJ Pizza, Inc., which operates the space as a Papa John's Pizza. Current monthly rent is $3,502. The lease runs through November 30, 2016, with the tenant hold an option to extend.

-125 Hartz: A 1,580 square foot tenant space leased to Lisa Li Ni Ni Ichi Corporation, which operates the space as the Kane Sushi restaurant. Current monthly rent is $9,130. The lease runs through August 31, 2018, with the tenant holding an option to extend.

Revenues received by the Successor Agency from the property are used for three purposes: 1) payment of contractual obligations related to operation of the property, including property management fees (included as an enforceable obligation on all ROPS submitted by the Successor Agency and approved by DOF) and lease obligations such as utilities, etc.; 2) a reserve fund for major repairs and maintenance on the building as required by the leases; and, 3) from revenues remaining after the uses described above,

payments on enforceable obligations, thereby reducing the amount of RPTTF claimed by the Successor Agency.

(F) *Environmental Issues.* As part of its due diligence prior to acquisition of the property, the Former CDA had a Phase 1 Environmental Site Assessment prepared by Cornerstone Earth Group. That report, dated March 17, 2011, concluded that there was no evidence of any environmental contamination of the site either from the site itself or from adjoining properties.

(G) *Transit Oriented Development and Planning Objectives.* The property is not located in a Priority Development or Transit Oriented Development area.

With respect to advancing the Town and Former CDA's planning objectives, this property is relevant in two respects. First, the Town requires the right of way along the frontage of the property in order to complete the Hartz Avenue Beautification project. That project will not only enhance the overall character of the North Hartz area, it will also enhance the market value of this property.

The second way in which this property can assist the Town in achieving its planning objectives would be for it to privately redevelop as part of an aggregated ownership of adjoining properties. As shown on Exhibit 4, the property immediately adjoins another small commercial building located at 127 Hartz Avenue. The property at 127 Hartz holds access easements over both 115-125 Hartz and the second Successor Agency-owned parcel (Property 2 described below), thereby limiting the development potential of 115-125 Hartz. Moreover, both 115-125 and 127 Hartz are contiguous with a small, unimproved, irregularly shaped parcel fronting on Railroad Avenue (APN 199-330-055). An aggregation of some or all of these properties would allow for significant redevelopment of this area.

(H) *Previous Development Activity.* There have been no development proposals for the property. As described above, private redevelopment of the North Hartz area of the downtown has lagged significantly behind the rest of Downtown Danville. The Town and Former CDA's acquisition of this property and the Town's subsequent acquisition of the remaining right-of-way necessary to begin the Hartz Avenue Beautification project will represent a significant investment of resources to upgrade the public infrastructure to match the rest of the downtown. Possible changes to the applicable General Plan and zoning provisions to allow or encourage mixed use development with second story residential uses would also provide an incentive to private redevelopment.

With respect to leasing of the property, the Former CDA acquired the property with three of the four current tenants in place. There was one vacant tenant space at the time of acquisition (121 Hartz), which was subsequently leased to YJ Pizza, Inc.

Property 2- APN 199-330-051 (no street address)

(A) *Date of Acquisition and Valuation.* The Former CDA acquired this property on September 29, 1992 through an exchange of properties with an adjoining owner. Neither the Former CDA nor the Successor Agency has ever had an appraisal prepared. The Contra Costa County Assessor lists the value of the parcel as $108,188 but it is unclear how that value was determined.

(B) Purpose for which the property was acquired. During the 1980's, the Former CDA condemned and acquired property from several property owners to allow for Railroad Avenue to be extended north from Linda Mesa Avenue to meet Hartz Avenue and Danville Boulevard at the north end of the downtown. Prior to this extension, Hartz Avenue was the only north-south road through the downtown. As part of these acquisitions, the Former CDA ended up owning a small parcel at the northwest corner of Railroad Avenue and Linda Mesa Avenue, which was surrounded by the parking lot for the Danville Square Shopping Center. The owner of the shopping center owned what is now the Agency parcel, which immediately adjoined a public parking lot already owned by the Town. The parties agreed to swap the two parcels, which were of roughly equal size and had similar characteristics.

(C) Parcel Data. The assessor's parcel number is 199-330-051. The parcel is approximately 0.06 acres in size (approximately 2,613 square feet).

The General Plan and zoning designations for the parcel are both Downtown Business District, Area 4 (Residential Serving Commercial). These designations call for ground floor retail with offices uses allowed on the second floor. The maximum floor area ratio is 50% with a two story or 35 foot height limit.

The parcel is burdened by access easements in favor of the two adjoining properties to the north: 115-125 Hartz (Successor Agency Property 1 described above) and 127 Hartz. These access easements provide the only access to the rear parking, loading dock and entrances to tenant spaces for both of those properties.

The relevant provisions of the Redevelopment Plan and Implementation Plan relevant to the North Hartz area and this property were described above. Note that the description in the Former CDA's Implementation Plan of "383 Hartz" is a reference to this parcel. The address was simply incorrect.

(D) Estimate of Current Value. As described above in section (A), the Successor Agency has not had any appraisals prepared for the property. While the County Assessor lists the value of the parcel as $108,188, the Successor Agency believes the actual value is substantially less. With the presence of access easements in favor of the two adjoining commercial properties, no development could occur on this parcel, rendering it largely valueless.

(E) Revenue and Contractual Obligations. The parcel generates no revenues. The only contractual obligations are the access easements described above.

(F) *Environmental Issues.* Relying on the Phase 1Environmental Site Assessment prepared by Cornerstone Earth Group for the adjoining Successor Agency property, there would appear to be no evidence of any environmental contamination of the site.

(G) *Transit Oriented Development and Planning Objectives.* The property is not located in a Priority Development or Transit Oriented Development area. With respect to advancing the Town and Former CDA's planning objectives, this property is significant in that it provides access to the two commercial properties to the north and to the Town parking lot to the south. In addition, the last Implementation Plan adopted by the Former CDA specifically identified that this parcel "...could potentially be conveyed to the adjoining owners as part of a redevelopment of those buildings and/or expanded as a public parking lot in conjunction with private redevelopment." The Town's Hartz Avenue Beautification project includes expansion of the existing Town parking lot through use of this parcel.

(H) *Previous Development Activity.* There have been no development proposals for the property.

PROPERTY DISPOSITION AND USE

Health and Safety Code Section 34191.5(c)(2) requires the LRPMP to address the use and disposition of properties owned by the Successor Agency. Permissible uses are limited to: 1) retention of the property of governmental use pursuant to Health and Safety Code Section 34181(a); 2) retention of the property for future development; 3) sale of the property; or, 4) use of the property to fulfill an enforceable obligation. Neither of the properties owned by the Successor Agency is proposed for retention for an existing governmental use, or to fulfill an enforceable obligation. Instead, the properties are proposed for disposition as follows.

Property 1- 115-125 Hartz Avenue

Summary: The LRPMP proposes both a short and a long term plan for the use and disposition of this property. In the short term, the LRPMP proposes that the Successor Agency allow the Town to construct the street improvements along the property frontage envisioned by the Hartz Avenue Beautification project (subject to a right of entry, to be considered separately by the Oversight Board). Construction of these improvements, at the sole expense of the Town, will enhance the ultimate liquidation/sale value of Property 1. During this construction phase and up until the sale of the property as described below, the Successor Agency would continue to own the property and all lease revenues received (less those paid to the property manager, for necessary repairs and held in reserve for major repairs) would be used by the Successor Agency to help pay for enforceable obligations listed on the Agency's ROPS, thereby reducing the amount of RPTTF required.

In the long term, the LRPMP proposes that the Successor Agency sell the property with a preference that the buyer aggregate the property with adjoining properties as envisioned in the Redevelopment Plan and the Town's 2030 General Plan. As detailed below, the property is proposed to be sold by the Successor Agency pursuant to Health and Safety Code Section 34191.5(c)(2)(B), with the proceeds of the sale turned over by the Successor Agency to the Contra Costa County Auditor-Controller for distribution as property taxes to the affected taxing entities in accordance with that code section.

Rationale: As described above, the Former CDA acquired this property for two purposes, both consistent with the Redevelopment Plan, Implementation Plan and the Town's General Plan. Those purposes were to acquire the right-of-way necessary to construct the Hartz Avenue Beautification project and to then sell the property for private redevelopment, hopefully in conjunction with adjoining properties and with some residential component consistent with the Town's state certified Housing Element.

At the time the Former CDA acquired the property, the Town had not yet acquired any of the other necessary rights-of-way from adjoining properties necessary to allow the Hartz Avenue Beautification project to move forward. Since then, the Town has completed all necessary right-of-way acquisitions, has completed the project design and is currently working with affected utilities for relocation of their underground vaults. It is anticipated that the utilities will begin their work in early 2014, with the Town following up with the remainder of the project work, with a total construction period of approximately one year. During the construction period, there will be temporary dislocations of public parking and limited access. The Town has committed to all property owners and tenants to work to minimize all disruptions.

As also described above, findings made at the time of acquisition identified this site as having potential for mixed use development, specifically the possibility of second story residential units built over retail, as described in the Town's Housing Element. As described above, the Town has taken preliminary steps to analyze potential traffic impacts of such mixed use development and will be looking at changes to the General Plan and/or zoning ordinance to permit or encourage such development during 2014.

Given the pending start of construction of the Hartz Avenue Beautification project and the upcoming review of potential changes to the permissible uses and/or development standards for the property, the LRPMP proposes that the Successor Agency retain ownership of the property until the completion of the construction. The Successor Agency and its Oversight Board have retained a local real estate broker with extensive experience in the area. That broker, John Carpenter of Carpenter Robbins Commercial Real Estate, has indicated that delaying the sale of the property for these reasons is likely to lead to a higher sales price.

Intervening Period Use: In the intervening period, the LRPMP proposes two steps. First, the Successor Agency would grant a right of entry to the Town (to be considered

separately by the Oversight Board) to allow construction of the Hartz Avenue Beautification project. This would be consistent with one of the original intents of the Former CDA in acquiring the property and will, at no cost to the Successor Agency or the other affected taxing entities, enhance the value of the property upon sale, thereby increasing the residual distribution each taxing entity will receive.

Also during this intervening period, the Successor Agency would continue to collect rent from tenants. Except for the portion of such rental revenues needed for payment to the property manager, for necessary repairs and for holding in reserve for major repairs, all of this rent revenue would be used by the Successor Agency to pay for enforceable obligations identified on its ROPS, thereby reducing the amount of RPTTF required in any given ROPS period. Thus, affected taxing entities would benefit in both the short and long term.

Long-Term Disposition Plan – Liquidation/Sale and Distribution of Sale Proceeds To Taxing Entities: Once the Hartz Avenue Beautification project is completed by the Town on Property 1, the Successor Agency would work with its previously retained real estate broker to market and sell the property, and would obtain an appraisal setting forth the highest and best use fair market value of Property 1 (the "Property 1 Appraised FMV"). The sale would be consummated through a purchase and sale agreement (the "Property 1 PSA"), which will be subject to approval by the Oversight Board in accordance with Health and Safety Code Section 34181(a). Terms of the sale and the Property 1 PSA are anticipated to include the following:

1. The sale will be made to the buyer offering the best price for the property based on the terms of sale published by the Successor Agency; provided, however, that if two or more prospective buyers offer a purchase price at or exceeding the Property 1 Appraised FMV, the Successor Agency may sell the Property to the prospective buyer that offers the best terms for aggregating Property 1 with nearby parcels in order to meet the redevelopment objectives described above for Property 1, with the purchase price being the price offered by that prospective buyer.

2. The Property 1 PSA will require the buyer to buy the entire Property and dedicate back to the Town, in form reasonably required by the Town, the right-of-way portion of the property upon which the Hartz Avenue Beautification project has been constructed.

The proceeds received by the Successor Agency from the sale of Property 1 pursuant to the Oversight Board-approved Property 1 PSA (net of any closing-related costs borne by the Successor Agency) will be promptly remitted by the Successor Agency to the Contra Costa County Auditor-Controller for distribution as property tax to the taxing entities, as called for in Health and Safety Code Section 34191.5(c)(2)(B).

Property 2- APN 199-330-051 (no street address)

Summary: The LRPMP proposes that the Successor Agency transfer this parcel to the Town of Danville pursuant to Health and Safety Code Section 34191.5(c)(2)(A) in order to allow the Town to expand the adjoining public parking lot, which is an identified redevelopment project under the Redevelopment Plan and the recent Implementation Plan as fully documented below. As a condition of and as compensation for such conveyance of Property 2 by the Successor Agency to the Town, the Town would obtain an appraisal of the property and enter into a compensation agreement with the affected taxing entities in accordance with Health and Safety Code Section 34180(f) to pay the appraised value to the affected taxing entities. in proportion to their shares of the base property tax, as determined pursuant to Health and Safety Code Section 34188.

The LRPMP also proposes as interim measure that should the Town begin construction of the Hartz Avenue Beautification project prior to completion of the sale of the property, that the Successor Agency allow the Town to construct the street and parking improvements on Property 2 envisioned by the Hartz Avenue project, subject to a right of entry, to be considered separately by the Oversight Board.

Rationale: The original Redevelopment Plan and the most recent Implementation Plan adopted by the Former CDA identify the shortage of public parking in the North Hartz area as an impediment to private redevelopment of property in that portion of the project area. Both Plans call for the preservation of existing and addition of new public parking wherever possible. The Implementation Plan provides that "...[S]hould opportunities arise to add or improve parking, particularly in the north end of the Project Area, the Agency should consider taking advantage of these opportunities." The Implementation Plan also provides that with respect to this specific parcel, it "...could potentially be...expanded as a public parking lot in conjunction with private redevelopment." Finally, the Town's Hartz Avenue Beautification project includes expansion of the existing Town parking lot through use of this parcel to provide additional access allowing for a double loaded parking lot, doubling the capacity from 9 to 18 spots.

While this parcel can specifically be used to further the goals of the Redevelopment Plan, it is of little value to any other owner. Due to its size, shape, location and the burden of access easements in favor of two adjoining properties to the south and for the Town's property to the north, this parcel has little, if any, value on the open market.

Disposition Method: Upon approval of the LRPMP, the Successor Agency and the Town will take the following actions:

1. The Town will obtain an independent professional appraisal of the highest and best use fair market value of the property (the "Property 2 Appraised FMV").

2. The Town will enter into a compensation agreement with the taxing entities in accordance with Health and Safety Code Section 34180(f) to provide

payments in the aggregate amount of the Property 2 Appraised FMV to the taxing entities, with such payments distributed in proportion to each taxing entity's respective share of the base property tax, as determined pursuant to Health and Safety Code Section 334188. These payments will be made by the Town as a condition of and in consideration for the transfer of Property 2 to the Town for the identified redevelopment project activity of operating a public parking facility on the property in furtherance of the private redevelopment of the surrounding North Hartz Avenue area.

3. The Successor Agency and the Town will seek Oversight Board approval (and Department of Finance review) of the compensation agreement with the taxing entities for Property 2.

4. Upon full approval of compensation agreement, the Town will make the payments required by the compensation agreement to the taxing entities, and the Successor Agency will convey Property 2 to the Town.

LIST OF EXHIBITS

1. Long Range Property Management Plan Checklist
2. Aerial map of Successor Agency Properties
3. Photographs of Property 1: 115-125 Hartz Avenue
4. Map of Downtown Danville

LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

Instructions: Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

Redevelopment_Administration@dof.ca.gov

The subject line should state "[Agency Name] Long-Range Property Management Plan". The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

GENERAL INFORMATION:

Agency Name: **Town of Danville serving as the Successor Agency to the Former Community Development Agency of the Town of Danville**

Date Finding of Completion Received: May 24, 2013

Date Oversight Board Approved LRPMP: November 18, 2013

Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

☒ Yes ☐ No

For each property the plan includes the purpose for which the property was acquired.

☒ Yes ☐ No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

☒ Yes ☐ No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

☒ Yes ☐ No

EXHIBIT 1

For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

☒ Yes ☐ No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

☒ Yes ☐ No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

☒ Yes ☐ No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

☒ Yes ☐ No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

☒ Yes ☐ No

The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

☒ Yes ☐ No

ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.
  Please see attached Long Range Property Management Plan, as reviewed and approved by Oversight Board.

Agency Contact Information

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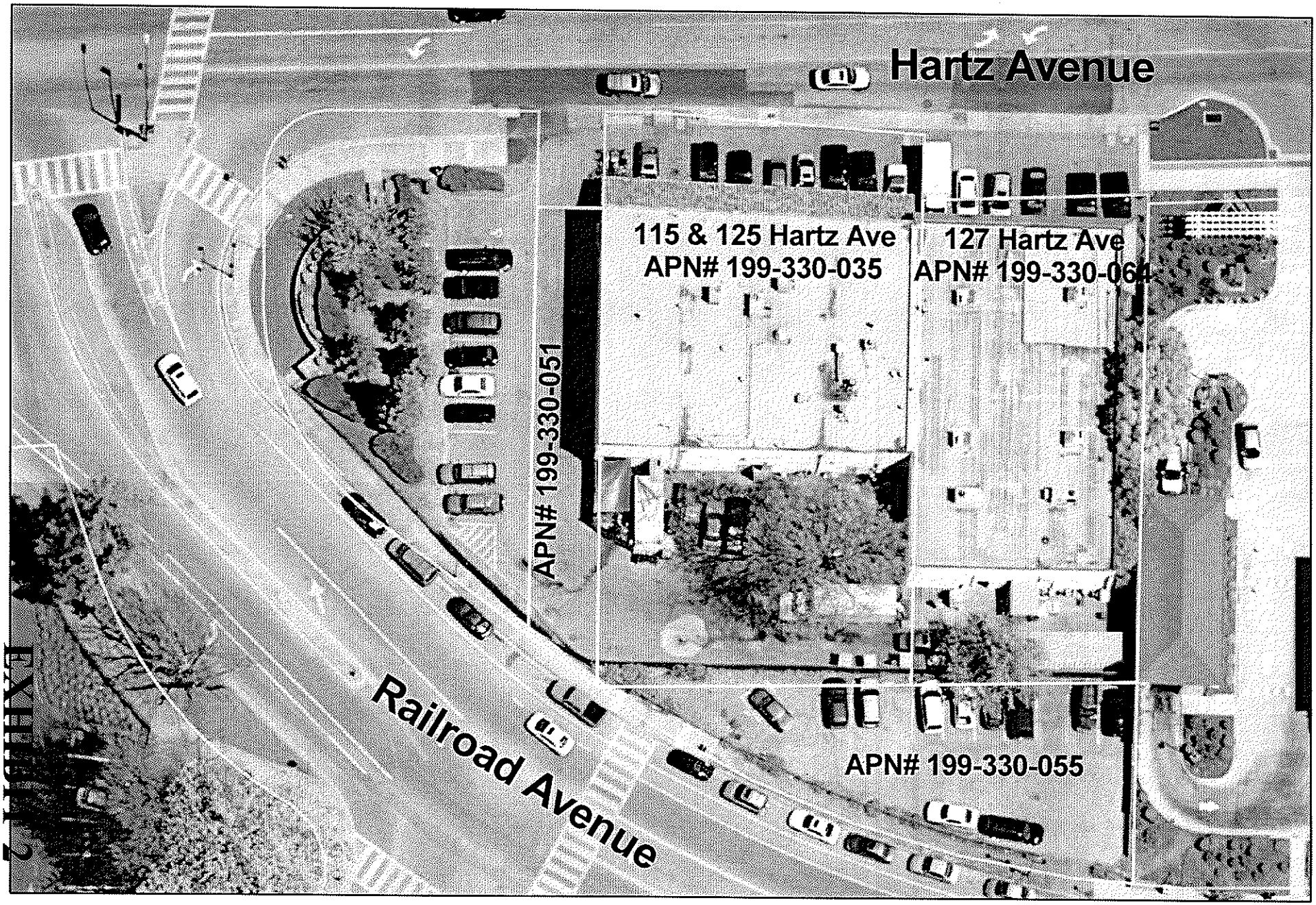
Title:	City Attorney	Title:	Town Manager
Phone:	925-314-3383	Phone:	925-314-3302
Email:	rewing@danville.ca.gov	Email:	jcalabrigo@danville.ca.gov
Date:	11/19/13	Date:	11/19/13

Department of Finance Local Government Unit Use Only

DETERMINATION ON LRPMP: ☐ APPROVED ☐ DENIED

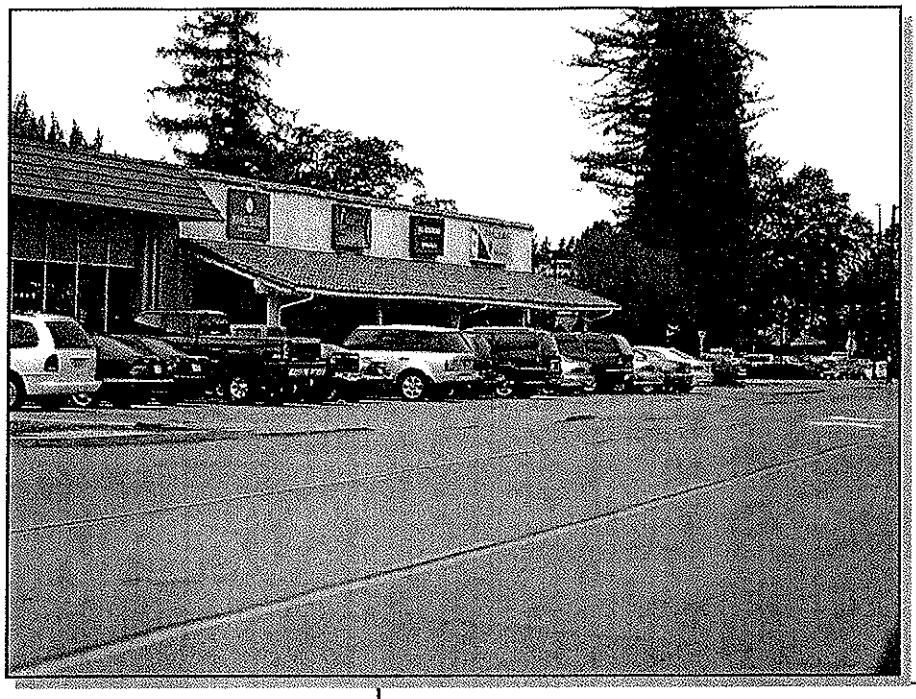
APPROVED/DENIED BY: _____ DATE: _____

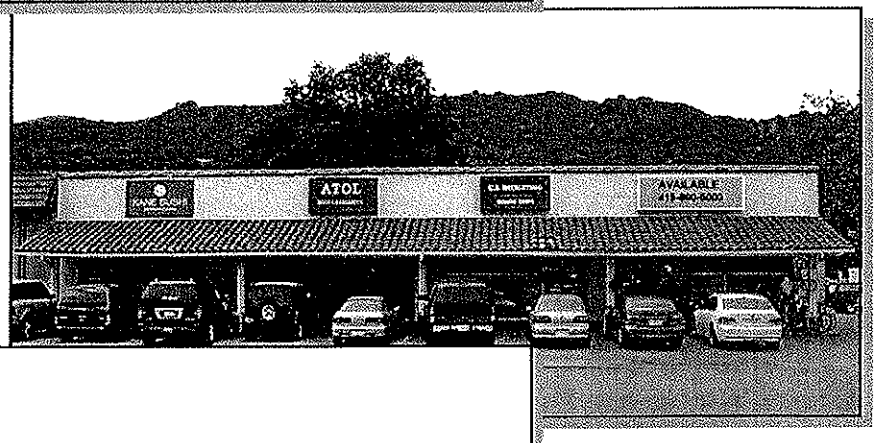
APROVAL OR DENIAL LETTER PROVIDED: ☐ YES DATE AGENCY NOTIFIED: _____



115 & 125 Hartz Avenue

115-125 Danville Blvd, Danville, CA





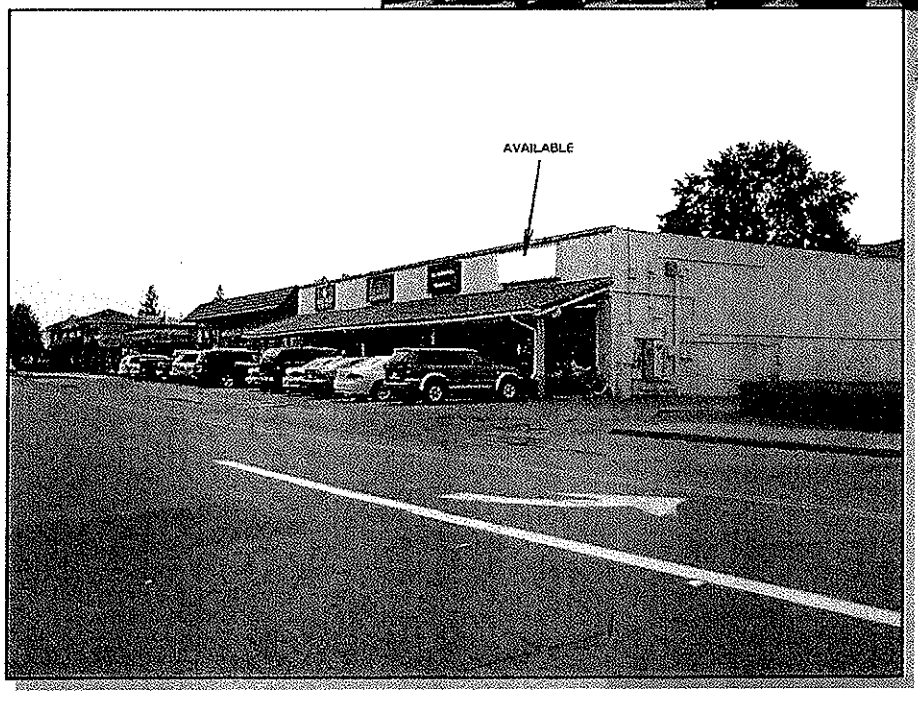
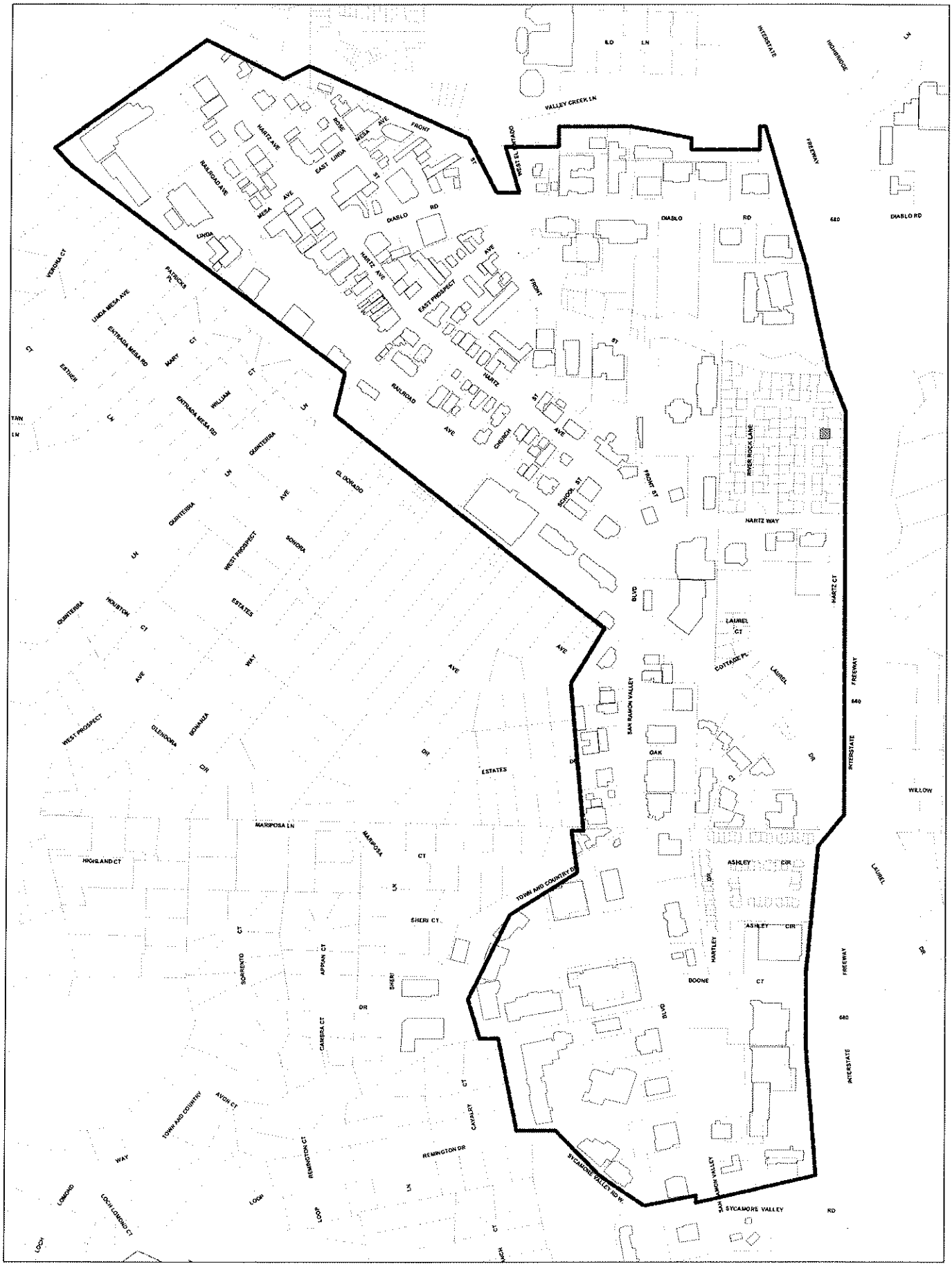


EXHIBIT 3

Revised 7/20/2010



Downtown Danville

EXHIBIT 4