

**RESOLUTION NO. 2014-02 OB**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR  
AGENCY FOR THE HOLLISTER REDEVELOPMENT AGENCY  
APPROVING AN AMENDMENT AND RESUBMITTAL OF THE CITY OF  
HOLLISTER SUCCESSOR AGENCY LONG-RANGE PROPERTY  
MANAGEMENT PLAN TO THE DEPARTMENT OF FINANCE  
IN ACCORDANCE WITH HEALTH AND SAFETY CODE  
SECTION 34191. (5)(b)**

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Hollister Redevelopment (the "Former RDA"), were dissolved on February 1, 2012; and

WHEREAS, on January 9, 2012, the City Council (the "City Council") of the City of Hollister (the "City") adopted Resolution No. 2012-06 accepting for the City the role of successor agency to the Former RDA (the "Successor Agency"); and

WHEREAS, upon dissolution of the Former RDA on February 1, 2012, the ownership of all Former RDA properties transferred to the Successor Agency pursuant to Health and Safety Code Section 34175(b); and

WHEREAS, the Successor Agency is now responsible for the disposition of the Former RDA properties in accordance with the procedures and requirements of ABx1 26 and AB 1484, the statutes that govern the dissolution of the Former RDA and the liquidation of its former property; and

WHEREAS, the Oversight Board approved Resolution 2013-05 OB on October 1, 2013 recommending approval of the Successor Agency's Long Range Property Management Plan ("LRPMP") which recommended transfer of two Former RDA properties to the City, in accordance with Health and Safety Code Section 34181(a), which expressly authorizes the transfer to the City of properties that are used for governmental purposes;

1. A 0.18 acre portion of APNs 054-011-030 and 054-011-016 used as a part of Briggs Alley is proposed to be transferred for governmental use as a road.
2. APN 054-101-007 at 110 Fifth Street currently used as Fire Station 1 is proposed to be transferred for governmental use as a fire station.

WHEREAS, the Successor Agency requested an amendment to the Successor Agency's Long Range Property Management Plan ("LRPMP") to allow the transfer of all or portions of two additional former RDA properties to the City, in accordance with

Health and Safety Code Section 34181(a), which expressly authorizes the transfer to the City of properties that are used for governmental purposes;

WHEREAS, all or portions of the two properties considered for transfer to the City as governmental use properties are the Leatherback properties included on San Benito County Assessor Parcels 056-025-019 and 056-025-024 which are contiguous vacant lots proposed to be transferred for governmental use as an education center and possible site for a performing arts center, library or recreation center or similar governmental use.

WHEREAS, in conjunction with consideration of the Successor Agency's proposed Long Range Property Management Plan ("LRPMP"), the Successor Agency has recommended transfer of four Former RDA properties to the City, in accordance with Health and Safety Code Section 34181(a), which expressly authorizes the transfer to the City of properties that are used for governmental purposes;

WHEREAS, an oversight board for the Successor Agency (the "Oversight Board") has been formed and is functioning in accordance with Health and Safety Code Section 34179; and

WHEREAS, by Ordinance No. 976, adopted on June 17, 2002, the City Council adopted the Second Amendment to the Hollister Community Development Plan (the "Redevelopment Plan") for the Hollister Redevelopment Project Area (the "Project Area"), which Redevelopment Plan was being implemented by the Dissolved RDA up until its dissolution; and

WHEREAS, the real property and specified other assets of the Dissolved RDA were transferred to the ownership and control of the Successor Agency as of February 1, 2012 pursuant to Health and Safety Code Section 34175(b), including the following four parcels of real property (collectively, the "Properties") within the Project Area and subject to the Redevelopment Plan:

1. Fire Station 1 at 110 Fifth Street;
2. 2,612 square foot portion of the realigned Briggs Alley roadway;
3. Leatherback property at 111 Hillcrest Road; and
4. The 400 Block properties on the west side of San Benito Street commonly referred to as the "Grassy Lot".

WHEREAS, the Properties were acquired by the Dissolved RDA for redevelopment with uses consistent with, and for projects identified in, the Redevelopment Plan; and

WHEREAS, on May 29, 2013, the Successor Agency received a "Finding of Completion" from the California Department of Finance (the "DOF") pursuant to Health

and Safety Code Section 34179.7, confirming that the Successor Agency had made certain required payments under the Dissolution Law; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency prepared and submitted a Long-Range Property Management Plan (the "PMP") to the Oversight Board that was approved on October 3, 2013 and submitted to the Department of Finance no later than six months following the issuance by the DOF of the Finding of Completion; and

WHEREAS, Successor Agency is requesting an amendment to the PMP for the disposition of the Leatherback property; and

WHEREAS, in accordance with Health and Safety Code Section 34191.5, the Successor Agency has prepared an amended PMP, a copy of which is on file with the Successor Agency Secretary; and

WHEREAS, the PMP provides for the disposition and use of the Properties in a manner consistent with and to implement projects identified in the Redevelopment Plan (including, in some circumstances, for recognized governmental purposes under the Dissolution Law); and

WHEREAS, because of such proposed disposition and use, the PMP further calls for the transfer of the Properties to the City for disposition and use in accordance with the Redevelopment Plan, and for sale to third parties for disposition and use in accordance with the Redevelopment Plan and the PMP, upon approval of the PMP by the Oversight Board and the DOF, all as authorized by Health and Safety Code Section 34191.5(c)(2)(A); and

WHEREAS, in connection with adoption of the Redevelopment Plan and to comply with the requirements of the California Environmental Quality Act and the implementing of state and local guidelines (collectively, "CEQA"), the City Council and the Board of the Dissolved RDA (as predecessor to the Successor Agency) considered, certified and made findings (the "CEQA Findings"), including adopting the required mitigation monitoring program, as fully set forth in concurrent City Council and Dissolved RDA Resolutions 2002-134 and 2002-09R, respectively, dated June 3, 2002), related to the Environmental Impact Report (the "EIR") prepared for the Redevelopment Plan; and

WHEREAS, because the proposed disposition and use of the Properties called for in the PMP is consistent with the projects and programs under the Redevelopment Plan evaluated in the EIR and the CEQA Findings, and because none of the conditions requiring further CEQA documentation pursuant to State CEQA Guidelines Section 15162 have occurred, the EIR and the CEQA Findings may serve as the CEQA documentation for consideration of approval of this Resolution and the PMP, and the subsequent implementation of the PMP, as further set forth below; and

WHEREAS, because the proposed disposition of some of the 400 block property and all or portions or all of the Leatherback property will be for redevelopment activities

properties will and use of the Properties called for in the PMP is consistent with the projects and programs under the Redevelopment Plan evaluated in the EIR and the CEQA Findings, and because none of the conditions requiring further CEQA documentation pursuant to State CEQA Guidelines Section 15162 have occurred, the EIR and the CEQA Findings may serve as the CEQA documentation for consideration of approval of this Resolution and the PMP, and the subsequent implementation of the PMP, as further set forth below; and

WHEREAS, the staff report (the "Staff Report") accompanying this Resolution contains additional information and analysis upon which the findings and actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds that the above Recitals are true and correct, and together with the Staff Report and other information provided by the Successor Agency staff and the public, form the basis for the findings and actions set forth in this Resolution.

BE IT FURTHER RESOLVED that the Oversight Board, as a "responsible agency" under CEQA and as successor-in-interest to the Dissolved RDA Board that previously made the CEQA Findings, hereby independently reconfirms and makes, approves, and adopts the CEQA Findings as its own findings required pursuant to CEQA in connection with this Resolution and the actions set forth in this Resolution. The CEQA Findings are hereby incorporated in this Resolution as if set forth in full herein.

BE IT FURTHER RESOLVED that the Oversight Board hereby finds that none of the conditions described in State CEQA Guidelines Section 15162 have occurred that would require preparation of a subsequent CEQA document, so that the EIR and the CEQA Findings have served as the CEQA documentation for consideration of approval of this Resolution and the actions set forth in this Resolution.

BE IT FURTHER RESOLVED that the Successor Agency Executive Director, or the Executive Director's designee, is hereby authorized and directed to file appropriate notice with respect to this Resolution and the actions set forth in this Resolution in accordance with the applicable provisions of CEQA.

BE IT FURTHER RESOLVED that the Oversight Board hereby approves the PMP in the form on file with the Successor Agency Secretary.

BE IT FURTHER RESOLVED that the Successor Agency Executive Director, or the Executive Director's designee, is hereby authorized and directed to submit the amended PMP to the Department of Finance for approval in accordance with Health and Safety Code Section 34191.5(b).

BE IT FURTHER RESOLVED that, upon approval of the amended PMP by the Department of Finance, the Oversight Board authorizes and directs the Successor Agency Executive Director, or the Executive Director's designee, acting on behalf of the

Successor Agency, to dispose and use the Properties and any disposition proceeds in accordance with the PMP and to take any action and execute any documents as may be necessary to implement the disposition and use of the Properties and any disposition proceeds in accordance with the terms approved in the PMP and this Resolution.

BE IT FURTHER RESOLVED that, prior to transfer of the 400 Block property to the City of Hollister for redevelopment purposes, the City of Hollister shall enter into a compensation agreement pursuant to Health and Safety Code section 334180(F) (a).

BE IT FURTHER RESOLVED that this Resolution shall take immediate effect upon adoption.

ADOPTED January 2, 2014 by the governing board of the Successor Agency of the Redevelopment Agency of the City of Hollister, a separate legal entity, by the following vote, to wit:

AYES: Bill Avera, Helen Swanson, John Tobias

NOES: None

ABSTAIN: Steve Kinsella

ABSENT: Jaimie De La Cruz, Holly McWhinnie, Robert Scattini

  
\_\_\_\_\_  
Oversight Board Chair

ATTEST:

  
\_\_\_\_\_  
Oversight Board Secretary

APPROVED AS TO FORM:



## 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](mailto: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](mailto: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 Hollister**

Date Finding of Completion Received: **May 29, 2013**

Date Oversight Board Approved LRPMP: **October 3, 2013 Amended January 2, 2014**

### 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.

X Yes  No

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

X 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.

X Yes  No

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

X Yes  No

x

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.

X 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.

X 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.

X 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.

X 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.

X Yes  No

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

X Yes  No

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## 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 the Attached Supplement - City of Hollister Successor Agency Additional Information for the Long Range Property Management Plan (December 27, 2013).

**Agency Contact Information**

Name: Bill Avera

Name: Mary M. Paxton

Title: Interim Executive Director

Title: Program Manager

Phone: (831) 636-4300 Ext. 15

Phone: (831) 636-4316 Ext. 16

Email: bill.avera@hollister.ca.gov

Email: mary.paxton@hollister.ca.gov

Date: 10/4/2013

Date: 10/4/2013

**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: \_\_\_\_\_

Successor Agency: City of Hollister  
 County: San Benito

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY

No.	Property Type	HSC 34191.5 (c)(2)	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)(F)				
No.	Property Type	Permissible Use	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
1	Alley/roadway	Governmental Use	320 Fifth Street	Portion 054-011-030 and 054-011-016	0.18 acre	Downtown Mixed Use	\$ -	None	None	1. Classified as a Brownfield? NO 2. 2008 Surface fault hazard investigation proved no potential for surface fault rupture on property	Not applicable
2	Police/Fire Station	Governmental Use	110 Fifth Street	054-101-007	0.29 acre	Downtown Mixed Use	\$ -	None	None	1. Classified as a Brownfield? NO 2. 2008 Surface fault hazard investigation proved no potential for surface fault rupture on property	Bus stop located on Fourth Street between East and San Benito Street
3	Vacant Lot/Land	Future Development	400, 410, 414, 430, 438 San Benito Street	054-011-036 054-011-016 054-011-030	0.41 acre	Downtown Mixed Use	\$ 220,000.00	None	See Chapter 4.B.5	1. Classified as a Brownfield? NO 2. 1991 Surface fault hazard investigation proved no potential for surface fault rupture on property	Near two transit stops and contiguous to off-street parking garage. Mixed use zoning district.
4	Vacant Lot/Land	Future Development	111 Hillcrest Road	056-025-019 056-025-024	6.46 acres	Neighborhood Mixed Use	\$ 1,830,000.00	None	None	1. Classified as Brownfield? NO 2. Contaminated soil removed as part of demolition and site clearance of former tar paper plant.	Walking distance to two bus lines. Mixed use zoning.

Successor Agency: City of Hollister  
 County: San Benito

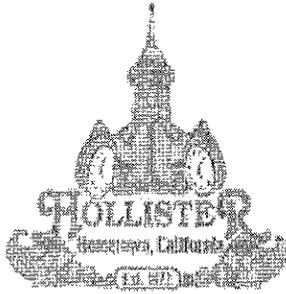
LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

		HSC 34191.5 (c)(1)(A)			HSC 34191.5 (c)(1)(B)						
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase of \$20,000 (See Chapter 2 of Supplement)	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired
1	Alley-roadway	Governmental Use	Alley-roadway	8/1995		Unassessed	Book	Unassessed for property tax	\$	Not applicable	Alley
2	Police/Fire Station	Governmental Use	Fire Station	2005	\$ 850,000	Unassessed	Book	Unassessed for property tax			Fire Station
3	Vacant Lot/Land	Future Development	Mixed Use	11/1991, 1994, 8/1995	\$644,290 & \$220,000 (See Chapter 4.B.1 and Table 3 of Supplement)	\$ 220,000.00	Appraised	6/18/2013	\$ 220,000.00	Proposed option for City of Hollister to purchase within 18 months of approval of PMP	Loma Prieta Earthquake disaster recovery, consolidation of properties and economic development (See Chapter 4.B.2 of supplement)
4	Vacant Lot/Land	Future Development	Mixed Use	2008	\$ 4,000,000	\$ 1,830,000.00	Appraised	6/18/2013	\$ 1,830,000.00	Uncertain - sale for future development that will advance objectives of economic development and maximize value to taxing entities	Removal of a non-conforming blighted land use and economic development (See Chapter 4A.2 of supplement)

Successor Agency: City of Hollister  
 County: San Benito

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY

No.	Property Type	Permissible Use	Advancement of planning objectives of the successor agency	History of previous development proposals and activity
1	Alley-roadway	Governmental Use	Roadway	Not applicable - see Chapter 2 of Supplement
2	Police/Fire Station	Governmental Use	Public Safety	See Chapter 2 - Tractor Shop was acquired and converted to a fire station in 1970. Demolition and reconstruction of fire station 2010-2012
3	Vacant Lot/Land	Future Development	See Chapter 4.B of Supplement	See Chapter 4.5.B
4	Vacant Lot/Land	Future Development	See Chapter 4.A of Supplement	See Chapter 4.A.5 of Supplement. 1) No Exclusive Negotiating Agreement. 2) Notice of Completion of demolition and site clearance recorded after June 30 2011.



# **SUPPLEMENT**

**CITY OF HOLLISTER SUCCESSOR AGENCY  
ADDITIONAL INFORMATION FOR THE AMENDED  
LONG RANGE  
PROPERTY MANAGEMENT PLAN**

**December 27, 2013**

## CHAPTER 1: Introduction

Governor Gerald Brown signed into law Assembly Bill 1484 (AB 1484) on June 27, 2012. The AB 1484 budget trailer bill made substantial changes to the redevelopment agency dissolution process implemented by Assembly Bill 1x 26 known as the Dissolution Act. 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 and use of the former redevelopment agency property that is not used for governmental purposes. This document is the Long Range Property Management Plan for the Successor Agency to the former City of Hollister Redevelopment Agency.

The Long Range Property Management Plan (LRPMP) submitted by the Successor Agency must be reviewed and approved by the Oversight Board and submitted for review and approval by the Department of Finance no later than November 29, 2013. The Successor Agency properties are held in a Community Redevelopment Property Trust Fund, and cannot be transferred until the Oversight Board and Department of Finance approve the plan.

Section 31419.5(c) of the Health and Safety Code states a LRPMP must include an inventory of the successor agency property with the information listed below. The Department of Finance has posted the following guidelines for the preparation of the LRPMP on its web site that were also used to develop this plan:

1. Date the property was acquired, value at the time of purchase and estimated current value.
  - a. Purpose for the acquisition.
  - b. Parcel data (address, size, current zoning, general plan designation, and designation of property in the redevelopment agency plan).
  - c. Estimate of current value of the parcel and any available appraisal information.
  - d. Estimate of any lease, rental or other revenues generated by the property and a description of contractual requirements for disposition of those funds.
  - e. History of environmental contamination (brownfield site designation, environmental studies and history of any remediation efforts).
  - f. Description of the properties potential for transit oriented development and advancement of the planning objectives of the successor agency.
  - g. Brief history of previous development proposals and activities.
  - h. Address the use or disposition of each property.
    - (1) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county or city and county.
    - (2) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or as described in a. above, the proceeds from the sale

shall be distributed to the taxing entities.

The Department of Finance posted a template for the Long Range Property Management Plan on their home page for the Dissolution of Redevelopment Agencies which is provided on the following pages. This report provides Additional Information to supplement the Long Range Property Management Plan.

## **CHAPTER 2: Properties dedicated to governmental uses (HSC 34191.5 (c)(1)(H)(2))**

Health and Safety Code Section 34191.5 (c) (2) provides guidance for retention of Successor Agency properties that are used for governmental use in the development of the Long Range Property Management Plan.

- Health and Safety Code Section 34181 (a) allows the Oversight Board to direct Successor Agency transfer ownership's of assets that were constructed and used for governmental purposes such as roads, and fire stations to the appropriate public jurisdiction pursuant to any existing agreements relating the construction or use of the asset.
- Health and Safety Code Section 34181 (a) also states, "Any compensation to be provided to the successor agency for the transfer of that asset shall be governed by the agreements relating to the construction or use of that asset"

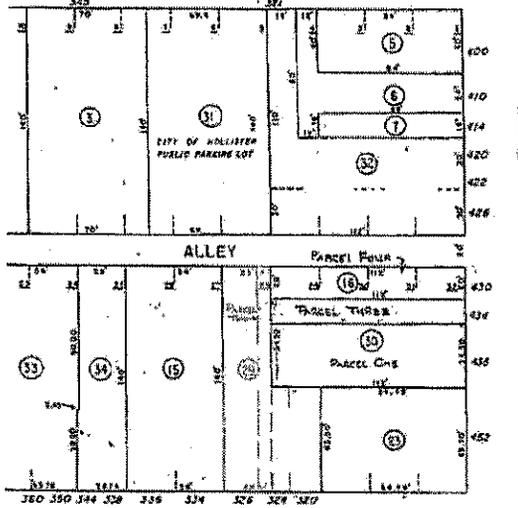
The City of Hollister Successor Agency owns properties that are currently used for governmental purposes: Fire Station 1 located at 110 Fifth Street in downtown Hollister and a re-aligned section of Briggs Alley .The Successor Agency does not derive any income from rents or leases at the Fire Station 1 property or the section of Briggs Alley.

Fire Station 1: The City of Hollister acquired and converted a former tractor shop to develop the City of Hollister Fire Station 1 at 110 Fifth Street in 1970. The former City of Hollister Redevelopment Agency (RDA) purchased the fire station from the City of Hollister in 2005 for \$850,000. The RDA initially planned to construct a new fire station at the former Fremont School site. The concept was ruled out when plans were approved to construct a new courthouse on the former Fremont School site. Other options to purchase property in the downtown area were deemed unfeasible. Subsequently, the former RDA secured architectural services and approvals from the City of Hollister to demolish and reconstruct Fire Station 1 at 110 Fifth Street between 2008 and 2010. The project was funded with a 2009 tax exempt redevelopment bond. The station demolition and reconstruction commenced in February 2011.

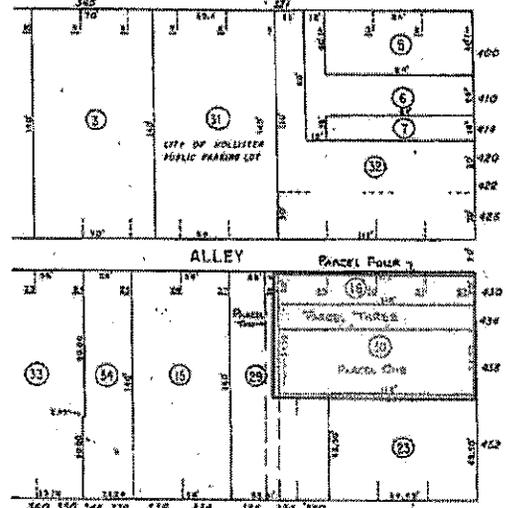
Briggs Alley Re-alignment: The City of Hollister acquired San Benito County Assessor Parcel 054-011-029 in April of 1989 in anticipation of providing vehicular access to a planned commercial building and parking structure via Briggs Alley (see Block A of Figure 1).

The City of Hollister Redevelopment Agency acquired nearby Assessor's Parcels 054-011-016 and 030 in August of 1995 for \$220,000 consisting of four lots totaling 14,080 square feet or 0.32 acres. The properties were purchased to assist with redevelopment because the October 1989 Loma Prieta Earthquake severely damaged multiple buildings on the "400 Block" of San Benito Street. The buildings on assessor parcels 054-011-016 and 030 (Mauro's Stationary and Maddux Jewelry at 430, 434 and 438 San Benito Street) were demolished as a result of the earthquake.

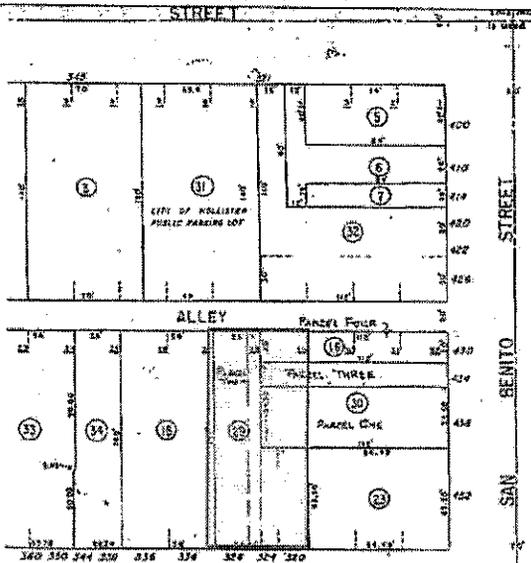
**Figure 1 - Realignment of Briggs Alley Block A- April 1989 – Hollister purchases APN 054-011-029 for future parking garage access**



**Block B - August 1995 - RDA purchase of APNs 054-011-016 and 030 in due to Loma Prieta Earthquake**



**Block C - Area developed for realignment of Briggs Alley circa 1995**



**Block D - Recent aerial photo of realignment of Briggs Alley**



Realignment of Briggs Alley

The Briggs Commercial Building/Parking Structure was constructed in 1995 on the 400 block on the north side of Briggs Alley. The acquisition of APNs 054-011-016 and 030 as a result of the Loma Prieta earthquake provided an opportunity to redesign the access to the planned Briggs Commercial Building and Parking Structure. Blocks C and D on Figure 1 show that APN 054-011-029 and the western portion of APNs 054-011-016 and 030 were combined to realign Briggs Alley and add off-street parking on the west side of the City of Hollister Assessor Parcel 054-011-029. The new alignment established a one-way entry from Fifth Street on the east side of the city-owned APN 054-011-029 and the western portion of the Redevelopment Agency APNs 054-011-016 and 030. Block D of Figure 1 shows a recent aerial picture of the realignment of Briggs Alley. The vehicular alley connection to San Benito Street is now closed and the 83 foot by 20 foot City of Hollister right-of-way is presently covered with grass. It was anticipated that the easement for utilities would be maintained but that the remainder of the property would be assembled with other 400 block properties for a keystone project.

Ownership of the realigned section of Briggs Alley on the west portion of Assessor Parcel Numbers 054-011-016 and 031 was never transferred from the Redevelopment Agency to the City of Hollister. There is no known record of an agreement between the City of Hollister and the Redevelopment Agreement for the construction of the road.

Approval and recordation of a lot line adjustment and deeds will be required to facilitate the transfer of the western portions of the alley from the Successor Agency to the City of Hollister. Staff has submitted a lot line adjustment application to the City of Hollister Engineering Department. Figure 2 illustrates that Parcel 1 would be 7,795 square feet. Successor Agency property encompasses about 2,612 square feet of Parcel 1. Parcel 2 of the lot line adjustment would be 6,285 square feet. All of Parcel 2 is Successor Agency property that is discussed in sections 4.B and 5.C of this report.

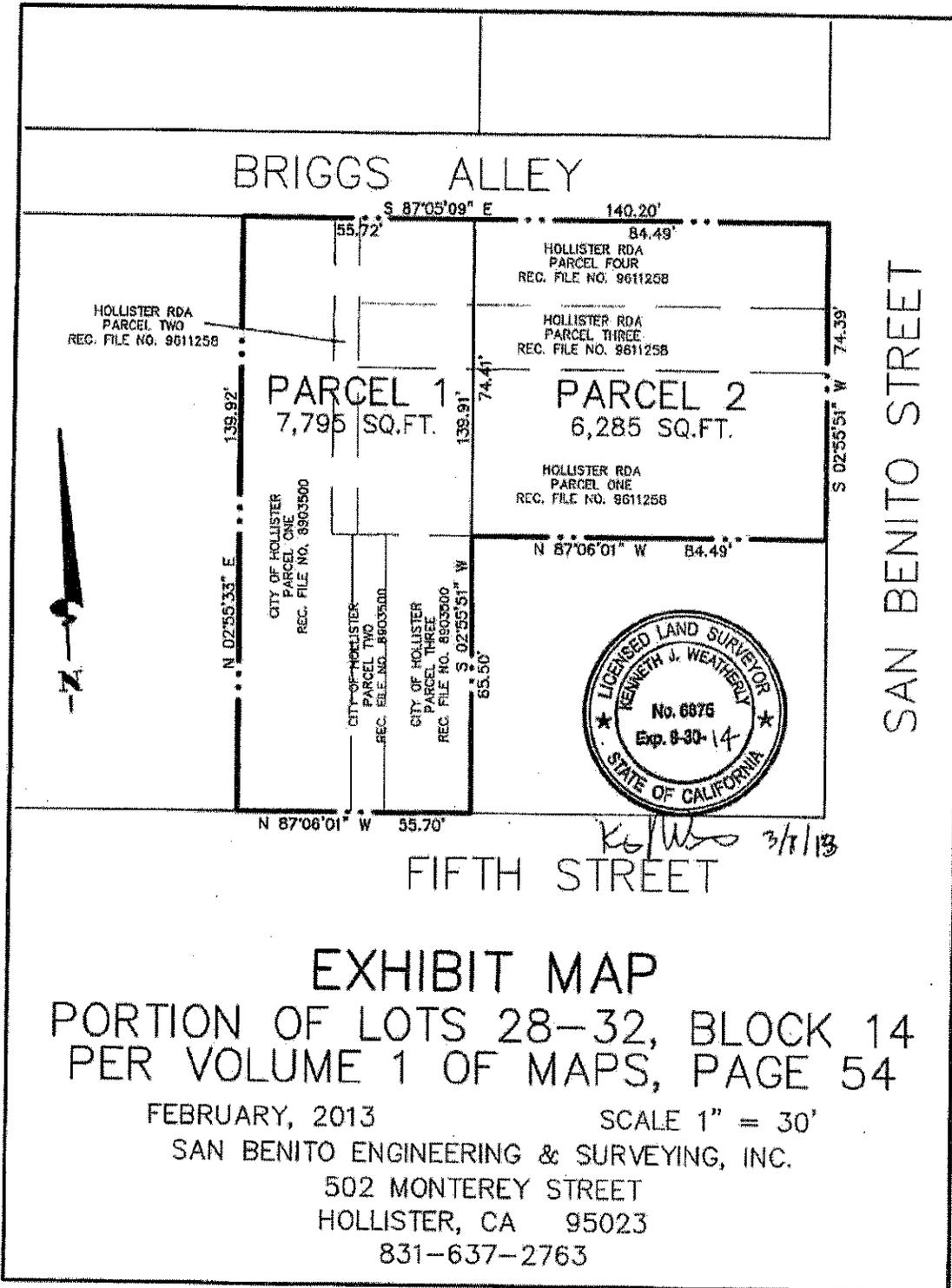
## Recommendations:

Section 34191.5 (c)((1)(H)(2) of the Dissolution Act allows Fire Station 1 and the 7,795 square foot section of the re-aligned section of Briggs Alley to be transferred to the City of Hollister so that the governmental properties will remain for their intended use. The following recommendations will facilitate the transfer of the properties to the City of Hollister to continue their intended uses.

1. Oversight Board directs the City of Hollister Successor Agency to authorize the Executive Director to execute documents to record the lot-line adjustment shown on Figure 2 and transfer ownership of a 7,795 square foot Parcel 1 that is part of the re-aligned Briggs Alley in the lot-line adjustment to the City of Hollister. A 6,285 square foot parcel 2 would be placed in the Successor Agency Community Redevelopment Property Trust Fund.
2. Oversight Board directs the City of Hollister Successor Agency to authorize the Executive Director to execute documents to transfer ownership of Fire Station 1 from the City of Hollister Successor Agency to the City of Hollister.

Figure 2

Proposed Lot Line Adjustment



### **CHAPTER 3: Properties that will be retained to fulfill an enforceable obligation (HSC 34191.5 (c)(2))**

Section 34191.5 (c)(1)H(2) of the Health and Safety Code requires that Successor Agencies identify in a Long Range Property Management Plan any properties that will be retained to fulfill an enforceable obligation. The City of Hollister Successor Agency does not have any properties that will be retained to fulfill an enforceable obligation.

**Recommendations:** None.

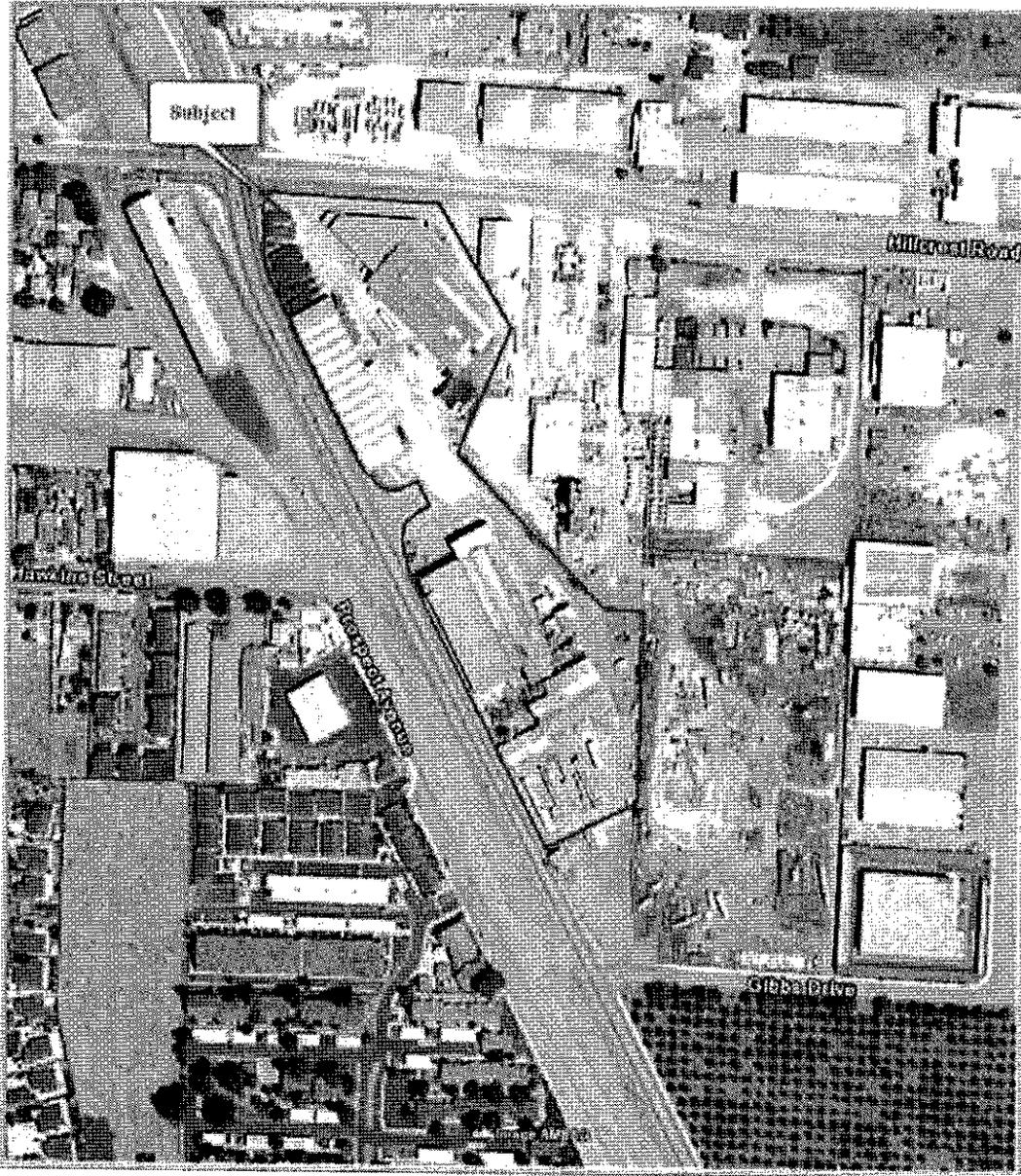
### **CHAPTER 4: Non-housing Successor Agency Properties that are not used for governmental purposes or to fulfill an enforceable obligation (HSC 34191.5 (c)(2))**

The City of Hollister Successor Agency has two properties that could be disposed of as assets because the properties are not used for governmental purposes or to fulfill an enforceable obligation. These properties are the former Leatherback tar paper plant at 111 Hillcrest Road and the 400 Block Properties on San Benito Street often referred to as the "grassy lot".

#### **4.A.1 LEATHERBACK PROPERTY DATA**

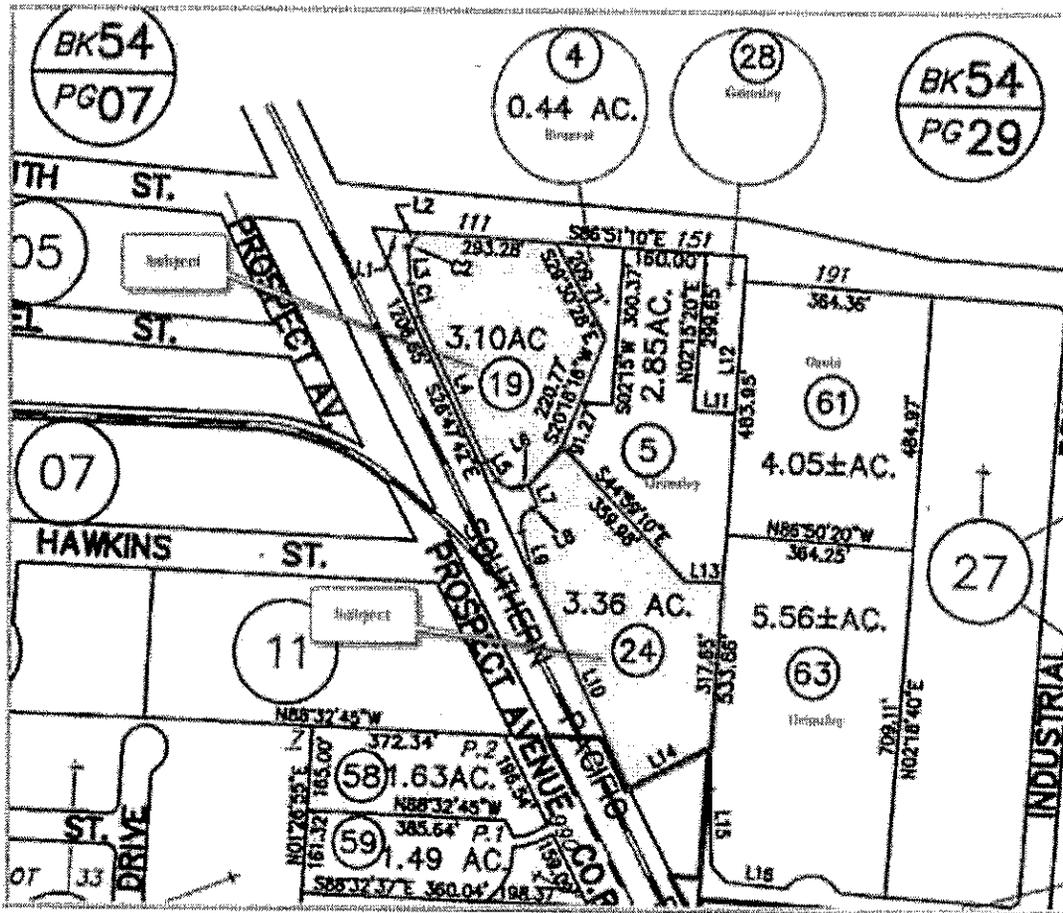
<b>Address (See Figure 3)</b>	111 Hillcrest Road
<b>Assessor Parcel Numbers/Size (See Figure 4)</b>	056-025-019 = 3.10 acres <u>056-025-024= 3.36 acres</u> 6.46 acres
<b>General Plan (See Figure 5)</b>	Mixed-Use
<b>Zoning</b>	Neighborhood Commercial Mixed Use
<b>Acquisition</b>	
• Date	April 21, 2008
• Value at purchase	\$4,000,000
• Cost of purchase	\$4,000,000
<b>Revenues of property from lease, rental etc.</b>	\$0
<b>Cost to Maintain Property</b>	Weed Abatement and water: \$5,164 per year

**Figure 3 - Leatherback – 111 Hillcrest Road  
(Aerial photo of tarpaper plant PRIOR to site clearance)**



## Figure 4 - Leatherback Properties

Assessor Parcel Number 054-025-019 & 054-025-024



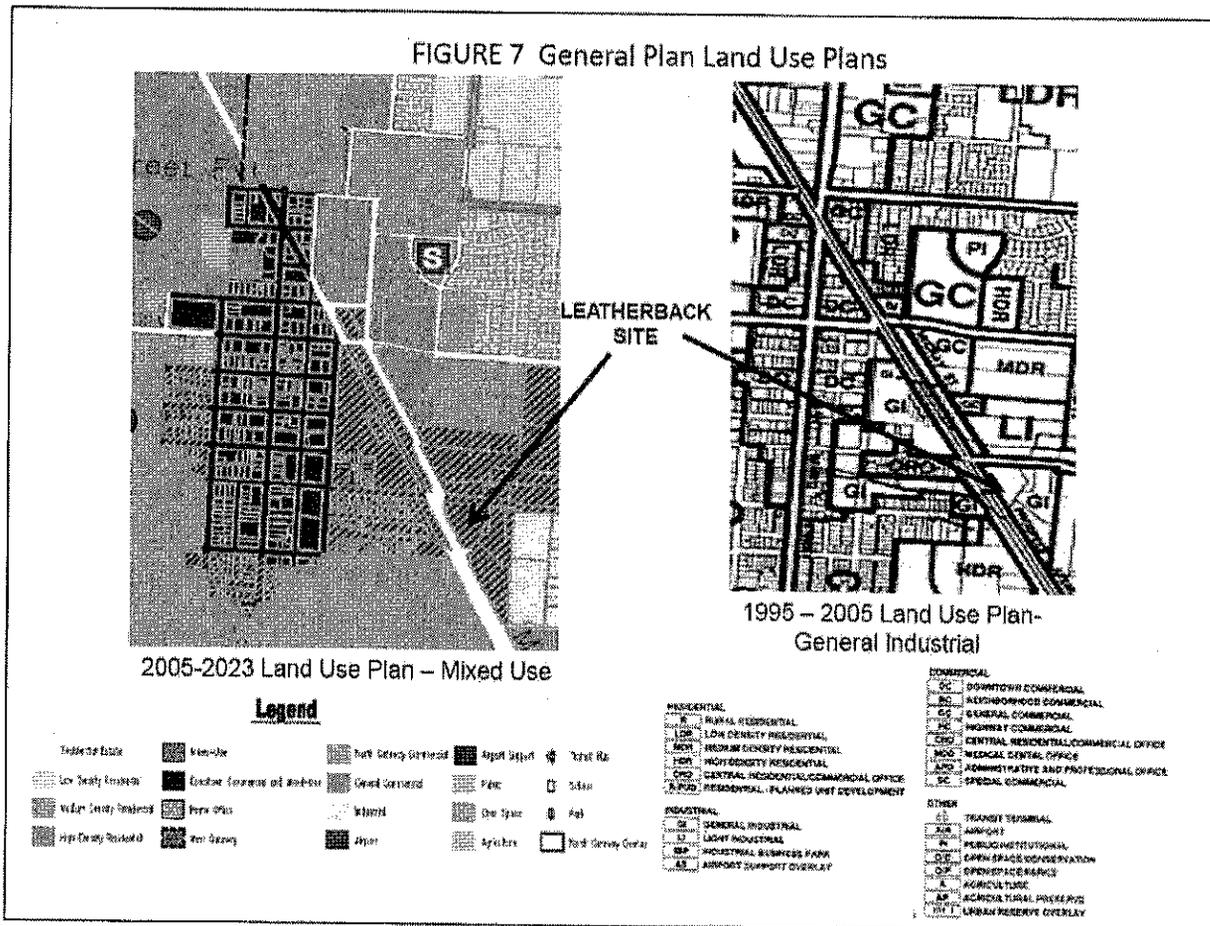
### 4.A.2 Purpose of purchase of Leatherback property.

The City of Hollister Redevelopment Agency spent \$4,000,000 to acquire the Leatherback property and spent \$930,538 to clear the site. The purpose of the acquisition and demolition was to eliminate blight, remove a non-conforming industrial land use and to facilitate economic revitalization.

The Redevelopment Plan adopted the General Plan and Zoning of the land uses of the Redevelopment Plan. The City of Hollister 2005-2023 General Plan revision charted a new course for land use south and east of downtown Hollister. The new land use plan replaced the industrial land use designation with a Commercial and Mixed Use high-density residential/commercial land use designation as shown on Figure 5. An existing tomato cannery and associated warehouses, a walnut processing plant, cement plant

and the former Leatherback tar paper plant all became non-conforming land uses. When the Leatherback plant closed, the Redevelopment Agency acquired the facility to eliminate one of the non-conforming land uses. The property served as a pivotal acquisition for economic development because it had the potential to begin the transition of industrial land uses to commercial and mixed commercial and high-density residential land uses near the city center. The acquisition has the potential to link three commercial areas in Hollister – the Historic Downtown, McCray Street, and Tres Pinos/Airline Highway.

**Figure 5 – Changes to General Plan Land Use designation at Leatherback Properties**



#### **4.A.3 The history of environmental contamination, any designation as a brownfield site and any related environmental studies and remediation efforts.**

Contaminated soils were removed from the Leatherback property at a depth of at least five feet as a part of the site clearance between 2010 and 2011. The property was not classified as an official brownfield site.

#### **4.A.4 Description of the property's potential for transit-oriented development and advancement of the planning objectives of the successor agency.**

A Southern Pacific Railroad rail track parallels the west side of McCray Street. The track primarily serves an existing tomato cannery to the west. A substantial upgrade to the track bed or an alternative type of rail car would be required for the existing track to support passenger services. The City of Hollister General Plan identifies two potential transit hubs. The southern hub would be roughly 1000 feet west of the property frontage on South Street generally between Sally and Pine Streets. The second site is located north of downtown Hollister just over a mile to the north.

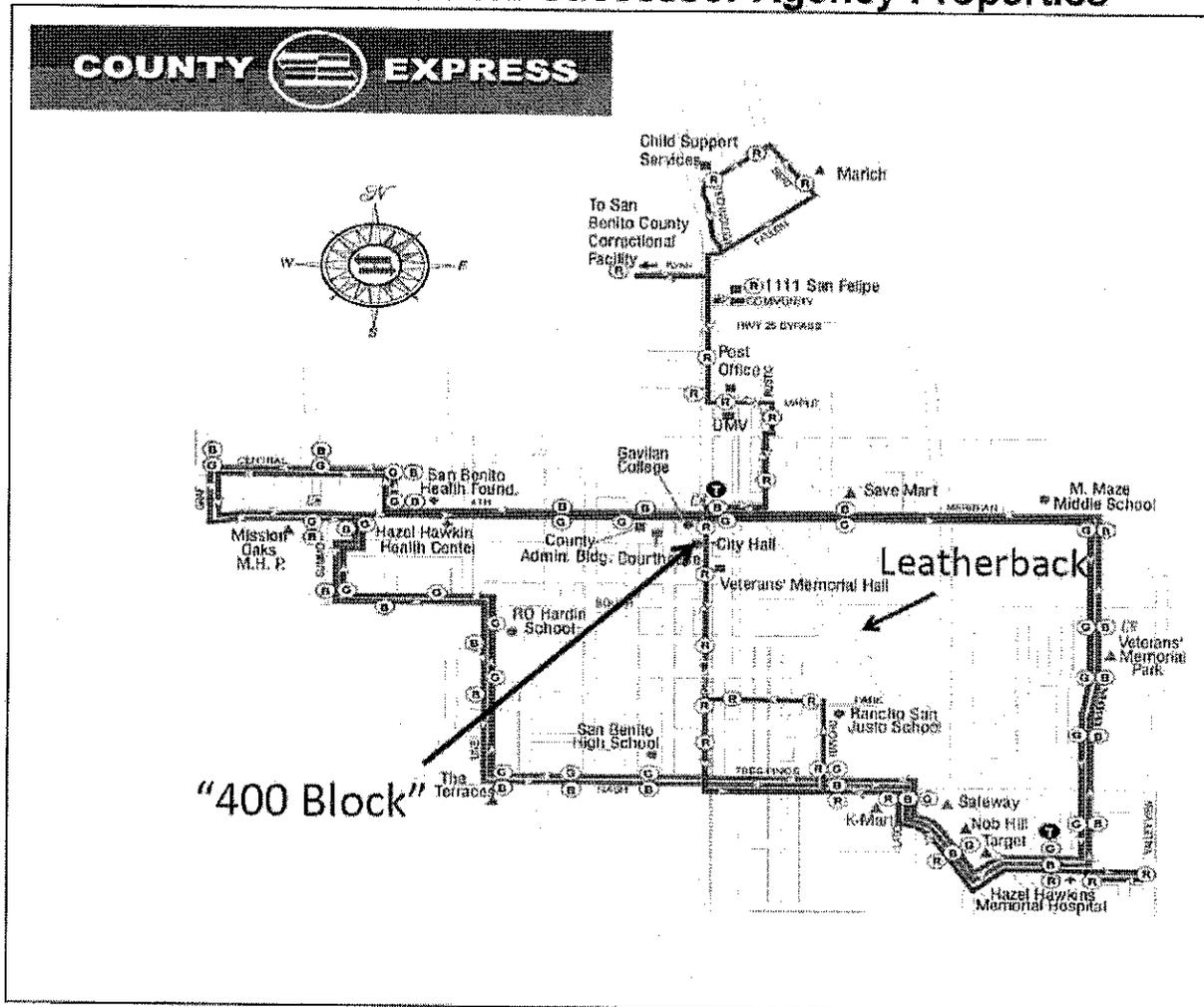
San Benito Transit presently provides Dial-a-Ride Service and transit service on three fixed routes in the City of Hollister as shown on Figure 6. None of the fixed routes bypass the Leatherback property frontages on Hillcrest Road and McCray Street. The closest stop is situated 900 feet from the southwest corner of the property near the intersection of Park Street and Rancho Drive for the "Red Line". The "Red Line" provides north-south service to the industrial area of Hollister and Community Workforce Development Center off of San Felipe Road, passes through downtown Hollister on San Benito Street, bypasses the nearby Prospect Villa Senior apartments with connections to commercial uses along Tres Pinos Road, Ladd Lane, the Heritage Plaza shopping center and to medical offices near Hazel Hawkins Memorial Hospital. The "Blue" and "Green" lines provide transit services to the perimeter of Hollister. The closest stops are located on Tres Pinos Road roughly 0.55 to 0.70 mile to the south.

The City of Hollister received an Environmental Justice Transportation Planning Grant from Caltrans in 2012 to prepare a Complete Streets Planning Study for the section of McCray Street fronting the Leatherback property. The planning study will examine and formulate a plan to improve all modes of transportation on McCray Street between Hillcrest Road and Airline Highway and on Sunnyslope/Tres Pinos/Nash Roads between Memorial Drive and Homestead Avenue.

As noted in Section 4.A.2, the project area is transitioning from industrial land uses to mixed use commercial and high density residential.

Figure 6

### Transit Services near Successor Agency Properties



**4.A.5 Brief history of previous development proposals and activity, including the rental or lease of property.**

Redevelopment rental or lease activity: The Successor Agency has not rented or leased the property since it was acquired. The property remains vacant.

History of previous development proposals: The former Leatherback property is within the redevelopment project area in the City of Hollister legally known as the Hollister Project Area. The former City of Hollister Redevelopment Agency acquired the former Leatherback tar paper plant in 2008 when the business closed.

The former Agency conducted environmental review and funded the demolition of all previous buildings and materials from the former tar paper plant. Soils were removed

up to depth of at least five feet to clean up contaminated soils. Site clearance was substantially completed by June of 2011. The former Agency was unable to enter into an Exclusive Negotiating Agreement for the Leatherback property due to the passage of the Dissolution Act/Voluntary Program Act, subsequent litigation and the elimination of redevelopment.

**Between 2009 and June of 2011 there were preliminary actions by the former Agency board to implement Program C of the 1999-2004 and 2004-2009 five Year Implementation Plans to assist with the development of a new YMCA in Hollister. The former Agency board authorized issuance of a Request for Proposal/Qualification for the development of a shopping center with 5-10,000 reserved for a YMCA facility when it approved Resolution 2009-39R on November 16, 2009. The RFQ/RFP was released in December 2009 but the anchor commercial developer abandoned plans for the property. RDA staff was again authorized to prepare a Request for Qualifications for development of the Leatherback property to include a portion of the site for the YMCA in June of 2011. Documents were never released due to the enactment of the Dissolution Act.**

#### **4.B.6. Estimate of costs to maintain the property**

Costs for maintenance of the Leatherback property are primarily related to weed abatement to avoid fire hazard. The estimated cost is \$5,000 per year

#### **4.A.7 Estimate of the Current Value of the Property and Any Appraisal Information**

The Leatherback property is located within an area of transition. Two legal non-conforming land uses border the property to the north and east – a walnut processing plant borders north of Hillcrest Road, outdoor storage of pallets and barrels for a tomato cannery are located to the northwest and a concrete batch plant abuts the property to the east. There are two large infill commercial developments associated with annexations of unincorporated islands. The larger 33-acre annexation area is situated north of Hillcrest Road and east of McCray Street. The property was approved for annexation in June 2013 with potential for 250,000 square feet of commercial development. A smaller 13-acre unincorporated island was recently annexed to the City of Hollister with a commercial zoning designation just south of the property. The annexation area had one of the last orchards in the City of Hollister. Removal of the orchard was precipitated by condemnation of property for the construction of the bypass to State Highway 25 just east of the Leatherback property and associated construction of East Park Street between McCray Street and the bypass. It is anticipated that infill commercial development on the bypass corridor will occur within the near future. A Walgreens drug store is currently under construction at the southern tip of this annexation area at the intersection of Tres Pinos Road/Sunnyslope Road with Airline Highway. There is also potential for transition for the existing small lot single family homes on the west side of McCray Street and Prospect Avenue. These properties could be redeveloped for higher density mixed use.

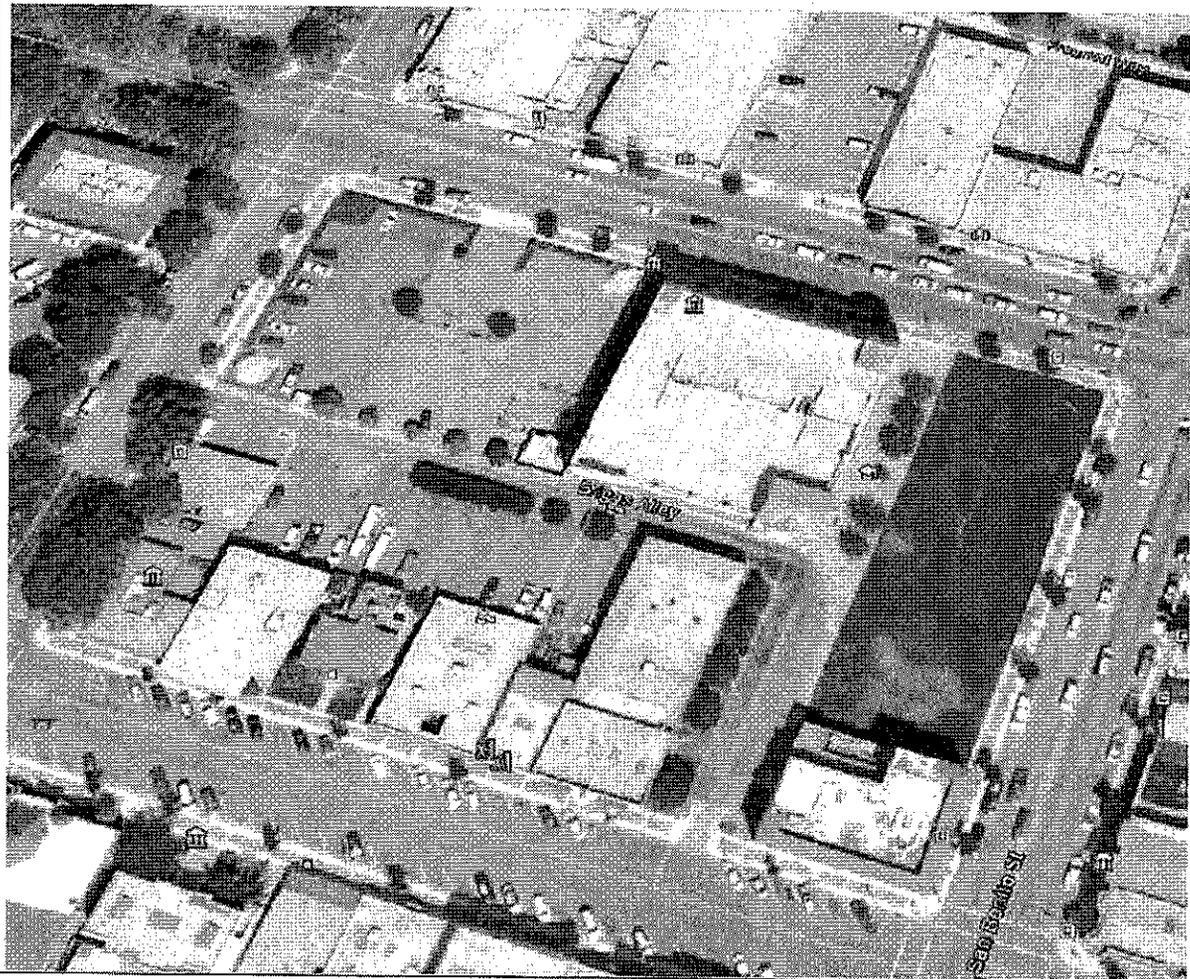
An appraisal of the property was prepared for this long-range property management plan for an "as is" fee simple value. The appraisal titled Appraisal Report 111 Hillcrest Road, Hollister California, June 18, 2013, Hollister, California was prepared by Michael Cullinan, Cullinan Appraisal and Realty and is hereby incorporated by reference into this plan. The appraisal report can be viewed at the City of Hollister Successor Agency home page at <http://hollister.ca.gov/Site/html/gov/office/successor.asp>. The report concluded that the "as is" fee simple value of 6.46 acre site as of June 18, 2013 is \$1,830,000 or \$12.25 per square foot.

The appraisal report includes the following notations regarding supply and demand and the valuation of the property and the value of the property.

- ❖ There was a thin basis of comparative sales of commercial property of similar size in the City and the region. There is a significant amount of vacant commercial/mixed use designated land located along Fourth Street in the "West Gateway" entrance to Hollister that is vacant but not actively listed for sale.
- ❖ There are numerous commercial sites in the downtown area that have been listed for sale for a number of years with minimal activity.
- ❖ Several smaller downtown properties with buildings are selling for below replacement cost which has resulted in minimal market demand for downtown specific vacant sites.
- ❖ There is greater interest and demand for larger sites that can support larger modern style buildings.
- ❖ The existing supply of vacant commercial sites is greater than the demand but interest appears to be increasing for better located sites.

The June 2013 appraised value for the Leatherback property of \$1.8 million dollars is less than half of the \$4 million dollars the RDA paid when the agreement to purchase the property was approved in April 2008 prior to the financial "meltdown" in the fall of 2008.

**Figure 7**  
**Successor Agency Properties on 400 Block "Grassy Lot"**



**4.B.1 400 BLOCK PROPERTY DATA**

<b>Addresses (See Figure 8)</b>	400, 410, 414, 420, 422, 426, 434 and 438 San Benito Street
<b>Assessor Parcel Numbers/Size (See Table 1 and Figure 8)</b>	054-011-016 - 2,240 sq. ft. 054-011-030 - 6,104 sq. ft.. <u>054-011-036 - 11,700 sq. ft.</u> 20,044 sq. ft.

<b>General Plan</b>	Downtown Commercial Mixed-Use
<b>Zoning</b>	Downtown Mixed Use (40 du/acre)
<b>Acquisition</b>	
• Dates	1994-1995 - See Table 2
• Value at purchase	\$703,000 – See Table 2
• Cost of purchase	\$703,000 – See Table 2
<b>Revenues of property from lease, rental etc.</b>	\$0
<b>Cost to Maintain Property</b>	Maintain grass and water: \$8,132

The 400 Block properties are commonly referred to as the "Grassy Lot". These properties include part of the one-way realigned Briggs Alley described in Chapter 2 of this report, two other City of Hollister properties and Successor Agency properties. Table 1 lists the size of each assessor parcel in the 400 Block "Grassy Lot" area along with the amount of land that is recommended to be transferred to the City of Hollister for continued use as a roadway.

Table 1 lists two City of Hollister properties that are part of the "Grassy Lot". One of the City of Hollister properties is a section of the Briggs Alley right-of-way that is now covered with turf. The second property consists of a portion of San Benito County Assessor's Parcel 054-011-036 that was the former New China Café property. The property was purchased by the City of Hollister in 1991.

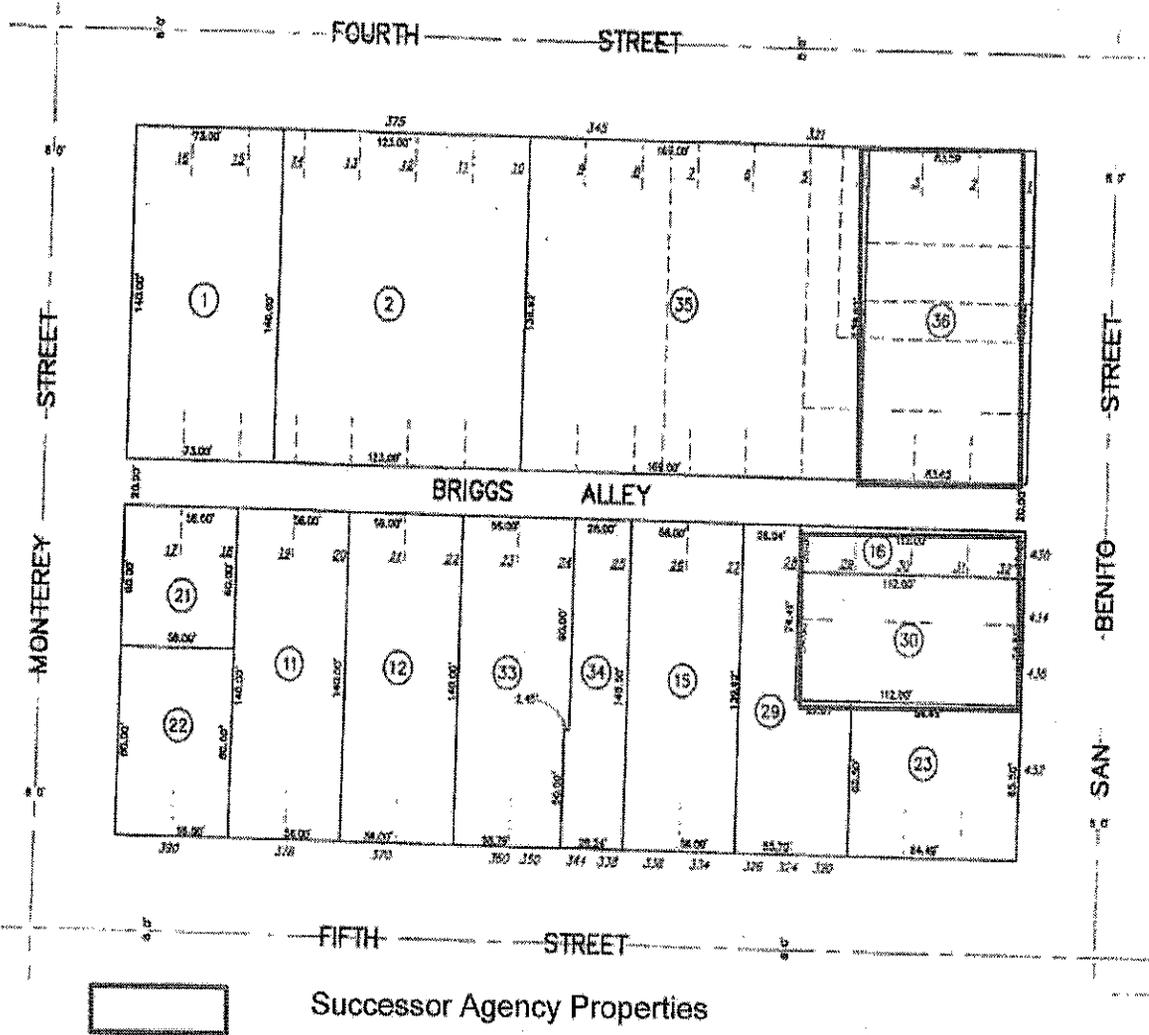
**TABLE 1**

<b>Successor Agency Properties on 400 Block Grassy Lot</b>			
<b>Assessor Parcel /Recorder's Number and date</b>	<b>Address</b>	<b>Size</b>	<b>Land Use</b>
054-011-016	430 San Benito Street	2,240 SQ. FT.	<u>East Portion:</u> 1,697 SQ FT. Grassy lot/seasonal farmer's market, non-profit staging area  <u>West Portion:</u> 553 SQ FT. portion of alley
054-011-030 Grant Deed #9506713 8/29/1995	434 , 438 San Benito Street	6,104 SQ. FT.	<u>East Portion:</u> 4,015 SQ. FT. Grassy lot/seasonal farmer's market, non-profit staging area  <u>West Portion:</u> 2,059 SQ FT. portion of alley
054-011-036 #9401450 2/1994	400, 410, 414, 420, 422, 426 San Benito Street	11,700 SQ. FT. (1)	Grassy lot/seasonal farmer's market, non-profit staging area
<b>City of Hollister Properties on 400 Block Grassy Lot</b>			
<b>Assessor Parcel</b>	<b>Address</b>	<b>Size</b>	<b>Land Use</b>
None	Briggs Alley	About 2,804 SQ. FT. (2)	Grassy lot/seasonal farmer's market, non-profit staging area
Portion of APN 054-011-036  Grant Deed 9109240 10/15/1991		2,016 SQ. FT.	Former New China Café – Grassy lot/seasonal farmer's market, non-profit staging area

**Notes:**

1. A 2,016 square foot portion of this area is owned by the City of Hollister
2. Briggs Alley is a 20-foot by 80 foot right-of-way between assessor Parcel Numbers 054-011-016 and 054-011-036.

**Figure 8 - Current Assessor Parcel Map  
400 Block San Benito Street (west side)**



**Table 2 Successor Agency Acquisitions on the 400 Block**

<b>Successor Agency Properties on 400 Block Grassy Lot</b>			
<b>Assessor Parcel Number</b>	<b>Date of Acquisition/Recorder's Number</b>	<b>Value of property at the time of acquisition</b>	<b>Purchase Price</b>
054-011-016 054-011-030	August 14, 1995  : #9506713	\$63,000 (1) \$159,000(1)	\$222,000 for both vacant parcels
054-011-036 <b>(Current)</b>  054-011-005 <b>(Retired)</b> 054-011-007 <b>(Retired)</b> 054-011-032 <b>(Retired)</b>	February 2, 1994  Grant Deed #9401450	\$126,000 (2)  \$ 45,000(2)  \$310,000(2)(3)	\$481,000 for two vacant parcels and one developed parcel

- (1) Hanna & Associates, Appraisal Report 430, 434 and 438 San Benito Street Two Parcels of Vacant Commercial Land APN's 054-0110-16 and 30, June 1995
- (2) Richard M. Betts, MAI, SRA, ASA, Appraisal of 400, 414, and 420-426 San Benito Street and 321 Fourth Street, Hollister CA, November 23, 1992
- (3) Appraised value of APN 054-011-032 included two buildings that were part of "Sunrise Plaza" with a total lease area of about 5,242 square feet. The third 1,336 square foot building had a bar and restaurant called "The Office". The cost to demolish the building was \$62,000.
- (4) APN 054-011-036 also includes the retired 2,016 square foot APN 054-011 that was purchased by the City of Hollister from the owners of the former New China Café – the Tztoo family.

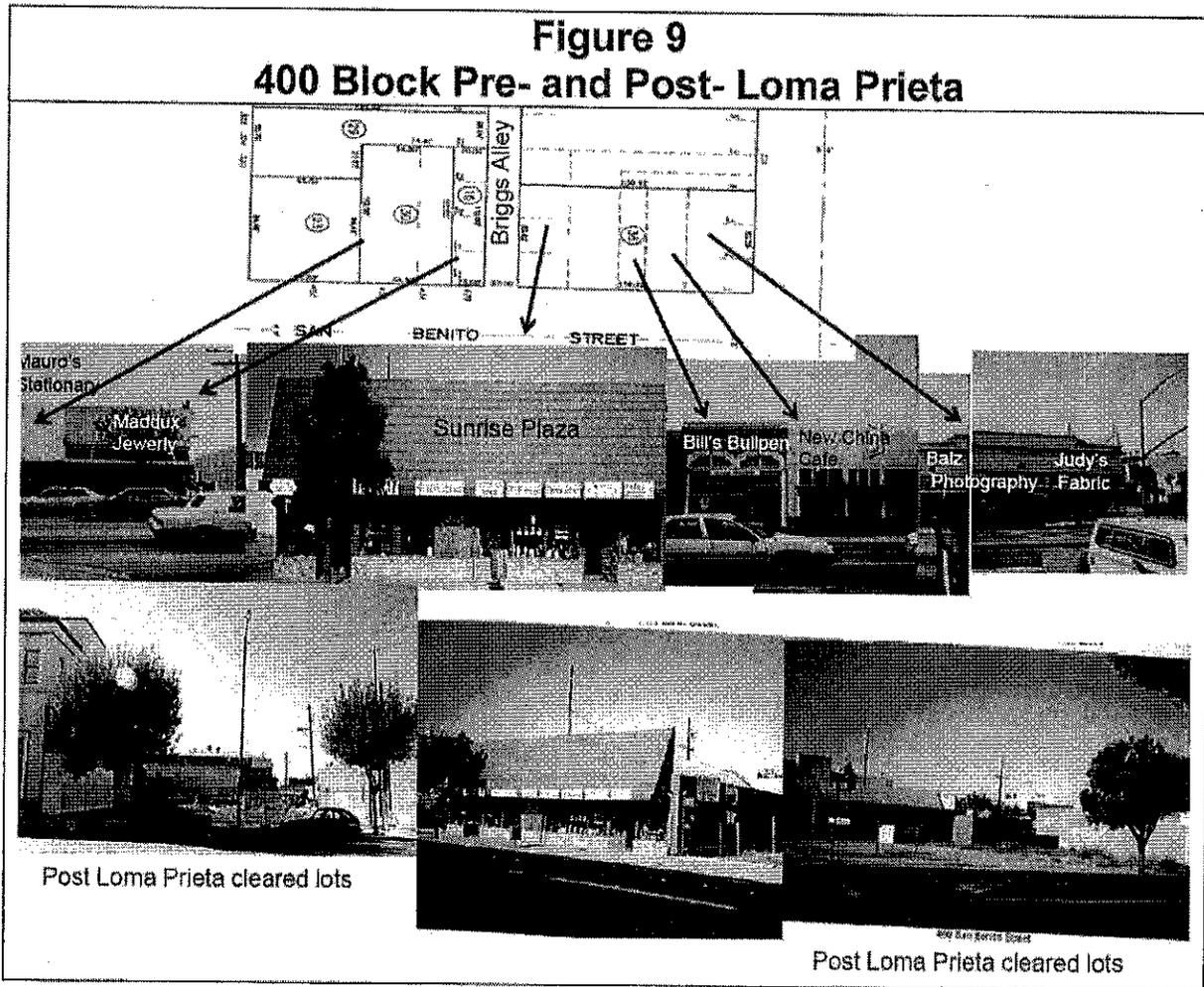
**4.B.2. Purpose of purchase of 400 Block Properties.**

The former Hollister Redevelopment Agency purchased several properties on the "400 Block" of San Benito Street to eliminate blight related to catastrophic damage to buildings from the Loma Prieta Earthquake. The acquisition also implemented programs in the 1991 Downtown Strategy and Plan to assemble the 400 Block properties for economic development and to facilitate the construction of the Briggs Building parking structure. The 1991 Plan was developed in response to the Loma Prieta earthquake and unrelated downtown fires.

In October of 1989, the Loma Prieta Earthquake severely damaged 14 buildings on seven blocks fronting Hollister's main street – San Benito Street - in Downtown Hollister.

Shortly after the earthquake there was a catastrophic fire from arson on the 600 block that destroyed additional buildings. An accidental fire also destroyed a movie theater that was red-tagged due to the earthquake on the 700 block.

Five unreinforced masonry buildings that were located on what is now called the "Grassy Lot" or the "400 Block" were severely damaged by the Loma Prieta earthquake and subsequently demolished. The Sunrise Plaza mini mall and a bar/restaurant called the Office remained but were surrounded by empty lots as shown on the lower half of Figure 9.



**Table 3**  
**400 Block businesses that were relocated or closed as due to structural damage from the Loma Prieta Earthquake**

<b>Assessor Parcel Number</b>	<b>Business Name</b>	<b>Address</b>
Retired 054-011-005	Judy's Fabrics	400 San Benito Street
Retired 054-011-006	New China Cafe	410 San Benito Street
Retired 054-011-007	Bill's Bullpen	414 San Benito Street
None	Briggs's Alley	Realigned
054-011-016	Maddux Jewelry	430 San Benito Street
054-011-030	Mauro's Stationary	438 San Benito Street

The former City of Hollister Redevelopment Agency (RDA) pooled tax increment and grants from the federal Economic Development Administration and State Department of Commerce to fund the preparation of the 1991 Hollister Downtown Strategy Plan to provide programs to address the catastrophic damage or destruction of over 20 buildings in Downtown Hollister. Strategies 1, 2, 4, 5, 7, 8, 10 and 11 pertained to the "400 Block"

**Strategy 1: Create a Vibrant Downtown Core**

**Strategy 2: Locate the earthquake fault**

Strategy 3: Reconstruct Earthquake damaged buildings

**Strategy 4: Redevelop Sites Resulting from Earthquake or Fire**

**Strategy 5: Provide added Parking**

Strategy 6: Strengthen and Rehabilitate Landmark Buildings

**Strategy 7: Encourage Uses that Generate Nighttime Activity**

**Strategy 8: Enhance Entrances to Downtown**

Strategy 9: Plan for Future Transition to Non-industrial uses

**Strategy 10: Maximum Opportunities for In-town Housing**

**Strategy 11: Encourage a Retail/Housing Mix along San Benito Street**

Strategy 12: Provide Public Streetscape Improvements

The Downtown Strategy and Plan identified the vacant lots on the 400 Block as an opportunity to assemble property and facilitate development of a large development project with a multi-use building (retail, cinema and housing). The former Redevelopment Agency purchased the 400 Block properties between 1994 and 1995. The purchase dates and prices are listed in Table 2. The Agency approved Resolution 94-05R on February 7, 1994 authorizing the purchase of the properties north of the now covered Briggs Alley "for the acquisition of real property in the 400 block on Fourth Street for the construction of a parking structure on Fourth Street and a commercial building known as the 400 Block Project". The retired assessor parcels APNs 054-011-

005, 007 and 032 are shown on Figure 1 in Chapter 2 of this report. The Agency approved Resolution 95-40R on August 7, 1995 to authorize legal actions to acquire the 400 block property south of the now covered Briggs Alley through eminent domain. This property is also shown on Figure 1 as APNs 054-011-016 and 030. Resolutions 94-05R and 95-50R are included in Appendix A.

**Briggs Commercial Building and Parking Structure:** The Agency also proceeded to support the acquisition of a car wash and construction of a multi-story commercial building and parking garage called the Briggs Building in 1994/1995. The "proposed concept" and site plan in the Engineer and Architect Report submitted with the City of Hollister Economic Development Administration Grant application and the EDA Project # 07-01-03325 construction documents on file with the City of Hollister Building Department show a 29-foot wide pedestrian plaza on the east side of the parking structure that encroaches into retired Assessor Parcel Number 054-011-006 and 032, and close to one foot of the western edge of RDA Assessor Parcel Numbers 054-011-005 and 007.

The Economic Development Administration Grant used to help fund the construction of the Briggs Building required single ownership of the building for the grant lien by the City of Hollister. A grant deed (recorder's number 9507181) was recorded on August 29, 1995 to merge former car wash acquired by the former RDA with a city owned parking lot (retired APNs 054-011-003 and 031) and transfer the ownership to the City of Hollister. A lot line adjustment was also approved in April of 1995 to transfer ownership of the nearly 29 by 140 foot pedestrian plaza from the former Agency to the City of Hollister. A copy of the recorded lot line adjustment is provided in Appendix B. The lot line adjustment map shows that the majority of the former New China Café property (lot 5) was intended to be transferred to the Hollister Redevelopment Agency. It recently came to staff's attention that grant deeds were not recorded to complete the lot line adjustment. Chapter 5 of this plan recommends recordation of the grant deeds to complete the intent of the lot line adjustment to merge the parcels acquired pursuant to Resolution 94-05R for the construction of a commercial building on the 400 block and the pedestrian plaza shown constructed with the parking structure as part of EDA Project #07-01-03325.

The following recommendations will facilitate the intended completion of the 1995 lot line adjustment

1. Oversight Board directs the City of Hollister Successor Agency to authorize the City Manager to execute documents to record grant deeds to complete the recorded 1995 lot-line adjustment shown in Appendix B.

#### **4.B.3. History of environmental contamination, any designation as a brownfield site and any related environmental studies and remediation efforts.**

Environmental contamination/brownfield site/remediation efforts. **None.**

Environmental Studies. The 400 Block is located within the Alquist-Priolo Earthquake

Hazard Zone for the East Branch of the Calaveras Fault. The Alquist-Priolo Special Studies Zone Act requires a surface fault hazard investigation prior to new construction or reconstruction of buildings to establish the presence or absence of surface fault rupture on property in a fault hazard zone. If a fault is located, a non-buildable area is established on the property that prohibits the construction of structures for human occupancy. The former City of Hollister Redevelopment Agency (RDA) commissioned a surface fault hazard investigation to clear the 400 Block properties for development in 1991. A copy of the trenching map is provided in Appendix C. A potentially active surface fault was not located and the property was cleared for new development.

#### **4.B.4. Description of the property's potential for transit-oriented development and advancement of the planning objectives of the successor agency.**

The 400 Block property is one of the optimal locations in Hollister for transit-oriented mixed use development. San Benito Transit presently provides Dial-a-Ride Service and transit service on three fixed routes in the City of Hollister. Both of the fixed routes have stops within a block of the 400 Block property as show on Figure 6. The "Red" Line" provides north-south service to the industrial area of Hollister and Community Workforce Development Center off of San Felipe Road, passes through downtown Hollister on San Benito Street, bypasses the nearby Prospect Villa Senior apartments with connections to commercial uses along Tres Pinos Road, Ladd Lane, the Heritage Plaza shopping center and to medical offices near Hazel Hawkins Memorial Hospital. The 'blue' and 'green' lines provide transit services to the perimeter of Hollister.

#### **4.B.5. Brief history of previous development proposals and activity, including the rental or lease of property.**

Rental or lease activity: The Successor Agency has not rented or leased the 400 Block grassy lot since it was acquired. However, the City Council adopted policy for use of the 400 Block in 2001 and updated the policy in 2010. In 2001, Resolution 2001-176 stated that the 400 Block could be used for a local non-profit organization for a group activity open to the public. Approval from the City Clerk was required with conditions with performance standards for the use of the property and hours of use. In 2010, the City Council passed Resolution 2010-24 recognizing the 400 Block as a location for future economic development but updated the performance standards for use of the property by non-profits for group activities open to the public. Examples of uses of the 400 Block are listed below:

- ❖ Seasonal Farmer's Market
- ❖ Movies Under the Stars
- ❖ Water Conservation demonstrations
- ❖ Staging area for parades
- Street Lighting Ceremony Holiday trees
- Walk a Mile in her Shoes staging area
- Downtown summer street festival

History of previous development proposals: The majority of the development proposals for the 400 Block have contemplated use of the assembled parcels for a commercial or mixed use two story structure. Table 4 summarizes RDA approved resolutions to

**Table 4**  
**History of Exclusive Negotiating Agreements for 400 Block**

<b>Date</b>	<b>Resolution Number</b>	<b>Action</b>	<b>Use</b>
1992-1994	--	RDA negotiates with Mauro family for a Development and Disposition Agreement to develop the 400 Block site with a movie theater.	
12/12/1994	94-79R	Authorize Exclusive Negotiating Agreement with Green Valley	Two-story mixed use building 34,000 sq. ft. building with a theater, restaurant, and retail and office space.
3/6/1995	95-24R	Extension of time to period to negotiate with Barry Swenson Builders	Same as above.
June 30, 1998	98-12R	Authorize Exclusive Negotiating Agreement with Lexmar Development Company LLC	Hotel
	98-26	Extension of time period to negotiate with Lexmar	
7/17/2000	2000-22R	Authorize ENA for the Center for the Arts of San Benito County	Performing Arts Center
8/6/2001	2001-R Extension of time to period to negotiate		
9/17/2001	2001-76	Policy for use of 400 Block by non-profits	
	2004-26R	Authorize ENA with Todd Dubois.	Hotel
<b>October 2002- December 2008</b>	<b>Not applicable</b>	<b>State imposed sewer moratorium prohibiting issuance of building permits</b>	
March 15, 2010	2010-24	Policy for use of 400 Block by non-profit organizations.	

authorize execution of Exclusive Negotiating Agreements between 1994 and 2004. The first agreements around 1994 and 1995 were for a mixed use building with a multi-plex cinema that was a “near term” project identified in the 1991 Downtown Strategy and Plan. However, construction of a multiplex theater just east of downtown on McCray Street brought the project to a standstill.

**In 1998 the RDA entered into an agreement with Lexmar Development Company for a hotel . An agreement was approved in 2000 with the Center for the Arts of San Benito County to construct a performing arts center.**

New construction was halted in late 2002 in the City of Hollister due to a state imposed sewer moratorium. The RDA entered into a third agreement for a hotel in 2004, but lifting of the sewer moratorium took longer than anticipated. Initial plans to construct a wastewater treatment plant were altered. The City of Hollister ultimately constructed a regional water reclamation facility designed to serve unincorporated properties in unincorporated pockets surrounded by the city and new development in an urban water area established by interagency agreements. The sewer moratorium was lifted just after the onset of the Great Recession in December 2008. Consequently, the 2004 agreement faltered. The City of Hollister was a foreclosure hot spot during the foreclosure crisis in 2008-2010 and all commercial development in Hollister came to a halt.

The 400 Block was identified in every Hollister Redevelopment Agency five-year implementation plan as an opportunity for a larger scale commercial development of 40,000 square feet to 50,000 square feet (see Table 5). The update to the 2009-2014 implementation plan was prohibited by the legislation to eliminate redevelopment agencies. An uncirculated draft implementation plan identified the property for a 30,000 square feet mixed-use development project for the 400 Block. The change to mixed use reflected the recent revision to the City of Hollister 2005-2023 General Plan which was incorporated by reference into the Redevelopment Plan.

**Table 5**  
**History of Implementation Projects for the 400 Block**

<b>Implementation Plan Period</b>	<b>Project Description</b>
1994-1999	Development of the Downtown parking facility and 8,700 square feet of retail space for the 400 Block of San Benito Street. The construction of garage will alleviate the congestion and lack of parking in the Downtown area two of the reasons that have been cited as being detrimental to attracting shoppers to the Downtown.
1999-2004	Development of the 400 Block Property—The Agency will facilitate the development of a vacant Downtown property. The development of the property is expected to provide approximately <b>40,000 square feet of commercial space</b> . The development will attract people to the downtown stimulating the economic viability of the area.
2005-2009	Development of the 400 Block Property—The Agency will facilitate the development of a vacant Downtown property. The development of the property is expected to provide approximately <b>40,000 square feet of commercial space</b> . The development will attract people to the downtown stimulating the economic viability of the area.
2009-2014 (DRAFT) (1)	400 Block Property—The Agency will facilitate the development of a vacant 400 Block property. The development of the property is expected to provide approximately <b>30,000 square feet of mixed-use space</b> . This development will attract people to the downtown stimulating the economic viability of the Project Area.

**Notes:**

- (1) The City of Hollister Redevelopment Agency was unable to complete the update to the 2009-2014 Implementation Plan due to the budget bill introduced by Governor Brown in early 2011 and ensuring legislation that prohibited completion of a Five Year Implementation Plan.

**4.B.6. Estimate of costs to maintain the property**

Costs for maintenance of the 400 Block include water for irrigation of the turf and labor to maintain the grass. Estimated costs are \$2,564 per year.

#### **4. B.7. Estimate of the Current Value of the Property and Any Appraisal Information**

An appraisal of the property was prepared for this long-range property management plan for an "as is" fee simple value. The appraisal titled Appraisal Report 400 Block Project, June 18, 2013, Hollister, California was prepared by Michael Cullinan, Cullinan Appraisal and Realty and is hereby incorporated by reference into this plan. The appraisal report can be viewed at the City of Hollister Successor Agency home page at <http://hollister.ca.gov/Site/html/gov/office/successor.asp>. The report noted that the 400 Block Grassy lot is one of the last remaining corner locations fronting San Benito Street at one of the busiest intersections in the City. The "as is" fee simple value as of June 18, 2103 was \$220,000 or \$12.25 per square foot. The value was considered to be toward the upper end of the value range because it is in a good location downtown. The appraised value was for a 17,984 square foot development area even though there are two separate parcels (6,285 square feet and 11,699 square feet).

The appraisal report includes the following notations regarding supply and demand and the valuation of the property.

- ❖ There is a significant amount of vacant commercial/mixed use designate land located along Fourth Street in the "West Gateway" entrance to Hollister that is vacant but not actively listed for sale.
- ❖ There are numerous commercial sites in the downtown area that have been listed for sale for a number of years with minimal activity.
- ❖ Several smaller downtown properties with buildings are selling for below replacement cost which has resulted in minimal market demand for downtown specific vacant sites.
- ❖ There is greater interest and demand for larger sites that can support larger modern style buildings.
- ❖ The existing supply of vacant commercial sites is greater than the demand but interest appears to be increasing for better located sites.

There are four vacant lots for sale within five hundred feet of the 400 block property. The lots have been for sale since before the 2008 recession.

### **CHAPTER 5 Disposition and Development Objectives for Successor Agency Properties**

Health and Safety Code provides direction for disposition of Successor Agency properties that are not dedicated for governmental uses such as Fire Station 1 or for the purpose of fulfilling an enforceable obligation. Section 34191.3 (H)( 2) states that "with the respect to the use or disposition of all other properties all of the following shall apply:

- (A) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
- (B) If the plan directs the liquidation of the property or the use of revenues generated

from the property, such a lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities."

**5.A. Property to be transferred to the City of Hollister to be continued to use for governmental purposes pursuant to Health and Safety Code Section 34818 (a)**

1. Direct Successor Agency to approve a resolution authorizing the City Manager to execute documents to transfer ownership of Fire Station 1 to the City of Hollister.
2. Direct Successor Agency to approve a resolution authorizing the City Manager to execute documents to record the lot line adjustment and deeds in order to transfer ownership of portion of the Fifth Street Parking lot shown as Parcel 1 on Figure 3 to the City of Hollister.

**5.B Disposition of Leatherback Property**

**5.B.1 Issues for Leatherback Property:**

1. The Hollister Redevelopment Agency spent nearly \$5 million to acquire a non-conforming tarpaper plant and associated costs with demolition and clearance of the property. There is potential for a buyer of the Leatherback property to undermine the intent of the former RDA to eliminate a blighted non-conforming land use and stimulate economic development and would also not maximize the value to the taxing agencies if the following happens after disposition:
  - a. The buyer "banks the property" and it remains vacant.
  - b. The new owner seeks to revert the land use(s) to industrial activities.
  - c. The buyer develops or leases the property with a marginal commercial, mixed-use activity.
2. The Leatherback property is an area of transition. Less than five years ago one of the last remaining orchards in Hollister was removed as result of the pending construction of a bypass for Highway 25 just south of the property. The Leatherback plant was previously used for processing garlic and agricultural products. Similar agricultural manufacturing uses remain in the area including a tomato cannery and associated warehouses and storage areas and a walnut processing plant. As stated previously in Section 4.A., these industrial uses are non-conforming and in time will be replaced with mixed-use development. A legal non-conforming ready-mix plant also borders the northern two thirds of the eastern property line. The land use on the southeast boundary of the property and the zoning is Industrial.
3. Development of multi-family residential land uses on the Leatherback property may be incompatible with the existing legal and legal non-conforming industrial land uses to the east.
4. There is a desire in Hollister to replace and upgrade some governmental services and facilities and to upgrade or establish community facilities that

are unavailable. These issues were articulated and summarized through a visioning process with the Community Foundation of San Benito County. Examples of possible governmental uses include an education center to provide expanded community college services in Hollister, an expanded library facility, performing arts center, and community pool. The Leatherback property is located within walking distance of several senior housing complexes, three affordable housing projects and a disadvantaged census tract block groups to the north and west (Tract 4 Block groups 1 and 2). The Leatherback property is centrally located within the community however it is also in close proximity to Highway 25 to provide regional access for residents in unincorporated areas of San Benito County. Expanded educational, library, performing arts and recreation facilities are recognized as a component of economic development in the City of Hollister.

5. The YMCA has expressed interest in a partnership development on the Leatherback property since 2009. The disposition of the Leatherback property presents an opportunity to fill a gap in the retail services available in the City of Hollister, increase property values, reduce vehicle miles traveled and increase revenues to taxing entities. The City of Hollister is the population center and county seat of San Benito County<sup>1</sup> but is challenged with sales tax leakage and by the fact that nearly 50% of the workforce in the county commutes out of the county (US Census Bureau ACS, County to County Flows 2006-2008 three year estimates). A 2008 City of Hollister Retail Project Area analysis prepared by Economic Developments Systems estimated that, "within a three- and ten-mile trade area demand/supply ratio, in favor of demand over the supply (e.g. leakage outside of the three and ten-mile trade area), is formidable for a City of the size of Hollister." The report estimated leakage of over \$201 million dollars from most sectors of commercial services with the exception of grocery and liquor. Since the report was prepared, there is no longer a nursery, large furniture/appliance store, jewelry store, men's clothing store in Hollister. Many residents leave Hollister and San Benito County to purchase goods and services that are no longer available in the area. Again, the size of the Leatherback property provides an opportunity to fill a gap in retail services available in the City of Hollister and surrounding unincorporated areas, increase property values with an anchor tenant and the surrounding area.
6. There are several other larger infill commercial development areas along the newly completed bypass to Highway 25 that may be more optimal for big box retail than the Leatherback property. These properties were unincorporated islands that were annexed to the City of Hollister in 2013. The 32.27 acre Guerra annexation is between 590 and 2000 feet northeast of the Leatherback Property with frontage on Highway 25 and two major east-west collectors in Hollister – Hillcrest Road and Meridian Street. The 16.64 acre Gibson annexation is located about 200 feet south of the Leatherback property. The east boundary of the annexation fronts the Highway 25 bypass and is bisected by East Park Street. A Complete Streets Plan is being prepared for McCray Street between Hillcrest Road/South Street and Tres Pinos Road with funds

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<sup>1</sup> The second incorporated area in San Benito County is the City of San Juan Bautista which has a population of 1,855 people.

from an Environmental Justice Transportation Planning Grant. The connectivity of the Leatherback property to the nearby Downtown commercial mixed use district, the McCray Street commercial uses to the north and the Tres Pinos Corridor to the south has been identified as a priority at stakeholder meetings for the planning process. The type of development at Leatherback will be strategic for economic development.

### 5.B.2. Alternatives

1. Multi-family development
2. Mixed Use Development
3. Commercial center
4. Lease for Government Use on all or a portion of the property

The zoning for the property would allow high density residential, a mixed use development with commercial and high density residential or establishment of commercial land uses. Alternatives 1 and 2 are not recommended as a priority for disposition of the property because the potential land use conflicts with the existing non-conforming ready mix plant and potential conflicts with existing conforming industrial uses on the southeast boundary of the property identified for industrial land use in the City of Hollister 2005-2023 General Plan.

### 5.B.3. Leatherback Property Disposition Objectives

- A. Use a development and disposition agreement as a tool to assure a commercial development occurs that increases the property value and facilitates economic development by providing commercial services that are either unavailable in Hollister or expands commercial services to meet the demand in the community.
- B. Use a development disposition agreement as a tool to avoid land banking and stagnation of property tax values.

### 5.B.4. Recommendations for Disposition of the Leatherback Property

1. Successor Agency to authorize the City of Hollister to negotiate a lease agreement for governmental use of all or a portion of the Leatherback property for transfer for governmental use for activities such as an education center, community library, community pool, performing arts center for a 18 month period beginning with the date of the acceptance of the Long Range Property Management Plan by the Oversight Board and Department of Finance. The intent of the agreement is to allow the City of Hollister to negotiate lease agreements for needed governmental services at a central walkable location in Hollister that could serve disadvantaged communities.

2. Successor Agency to solicit a request for qualifications to enter into a Development Agreement for a commercial development on any portion of the Leatherback property that is not included in a lease agreement for governmental use that complies with the objectives for the Leatherback Property in this Long Range Property Management Disposition Plan.

## **5.C 400 Block Property**

### **5.C.1. Issues for 400 Block Property**

1. The 400 Block is a 40,000 square foot commercial use project in the most recent Five Year Implementation Plan. The 400 Block grassy lot was proposed as a Mixed Use 30,000 square foot project in the draft update to the Five Year Implementation Plan but the Agency was unable to complete the plan in 2011 due to prohibitions related to the Dissolution Act.
2. The Redevelopment Agency, the City of Hollister and the Hollister Downtown Association recognize the 400 Block as a strategic property for economic development in Downtown Hollister.
3. Non-contiguous small portions of the 400 Block Property are owned by the City of Hollister.
4. There have been collective efforts of the Redevelopment Agency over that past 22 years to support economic development on the 400 Block and other parts of downtown. Those efforts included implementing the following measures in the 1991 Downtown Strategic Plan.
  - a. façade improvement assistance to over 25 buildings.
  - b. funding of seven surface fault hazard investigations to facilitate reconstruction of buildings demolished as a result of the Loma Prieta Earthquake or destroyed by unrelated fires.
  - c. preparation of a streetscape beautification plan.
  - d. funding the installation of streetscape the beautification plan (new sidewalk pavers, coordinated street tree plantings, sidewalk furniture, street lights and street lighting.
  - e. acquisition of properties on the 400 block to assemble land for a larger catalyst development.
  - f. assistance to the Hollister Downtown Association.
  - g. assistance with the construction of the bypass to Highway 25 through downtown Hollister.
  - h. rehabilitation of signature buildings such as the Veteran's Memorial Building.
  - i. assistance with the construction of the Briggs Building commercial building and parking structure.

The Agency also provided funding for a \$300,000 surface fault hazard investigation on the former Fremont School site to support efforts to keep a new courthouse facility downtown instead of relocating to the industrial area of Hollister. The Alquist Priolo Earthquake Fault Hazard Act did not require a surface fault hazard investigation on the Fremont School site because the property was outside of mapped fault hazard zones.

However, the State courts would not consider the Fremont School site because it was located between the mapped fault hazard zones for the East and main branch of the Calaveras Fault. The fault study cleared the way for a downtown courthouse that is presently under construction a block west of the 400 Block in downtown Hollister.

Hasty disposition of the 400 Block without a strategic project could waste an opportunity to develop the 400 block grassy lot for its intended purpose as a catalyst property for economic development in the downtown area and the resulting realization of increased property values on the grassy lot and downtown area.

### 5.C.2. 400 Block Grassy Lot Objective

- A. Use a disposition and development agreement or development agreement as a tool to assure that disposition of the 400 Block property facilitates development of the site as a keystone property in Downtown Hollister to support economic development.

### 5.C.3. Recommendations for Disposition of the 400 Block Property

1. Direct the Successor Agency to authorize the Executive Director to execute grant deeds to complete the 1995 Lot-line adjustment illustrated in Attachment 1.
2. Direct the Successor Agency to authorize the Executive Director and Successor Agency to record the lot line adjustment and grant deeds shown in Figure 3 to do the following:
  - a. Transfer the portion of the Briggs Alley realignment shown as Parcel 1 on Figure 3 to the City of Hollister.
  - b. Merge the Successor Agency lots south of Briggs Alley that are not used for governmental purposes shown as Parcel 2 on Figure 3.
3. Direct the Successor Agency to negotiate an agreement with the City of Hollister for a first option to purchase the 400 Block property within an 18 month period beginning with the date of the acceptance of the Long Range Property Management Plan by the Oversight Board and Department of Finance. The intent of the agreement is to allow the City of Hollister to continue the use of the grassy lot for non-profit activities open to the public until an agreement can be negotiated for a keystone commercial or mixed use development on the 400 Block. **Prior to the transfer of the property to the City of Hollister, it would be necessary for the City of Hollister to enter into a compensation agreement. Health and Safety Code section 34180 (f) (a) states, "If a city, county or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their share as of the base property tax as determined pursuant to Section 34188, for the value of the property retained.**
4. If recommendation 3 fails, the Successor Agency shall proceed with issuance of a request for qualifications to enter into a development agreement for a 30,000 to 40,000 square foot mixed use building or all commercial building that is designed to conform to the Section 7 Design Guidelines in the 2008 Hollister Downtown Strategy

Plan. The proceeds from the sale of the properties will be distributed to taxing entities pursuant to Health and Safety Code Sections 34181(a) or used to pay enforceable obligations.