

OVERSIGHT BOARD RESOLUTION NO. OB 13-0017

A RESOLUTION OF THE OVERSIGHT BOARD OF THE DOWNEY SUCCESSOR AGENCY APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PREPARED BY THE SUCCESSOR AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5

WHEREAS, pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Community Redevelopment Agency (the "Agency") transferred to the control of the Successor Agency to the Agency (the "Successor Agency") by operation of law.

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency must prepare a long-range property management plan which addresses the disposition and use of the real properties of the former Agency, and which must be submitted to the Oversight Board of the Successor Agency (the "Oversight Board") and the Department of Finance (the "DOF") for approval no later than six months following the issuance by DOF to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7.

WHEREAS, pursuant to Health and Safety Code Section 34179.7, DOF issued a finding of completion to the Downey Successor Agency on May 15, 2013.

WHEREAS, the Successor Agency has prepared and submitted to the Oversight Board the proposed long-range property management plan attached hereto as Exhibit A (the "LRPMP"), which LRPMP addresses the disposition and use of the real properties of the former Agency and includes the information required pursuant to Health and Safety Code Section 34191.5(c).

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE DOWNEY SUCCESSOR AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. This Resolution is adopted pursuant to Health and Safety Code Section 34191.5.

SECTION 3. The Oversight Board hereby approves the LRPMP as presented by the Successor Agency and attached hereto as Exhibit "A".

SECTION 4. The staff of the Successor Agency is hereby directed to transmit to DOF this Resolution together with written notice and information regarding the action taken by this Resolution. Such notice to DOF shall be provided by electronic means and in a manner of DOF's choosing.

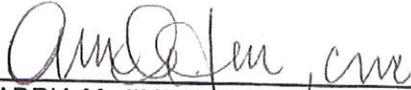
SECTION 5. The staff and the Board of the Downey Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

PASSED AND ADOPTED by the Oversight Board at a meeting held on the 17th day of October, 2013.



BRIAN SAEKI
CHAIR

ATTEST:

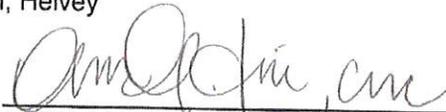


ADRIA M. JIMENEZ, CMC
SECRETARY

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF DOWNEY)

I, Adria M. Jimenez, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at a meeting of the Oversight Board, held on the 17th day of October 22, 2013.

AYES: BOARD MEMBERS: Brossmer, Delawalla, LaPlante, Chair Saeki
NOES: BOARD MEMBERS: None
ABSENT: BOARD MEMBERS: Flores, Latham, Helvey



ADRIA M. JIMENEZ, CMC
SECRETARY

RESOLUTION NO. OB 14-0019

A RESOLUTION OF THE OVERSIGHT BOARD TO THE DOWNEY SUCCESSOR AGENCY TO AMEND THE LONG RANGE PROPERTY MANAGEMENT PLAN AND STATE THE INTENT TO ENTER INTO COMPENSATION AGREEMENTS AS REQUIRED BY LAW

WHEREAS, the Oversight Board to the Downey Successor Agency ("Oversight Board") has been established to direct the Downey Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Redevelopment Agency functions and powers of the Community Development Commission of the City of Downey ("Agency") in accordance with the requirements of Assembly Bill 26, also known as Chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and 1.85 of Division 24 of the California Health and Safety Code ("ABx1 26"); and,

WHEREAS, pursuant to Assembly Bill 1484 and California Health & Safety Code section 34191.5, each Successor Agency shall have completed a Long Range Property Management Plan (LRPMP) governing the disposition and use of the former Agency owned properties; and,

WHEREAS, the Oversight Board first reviewed and approved the LRPMP on October 17, 2013, before forwarding the LRPMP to the State Department of Finance; and,

WHEREAS, the LRPMP establishes that the properties located at 9062-9068 Firestone Boulevard are to be "Retained for Future Development;" and,

WHEREAS, pursuant to the instruction from the State Department of Finance, the Successor Agency must state in the LRPMP an intent to enter into compensation agreements with the Taxing Entities for properties listed as "Retain for Future Development" prior to the transfer of properties, in order for the LRPMP to be approved by the State Department of Finance.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD AS FOLLOWS:

SECTION 1. The Oversight Board reviewed and approved the Long Range Property Management Plan at its meeting on October 17, 2013.

SECTION 2. The properties delineated in the LRPMP at 9062-9068 Firestone Boulevard shall remain classified as "Retain for Future Development."

SECTION 3. With respect to the properties described as 9062-9068 Firestone Boulevard, in the LRPMP, the City of Downey will enter into compensation agreements with the affected taxing entities for the distribution of any net sale proceeds or rental income to the extent required by law.

SECTION 4. The Oversight Board directs that the LRPMP be ratified with the corrected dispositions for the aforementioned property and that the intent to enter into compensation agreements to the extent required by law be affirmed.

SECTION 5. The Oversight Board Secretary shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Oversight Board at a meeting held on the 19th day of June, 2014.



DONALD LAPLANTE, Chair

ATTEST:

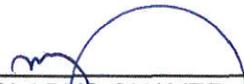


GLADYS CHAVEZ
Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF DOWNEY)

I, Gladys Chavez, Secretary, hereby certify that the foregoing resolution was duly adopted at a Regular Meeting of the Oversight Board, held on the 19th day of June, 2014.

AYES: BOARD MEMBERS: Brossmer, Flores, Schindler, Chair LaPlante
NOES: BOARD MEMBERS: None
ABSENT: BOARD MEMBERS: Delawalla, Helvey, Latham
ABSTAIN: BOARD MEMBERS: None



GLADYS CHAVEZ
Secretary

DOWNEY SUCCESSOR AGENCY LONG RANGE PROPERTY MANAGEMENT PLAN

On June 27, 2012, Governor Brown signed into law Assembly Bill 1484 (AB 1484), a budget trailer bill that made significant changes to the redevelopment agency dissolution process implemented by ABx1 26. One of the key components of AB 1484 is the requirement that all successor agencies develop a Long Range Property Management Plan (LRPMP) that governs the disposition or use of any property asset of the former redevelopment agency. This Long Range Property Management Plan (LRPMP) addresses how the Downey Successor Agency will dispose of non-housing property assets formerly owned by the Downey Community Development Commission (CDC).

During its term in operation, the former redevelopment agency had undertaken a variety of programs and projects; including the acquisition of properties in effort to revitalize and eliminate blight conditions from within its former Project Areas. At the time ABx1 26 went into effect, the CDC owned or controlled only one non-residential property. This property is located on Firestone Blvd., just south of the Stonewood Shopping Center. The subject site is a 112,280 sq. ft. flag-shaped vacant lot and is zoned Lakewood-Firestone 91-2. The property was purchased in 1991 for \$2.8 million, and its current estimated appraised value is \$2.5 million.

The Successor Agency intends to retain the property for a future development, pursuant to Health and Safety Code Sec. 34191.5, and pursue a development path which will include the disposition of the subject property. This option is preferred by the Successor Agency in order to improve its position in dictating the type of project and use it envisions for the site. A Disposition and Development Agreement will be prepared and submitted for review, as an enforceable obligation, to each affected taxing entity. The agreement will also require approval by the Oversight Board to the Downey Successor Agency. The time scheduled to complete the disposition of this property is projected to occur within 12-24 months.

When the subject property was acquired in 1991, the CDC utilized its redevelopment resources and federal Community Development Block Grant (CDBG) funds to finance the acquisition. Federal regulations governing the federal CDBG program will require that a share of any sales net earnings must be returned to the City of Downey's CDBG program. The investment of CDBG funds was equal to 60% of the purchase transaction and this factor will be used to determine the prorated distribution of the net earnings to the City of Downey. The remaining balance, equal to 40%, would be transferred to the Los Angeles County Auditor-Controller for redistribution to any effected taxing entities.

Following the adoption of the Long Range Property Management Plan by the Downey Successor Agency, staff will pursue its search for a developer with the experience and financial capacity to initiate and complete an approved development of the site.

Pursuant to Section 34191.5(c) of the Health and Safety Code, the remainder of this report provides detailed information on the subject property and includes the attached spreadsheet which is in a format required by the Department of Finance.

Property Information

Address:	9062-9068 Firestone Blvd.
APN:	6284-006-903 6284-006-904
Purchase Date:	January 1991
Value at Purchase:	\$2,858,295
Funding Sources:	60% Federal CDBG 40% Redevelopment funds
Lot Size:	112,268 sq. ft. (2.58 acres)
Current Zoning:	Specific Plan 91-2
Physical Constraints:	Narrow street frontage, existing access easement locations, irregular shaped parcel

Estimated Property Value

Estimated Current Value:	Parcel 903: \$715,000 Parcel 904: \$1,795,000
Proposed Sale Value:	Up to above amount
Proposed Sale Date:	12-24 months of DOF approval of the LRPMP

Estimate of Revenues

Lease Income:	No current leases
Rental/ Other Contractual:	None

Environmental Contamination History

Brownfield Status:	Not Applicable
Studies Conducted:	Phase I, Phase II, Soil Remediation Report and Asbestos Survey
Remediation Efforts:	Between 1991-1999, removal of asbestos material during demolition of buildings and remediation of contaminated soil in 1996

Transit-Oriented Development

TOD Potential:	None. The site is not within a TOD area per the City's General Plan Land Use Chapter. The approved Specific Plan 91-2 does not provide for high intensity residential use which is essential for a Transit-Oriented Development.
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Planning Objective of Successor Agency

To retain property for future development per Health and Safety Code Section 31491.5 (c)(2) and continue outreach to solicit proposals with commercial and retail use that have potential to produce quality employment opportunities and generate high volume of sales and tax revenues.

History of Development Proposals and Activities

In April 1999, the Redevelopment Agency entered into a Development and Disposition Agreement (DDA) for the development of a Holiday Inn Express Hotel and fine dining restaurant. The project received all entitlement approvals from the City, however, the proposed development faltered and the DDA was terminated by the CDC and Developer. The agency has continually received general development inquiries but no development agreement has resulted from these inquiries.

Use Disposition of Property

The subject site has the advantage of a superior location because of its proximity to Stonewood Center and direct access off of Firestone Blvd. However, a narrow street frontage, existing access easements and the irregular shape parcel present a challenge in developing the property.

Successor Agency: Downey Successor Agency
 County: Los Angeles

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

		HSC 34191.5 (C)(2)			HSC 34191.5 (C)(1)(A)			HSC 34191.5 (C)(1)(B)			HSC 34191.5 (C)(1)(C)				
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Address	APN #	Lot Size	Current Zoning
1	Vacant Lot/Land	Future Development	Commercial and Retail uses permitted under Specific Plan	January 1991	2,850,295	2,510,000	Market	3/7/2016	No pending transaction	No Sale transaction pending	The property was acquired to eliminate economic blight enabling future development of automotive, commercial, specialty retail or hotel uses.	9062-5008 Firestone Blvd. Downey CA 90241	6284-004-003 and 6284-008-904	112,266 sq. ft.	SP-47-2
2	No Other Properties to List														

