



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: **City of Escondido**

Date Finding of Completion Received: **May 24, 2013**

Date Oversight Board Approved LRPMP: **October 8, 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

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.
No current market value data was available for our governmental use properties due to the unique nature of these sites.

Agency Contact Information

Name:	Debra Lundy	Name:	
Title:	Real Property Manager	Title:	
Phone:	760-839-4034	Phone:	
Email:	dlundy@escondido.org	Email:	
Date:	11/18/13	Date:	

Department of Finance Local Government Unit Use Only

DETERMINATION ON LRPMP: APPROVED DENIED

APPROVED/DENIED BY: _____ DATE: _____

APPROVAL OR DENIAL LETTER PROVIDED: YES DATE AGENCY NOTIFIED: _____



REDEVELOPMENT SUCCESSOR AGENCY LONG RANGE PROPERTY MANAGEMENT PLAN

**Prepared By:
The City of Escondido as the Successor Agency
to the Redevelopment Agency**

201 N. Broadway
Escondido, CA 92025

Finding of Completion: May 24, 2013

In accordance with California Health & Safety Code Section 34191.5, the City of Escondido as Successor Agency to the Redevelopment Agency of the City of Escondido (“Successor Agency”) has prepared this Long Range Property Management Plan (“Plan”) to set forth a strategy for disposition and use of the real properties of the former redevelopment agency.

Background

The City of Escondido’s former redevelopment agency, which was established by ordinance in 1984, was formally dissolved by State Assembly Bill ABx1 26 (the “Dissolution Act”) on February 1, 2012. By adoption of City Resolution 2012-16, the City elected to serve as the Successor Agency to the Redevelopment Agency of the City of Escondido. The Dissolution Act, as supplemented by AB 1484 (the “Trailer Bill”), mandates that the operations of the former redevelopment agency are to be wrapped up under the direction of the Successor Agency’s Oversight Board.

The Dissolution Act and the Trailer Bill have now been codified into the Health & Safety Code, which governs the winding down efforts of former redevelopment agencies. The preparation of this Long Range Property Management Plan within six (6) months following the issuance of the successor agency finding of completion (issued on May 24, 2013) is one of the requirements set forth in the Health & Safety Code.

The Successor Agency’s review of the former redevelopment agency real property assets and development of this Plan has been undertaken with an underlying objective of carrying out the state’s mandates, while at the same time complimenting the City of Escondido’s commitment to strategically and comprehensively manage its real property portfolio in a manner that maximally achieves its local goals and policies.

The Successor Agency owns five (5) real property assets which are the subject of this Plan:

Site 1: 480 N. Spruce Street, a 3.79 acre lot improved with a 48,976 sf warehouse, was acquired in 2010 for the AAA Ballpark project and is currently situated within the Business Park redevelopment area. This site is available for interim lease and has been designated “hold for future development” as a means of achieving its highest and best use and maximizing its value.

Sites 2-4: 304, 314 & 316 East Grand, totaling 21,000 sf, were acquired in 2010 for future development with an interim use as a public parking lot for the downtown area. The sites are currently developed as a public park for the use and enjoyment of the public and are designated as “governmental use.”

Site 5: 250 E. Valley Parkway, a 3.32 acre site, was acquired in 1992 by the Redevelopment Agency from the City for assemblage with the adjacent parcel for development of the California Center for the Arts. The site is currently improved with

the CCAE facility as is part of a larger parcel. This site will be used to pay off an enforceable obligation and will be retained for governmental use thereafter.

Required Components of the Plan

As specified in section 34191.5(c) of the Health & Safety Code, the Plan must include: 1) a detailed inventory of all properties of the former redevelopment agency and; 2) address the use or disposition of each property.

The inventory of all properties shall include the following details:

- Acquisition Date and Value at time of purchase
- Purpose for acquisition
- Parcel data: size, zoning, community planning info
- Estimate of current value of parcel
- Estimate of revenues generated by the property
- Environmental history
- Property's potential for transit-oriented development and the advancement of planning objectives of the successor agency
- History of previous development proposals and activity (including rental/lease of property)

As determined by the state, permissible uses of former redevelopment properties are: 1) governmental use pursuant to Section 34181 (a); 2) hold for future development; 3) sale of property; and 4) use of the property to fulfill enforceable obligation.

The above required components of the Plan are addressed in full for each of the five (5) properties in the attached Property Tracking Worksheet (**Exhibit 'A'**).

Property Profiles

Property profiles (**Exhibit 'B'**) have been developed for each of the five (5) properties to offer a visual aid in support of the Property Tracking Worksheet.

Policy and Procedures for Implementing the Plan

Under the direction of the Successor Agency's Oversight Board and upon approval by the Department of Finance, this Plan shall be implemented according to the policies set forth for each of the categories used in the Property Tracking Worksheet, as described below in further detail.

[Governmental Use Pursuant to Section 34181\(a\)](#)

In accordance with Section 34181(a) of the Health & Safety code, the Oversight Board may direct the Successor Agency to transfer ownership of assets that were constructed and used for a governmental purpose (such as roads, school buildings, parks, police and fire stations, libraries, and local administrative buildings) to the appropriate public

jurisdiction pursuant to any existing agreements relating to the construction or use of such as asset.

The City of Escondido Successor Agency possesses **three (3)** parcels that are classified as governmental use: park parcels (**Sites 2, 3, & 4**), which the City is requesting to retain for continued governmental/public purposes.

Hold for Future Development

One (1) of the Successor Agency properties (**Site 1**) has been categorized as “hold for future development” because maximized value could not be achieved by selling this property in the current market, which has declined slightly since the date of acquisition and is situated in an older area of town that is ripe for redevelopment.

The City recently completed a Comprehensive Economic Development Plan, which identifies this area as a “key subarea” with top priority for development of a proposed Business Park, intended to revitalize the area and generate job and fiscal revenue growth. The highest and best use of this site can be realized by assembling this site with other City-owned properties and packaging them for Business Park redevelopment.

In the interim, as a means of contributing to the value, reducing liability and protecting the City’s interests in maintaining its own appearance standards, the Successor Agency will lease this property at the fair market rental value, as determined by a professional real estate broker or an appraisal. After establishing the fair market rent, the Successor Agency will utilize the professional services of a commercial brokerage firm to list and market the property for rent.

All rental revenue received from this property will be utilized to pay for enforceable obligations, including the property management of this and other Successor Agency properties. Any remaining rental revenues will be given to the County for appropriate disbursement.

Sale of Property

All properties which have been proposed and approved for disposition shall be disposed of expeditiously and in a manner aimed at maximizing value. To achieve this, the Successor Agency will have the properties appraised by an MAI appraiser and will utilize the professional services of a brokerage firm to list and market the properties for sale. All offers at or over the appraised value will be considered. Substantial weight will be given to development and uses that are in line with the City’s local policies and objectives.

The City of Escondido Successor Agency does not have any assets that fall into this category.

Use of the Property to Fulfill Enforceable Obligation

Real property assets of the Successor Agency may be used to fulfill enforceable obligations, including bonds, loans, payments required by the federal government or

state law, judgments or settlements, legally binding and enforceable agreements and contracts necessary for the administration or operation of the successor agency.

The City of Escondido Successor Agency possesses **one (1)** asset (**Site 5**) that falls into this category. Site 5 is a portion of a larger parcel which comprises the California Center for the Arts facility. This site is overseen by the City and provides security to bond issues, which come up in 2018. This site is tax exempt debt financed. Once the bond issues are paid off, this site will continue to be necessary for ongoing governmental use as a portion of the larger arts complex.

Conclusion

The City of Escondido as the Successor Agency to the Redevelopment Agency has prepared this Long Range Property Management Plan in order to set forth a strategy for disposition and use of the former redevelopment agency real property assets. In addition to meeting the state's criteria, as set forth in the Health & Safety Code, this Plan also serves to compliment the City's overall development objectives and goals. The Plan was approved by the Oversight Board on October 8, 2013. Upon approval by the Department of Finance, the Successor Agency shall begin implementation of this Plan.

Exhibit A

Property Inventory Data

Exhibit B

Property Profiles

**Long Range Property
Management Plan**
Successor Agency to the
Redevelopment Agency of the
City of Escondido
201 N. Broadway
Escondido, CA 92025



Site No. 1

480 N. Spruce Street

Property Features:

- M-1 Zoning
- 3.79 Acres
- APN 232-091-28
- Successor Agency Hold for Future Development

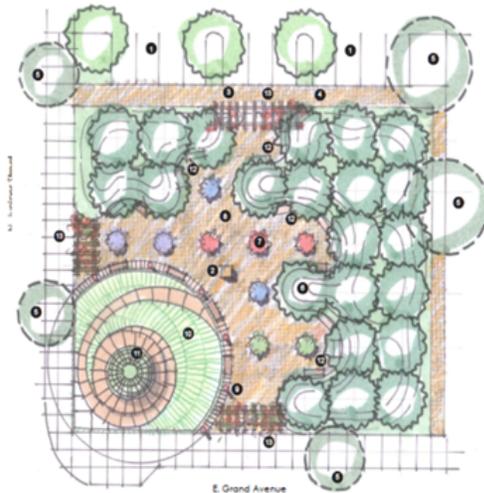
**Long Range Property
Management Plan
Successor Agency to the
Redevelopment Agency of
the City of Escondido
201 N. Broadway
Escondido, CA 92025**

Site No. 2, 3, & 4

304, 314 & 316 E. Grand

Property Features:

- SP Zoning
- 21,000 sf
- APNs: 229-432-24,25 & 26
- Governmental Use: Public
Park



**Long Range Property
Management Plan
Successor Agency to the
Redevelopment Agency of
the City of Escondido
201 N. Broadway
Escondido, CA 92025**



Site No. 5

250 W. Valley Parkway

Property Features:

- SP Zoning
- 3.32 Acres
- APN 229-237-20
- Use to Fulfill an Enforceable Obligation/Governmental Use: Portion of California Center for the Arts Facility

**Exhibit A
Property Tracking Worksheet**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W		
1	Successor Agency: City of Escondido																								
2	County: San Diego																								
3																									
4	LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA																								
5																									
6	HSC 34191.5 (c)(2)			HSC 34191.5 (c)(1)(A)					SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)		HSC 34191.5 (c)(1)(C)			HSC 34191.5 (c)(1)(D)		HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)		HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)	
7	No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	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	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity		
8	1	Commercial	Future Development	Maximal value to be achieved via repositioning w/ Bus Park redevelopment	10/27/2010	5,000,000	4,760,094	Market	4/1/2013	n/a	n/a	AAA Ballpark Project	480 N Spruce	232-091-28	3.79 acres	M1	4,760,094	\$27,000/mo	n/a	DEH Case closed Jan 2000.	Near multi-module transit station	Business Park Redevelopment; Job & fiscal revenue growth	This site was intended to be included in the AAA Ballpark redevelopment project. The site is situated in the Business Park redevelopment area. Potential for assembly with City-owned parcels for Business Park Development. Interim Lease to be pursued. Former long term Lessor vacated May 2012. Leased for \$14,790/month from 11/1/2012-5/31/2013. Currently on market for .55/psf.		
9	2	Park	Governmental Use	Public Park	9/17/2010	609,000	n/a		n/a	n/a	n/a	Redevelop through Development Agreement	314 E Grand	229-432-24	7000 sf	SP	n/a*	-	n/a	DEH Case; well monitoring ongoing	n/a	Retention of this site provides ongoing governmental use of this site as a public facility.	Acquired for redevelopment purposes, with intent to improve as public parking in the interim. Due to lack of funding to improve the lot, these parcels have an interim use as a park for public use and enjoyment.		
10	304 E Grand												229-432-25	7000 sf											
11	316 E Grand												229-432-26	7000 sf											
12	5	Public Building	Governmental Use	Portion of the CA Center for the Arts larger parcel	7/15/1992	2,766,714	n/a		n/a	n/a	n/a	Construction of an arts complex	250 WVP	229-372-20	3.32 acres	SP	n/a**	-	n/a	None known.	n/a	Use of this site for fulfilling enforceable obligations as security on bonds, and ultimately ongoing governmental use of this site as a public arts complex.	As part of its redevelopment plan, this site was acquired for the construction of the California Center for the Arts facility and has been utilized as an arts complex since. The site is managed by the California Center for the Arts Escondido Foundation under an Occupancy License and Management Agreement. This site is part of a larger parcel, comprised of two APNs, and was originally purchased by the City for the expansion of City Hall. The improvements are tax-exempt debt financed and are used to provide security on bond issues. Upon the repayment of the bonds, the parcel will be used for ongoing governmental use as a portion of the larger arts facility.		
13	*These parcels are governmental sites and do not have market value.																								
14	**This parcel is part of a larger parcel and does not have stand-alone value; it is also developed as a governmental facility and does not have a market value																								



**REDEVELOPMENT SUCCESSOR AGENCY
LONG RANGE PROPERTY MANAGEMENT PLAN**

REVISED JUNE 11, 2014

**Prepared By:
The City of Escondido as the Successor Agency
to the Redevelopment Agency**

201 N. Broadway
Escondido, CA 92025

**Finding of Completion: May 24, 2013
Original Submittal: November 18, 2013**

In accordance with California Health & Safety Code Section 34191.5, the City of Escondido as Successor Agency to the Redevelopment Agency of the City of Escondido (“Successor Agency”) has prepared this Revised Long Range Property Management Plan (“Plan”) to set forth a strategy for disposition and use of the real properties of the former redevelopment agency.

Background

The City of Escondido’s former redevelopment agency, which was established by ordinance in 1984, was formally dissolved by State Assembly Bill ABx1 26 (the “Dissolution Act”) on February 1, 2012. By adoption of City Resolution 2012-16, the City elected to serve as the Successor Agency to the Redevelopment Agency of the City of Escondido. The Dissolution Act, as supplemented by AB 1484 (the “Trailer Bill”), mandates that the operations of the former redevelopment agency are to be wrapped up under the direction of the Successor Agency’s Oversight Board.

The Dissolution Act and the Trailer Bill have now been codified into the Health & Safety Code, which governs the winding down efforts of former redevelopment agencies. The preparation of this Long Range Property Management Plan within six (6) months following the issuance of the successor agency finding of completion (issued on May 24, 2013) is one of the requirements set forth in the Health & Safety Code.

The Successor Agency’s review of the former redevelopment agency real property assets and development of this Plan has been undertaken with an underlying objective of carrying out the state’s mandates, while at the same time complimenting the City of Escondido’s commitment to strategically and comprehensively manage its real property portfolio in a manner that maximally achieves its local goals and policies.

The Successor Agency owns eight (8) real property assets which are the subject of this Revised Plan:

Site 1: 480 N. Spruce Street, a 3.79 acre lot improved with a 48,976 sf warehouse, was acquired in 2010 for the AAA Ballpark project and is currently situated within the Business Park redevelopment area. This site is available for interim lease and has been designated “hold for future development” as a means of achieving its highest and best use and maximizing its value.

Sites 2-4: 304, 314 & 316 East Grand, totaling 21,000 sf, were acquired in 2010 for future development with an interim use as a public parking lot for the downtown area. The sites are currently developed as a public park for the use and enjoyment of the public and are designated in this Plan as “governmental use” properties, with the intention of maintaining them by the City for continued public park use.

Site 5: 250 E. Valley Parkway, a 3.32 acre site, was acquired in 1992 by the Redevelopment Agency from the City for assemblage with the adjacent parcel (Site 5a

below) for development of the California Center for the Arts (“CCAЕ”). The property was part of several acquisitions for Grape Day Park and civic facilities. The site is currently improved with the CCAЕ facility as is part of a larger parcel. This site will be used to pay off an enforceable obligation by 2018 and will then need to be retained by the City for governmental use thereafter for the continued operation of the CCAЕ.

Site 5(a): 321 North Broadway, a 22.8 acre site improved with a public park (“Grape Day Park”) and a portion of the CCAЕ facility, which together with Site 5 comprises the entire CCAЕ campus. This site is designated as a “governmental use” property for transfer back to the City of Escondido for continued civic purposes.

Site 5(b): 201 North Broadway, a 4.10 acre site is improved with the City of Escondido City Hall. This site is designated a “governmental use” property, to be transferred back to the City of Escondido for continued public facility use.

Site 6: West Valley Parkway, a 1.03 acre site is a municipal parking lot within the City’s Core Downtown Parking District directly across the street from the City Hall and CCAЕ complex. This property was purchased by the City with Vehicle Parking District Funds and transferred to the CDC in 1986 when the CDC advanced a loan to the Vehicle Parking District. The Plan designates this site as a “governmental use” property since it serves City Hall and surrounding civic facilities to both public and employee users.

Required Components of the Plan

As specified in section 34191.5(c) of the Health & Safety Code, the Plan must include: 1) a detailed inventory of all properties of the former redevelopment agency and; 2) address the use or disposition of each property.

The inventory of all properties shall include the following details:

- Acquisition Date and Value at time of purchase
- Purpose for acquisition
- Parcel data: size, zoning, community planning info
- Estimate of current value of parcel
- Estimate of revenues generated by the property
- Environmental history
- Property’s potential for transit-oriented development and the advancement of planning objectives of the successor agency
- History of previous development proposals and activity (including rental/lease of property)

As determined by the state, permissible uses of former redevelopment properties are: 1) governmental use pursuant to Section 34181 (a); 2) hold for future development; 3) sale of property; and 4) use of the property to fulfill enforceable obligation.

The above required components of the Plan are addressed in full for each of the eight (8) properties in the attached Property Tracking Worksheet (**Exhibit 'A'**).

Property Profiles

Property profiles (**Exhibit 'B'**) have been developed for each of the eight (8) properties to offer a visual aid in support of the Property Tracking Worksheet.

Policy and Procedures for Implementing the Plan

Under the direction of the Successor Agency's Oversight Board and upon approval by the Department of Finance, this Plan shall be implemented according to the policies set forth for each of the categories used in the Property Tracking Worksheet, as described below in further detail.

[Governmental Use Pursuant to Section 34181\(a\)](#)

In accordance with Section 34181(a) of the Health & Safety code, the Oversight Board may direct the Successor Agency to transfer ownership of assets that were constructed and used for a governmental purpose (such as roads, school buildings, parks, police and fire stations, libraries, and local administrative buildings) to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such as asset.

The City of Escondido Successor Agency possesses seven (7) parcels that are classified as governmental use properties: Sites 2, 3, 4, 5, 5a, 5b and 6, which the City is requesting to retain for continued governmental/public purposes.

Sites 2, 3 & 4 are contiguous parcels within the downtown area of Escondido and are developed as a public park called "Heritage Garden." According to the 2010 Financial Statement and Supplemental Data of the former Escondido redevelopment agency, these three vacant lots, former site of a gas station, were purchased for \$607,576 with the intent to turn them into public parking lots within the redevelopment project area [R-CDC 2010-08]. The three lots are contiguous and development on them has been hindered by a recently closed County of San Diego Department of Environmental Health case [DEH Case No. H05198-001]. The contamination lies primarily in one of the lots with the other two being used for ongoing monitoring.

Because of the significant contamination issues and monitoring wells placed on two of the sites, making development challenging, the sites have subsequently been converted into a surface-only public park, in accordance with County of San Diego Department of Environmental Health permissible uses. The surface park use is the best use of this property for the foreseeable future. Development of any other type, including a public parking lot as originally intended, would require the submittal of a property redevelopment plan (to include property and soil mitigation plans) to the County of San Diego Voluntary Assistance Program, the State Department Toxic Substances Control or the State Regional Water Quality Control Board for review and concurrence.

Currently the land use restrictions resulting from the contamination prohibit grading of the soil, construction of structures and/or residential occupancy, which activities would all require further assessment/mitigation.

The Corrective Action Plan calls for natural attenuation, which is understood to be a slow process involving the absorption of soil particles, biodegradation and dilution and dispersion in groundwater. In order to verify that natural attenuation is successful, long term monitoring will likely be necessary.

Heritage Garden Public Park meets the limited development constraints burdened by the environmental condition and serves as a beautiful civic rest and play area for the public to gather in downtown Escondido.

Sites 5, 5a and 5b are contiguous parcels improved with civic facilities including: Grape Day Park, a public swimming pool, the California Center for the Arts complex and City Hall, along with a public parking lot serving these facilities. These properties were originally owned by the City and transferred by the City to the redevelopment agency (without cost to the agency) in 1992 for development and financing purposes. Revenues are not pledged to debt repayment and revenues generated by the property do not tie to any ROPS item. These properties remain vested in the redevelopment agency simply because of financing structures.

Although these sites are vested in the CDC, they are controlled entirely by the City of Escondido. The CCAE campus opened in 1994 to provide a focal point in North San Diego County for the presentation of a variety of visual and performing arts events, to encourage other cultural activities, and to provide a venue for local events and presentations. Although on a much larger scale, this campus replaced the City's former community center. The total complex consists of theaters, educational facilities, studios, a museum, a conference center, administrative offices, exterior public gardens, plazas, grounds, and a central plant. CDC ownership of these facilities was simply for the purpose of facilitating development and financing.

The City contracts with a non-profit entity specifically formed to manage the cultural portion of the CCAE complex. Prior to completion of the facility in 1989, the City caused the California Center for the Arts, Escondido ("CCA") to be incorporated as a California nonprofit public benefit corporation. The City obtained state and federal determinations that CCAE qualified for exemption from income tax under Revenue and Taxation Code Section 23701(d) and Internal Revenue Code Section 501(c)(3). The City contemplated that CCAE would assemble volunteer and professional personnel with special expertise, interest and commitment to the arts, and to support the facilities and activities of the Center.

The property, plant and equipment involved in the CCAE have regularly been reported as capital assets of the Commission, as governmental activities in the government-wide financial statements prepared by the former redevelopment agency.

In addition to controlling the use of the property, a number of agreements are in place providing for use of the property by various other governmental entities—the County of San Diego, the Escondido Elementary School District, the Escondido High School District, the Palomar Community College District, the Palomar Pomerado Hospital District and the San Marcos Unified School District.¹

Additionally, Site 5 specifically contains meeting facilities which serve important governmental purposes. This site is vested in the CDC simply because the redevelopment related ownership existed to facilitate the tax exempt financing. Otherwise, it is in all respects being held, and will continually be held and operated solely for governmental purposes. Given the demise of redevelopment, the property will be transferred back to the City no later than 2018 upon payment of the remaining bonds.

Site 6 is located in the retail core area of the Historic Downtown District, directly across from City Hall and the CCAE complex. The property currently serves as free public and employee parking (Public Lot #1) serving the City Hall, Council Chambers, CCAE and other surrounding civic facilities. This lot is being classified as a “governmental use” parcel so that the City may retain it for continued use to provide the public and employees with access to the various surrounding civic facilities.

Additionally, this property has at times been contemplated for assembly with other City properties for development as a hotel site to maximize its highest and best use and bolster economic development objectives in the immediate civic/downtown area, in particular in support of the CCAE and its regional events. In the event that this property is developed in the future, the proceeds from the disposition would be shared with the taxing agencies in accordance with the compensation agreements, which will be in place prior to any such disposition and development of this site.

Hold for Future Development

One (1) of the Successor Agency properties (**Sites 1**) has been categorized as “hold for future development” because maximized value would be achieved for this property once assembled as part of a larger development project.

Site 1: The City recently completed a Comprehensive Economic Development Plan, which identifies the downtown area surrounding Site 1 as a “key subarea” with top priority for development of a proposed Business Park, intended to revitalize the area and generate job and fiscal revenue growth. The highest and best use of this site can be realized by assembling this site with other City-owned properties and packaging them for Business Park redevelopment.

¹ The legal validity of these agreements has not been analyzed in light of the dissolution legislation, however, the ongoing use of the facilities continues to involve use by these other governmental entities.

In the interim, as a means of contributing to the value, reducing liability and protecting the City's interests in maintaining its own appearance standards, the Successor Agency will lease this property at the fair market rental value, as determined by a professional real estate broker or an appraisal. After establishing the fair market rent, the Successor Agency will utilize the professional services of a commercial brokerage firm to list and market the property for rent.

All rental revenue received from this property will be utilized to pay for enforceable obligations, including the property management of this and other Successor Agency properties. Any remaining rental revenues will be given to the County for appropriate disbursement.

It has not been our understanding of state law that compensation agreements were required to be in place prior to submission of an LRPMP. However, the City is actively engaged in preparing such agreements that will generally provide for appropriate revenue sharing with all taxing entities, and if necessary, would suggest that approval of the LRPMP could be made conditional upon completion of such agreements.

We anticipate that the compensation agreements will provide that the other taxing entities will receive their proportionate share of the rental income above maintenance costs and a proportionate share of the sale proceeds when they are realized, depending on what the taxing entities believe is fair. (Alternatively, the rental income could go to pay enforceable obligations thereby achieving the same result. If an agreement cannot be reached with the taxing entities, the Oversight Board would approve an appraiser which will establish the value as of 2011 and the City will presumably have to pay that amount to the taxing entities at the time the property is transferred to the City.

History of revenue collected and used from 480 N. Spruce Street

480 N. Spruce Street was acquired by the Community Development Commission on October 27, 2010 for the AAA Ballpark Project. In November 2012, the property was leased for \$14,790 per month. The tenants vacated the property in May 2013. The property was leased for a total of 7 months; \$103,530 in rental revenue was collected related to the property (see attached Peoplesoft GL schedule). The property has been vacant since May 2013.

On January 8, 2013 the Oversight Board to the Successor Agency adopted and approved Resolution No. OB2013-02R. The resolution approved the use of rental income collected by the Successor Agency to provide all maintenance of properties owned by the Successor Agency.

Rental Income has been reported on ROPS schedules as "Other Funds" and has been used for property maintenance as follows.

- ROPS13-14A reported the following line items related to the maintenance of the property as coming from Other Funds:
 - Line Item #24 Utilities Gas & Electric Costs - \$6,000
 - Line Item #25 Property Management Expenses - \$80,000

- ROPS13-14B reported the following line items related to the maintenance of the property as coming from Other Funds:
 - Line Item #24 Utilities Gas & Electric Costs - \$6,000
 - Line Item #27 Utilities Water Costs - \$5,000
- ROPS14-15A reported the following line items related to the maintenance of the property as coming from Other Funds:
 - Line Item #24 Utilities Gas & Electric Costs - \$6,000
 - Line Item #27 Utilities Water Costs - \$5,000
 - Line Item #28 Utilities Landscaping Maintenance - \$3,000

Process for monitoring/tracking the receipt and use of revenue collected

All new lease agreements are forwarded to the Senior Account Clerk from the Property Manager for billing. The lessee is assigned a Customer Accounts Receivable Number and all pertinent information such as name, address, rent amount, fund and account number, are entered into the City's Financial Software, Oracle. All activity related to Successor Agency properties are recorded in Fund 791.

Invoices are generated and mailed before the first of each month. When the invoice is generated, the financial system creates a journal entry debiting accounts receivable and crediting rental revenue into Fund 791.

When a payment is received the check is matched to the appropriate invoice and forwarded to the Senior Accounting Assistant to be entered into the financial system. The payment is entered based on invoice number. Once the payment has been entered, the financial system creates a journal entry debiting cash and crediting the accounts receivable to Fund 791.

Financial activity of the Successor Agency Fund is monitored by the Assistant Finance Director and the Revenue Manager. All property maintenance expenses are budgeted for annually. Requests for Payment are submitted to Finance for approval. Property maintenance expenses are reported on the applicable ROPS form along with the associated rental revenue as coming from other funds.

[Sale of Property](#)

All properties which have been proposed and approved for disposition shall be disposed of expeditiously and in a manner aimed at maximizing value. To achieve this, the Successor Agency will have the properties appraised by an MAI appraiser and will utilize the professional services of a brokerage firm to list and market the properties for sale. All offers at or over the appraised value will be considered. Substantial weight will be given to development and uses that are in line with the City's local policies and objectives.

The City of Escondido Successor Agency does not have any assets that fall into this category.

Use of the Property to Fulfill Enforceable Obligation

Real property assets of the Successor Agency may be used to fulfill enforceable obligations, including bonds, loans, payments required by the federal government or state law, judgments or settlements, legally binding and enforceable agreements and contracts necessary for the administration or operation of the successor agency.

The City of Escondido Successor Agency does not have any properties that fall into this category.

Conclusion

The City of Escondido as the Successor Agency to the Redevelopment Agency has prepared this Revised Long Range Property Management Plan in order to set forth a strategy for disposition and use of the former redevelopment agency real property assets. In addition to meeting the state's criteria, as set forth in the Health & Safety Code, this Updated Plan also serves to compliment the City's overall development objectives and goals. The Revised Plan was approved by the Oversight Board on July 8, 2014. Upon approval by the Department of Finance, the Successor Agency shall begin implementation of this Plan.

Exhibit A

Property Inventory Data

Exhibit B

Property Profiles

**Long Range Property
Management Plan**
Successor Agency to the
Redevelopment Agency of the
City of Escondido
201 N. Broadway
Escondido, CA 92025



Site No. 1

480 N. Spruce Street

Property Features:

- M-1 Zoning
- 3.79 Acres
- APN 232-091-28
- Successor Agency Hold for Future Development

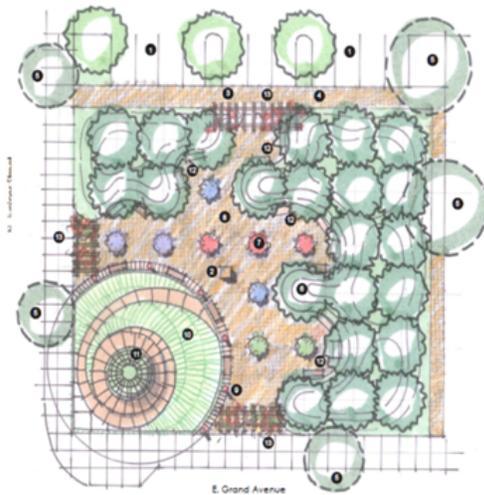
**Long Range Property
Management Plan
Successor Agency to the
Redevelopment Agency of
the City of Escondido
201 N. Broadway
Escondido, CA 92025**

Site No. 2, 3, & 4

304, 314 & 316 E. Grand

Property Features:

- SP Zoning
- 21,000 sf
- APNs: 229-432-24,25 & 26
- Governmental Use: Public
Park



**Long Range Property
Management Plan
Successor Agency to the
Redevelopment Agency of
the City of Escondido
201 N. Broadway
Escondido, CA 92025**



Site No. 5, 5a, 5b & 6 Various Addresses

Property Features:

- SP Zoning
- 31.25 combined acres
- APNs: 229-237-20, 229-353-12, 229-381-15 & 229-421-26
- Governmental Use:
Civic Facilities