

**SAND CITY OVERSIGHT BOARD
RESOLUTION OB 15-11, 2015**

**RESOLUTION OF THE SAND CITY OVERSIGHT BOARD (OB) APPROVING
THE LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP) AS AMENDED
AND SUBMITTING SAID PLAN FOR FINAL REVIEW AND APPROVAL
TO THE DEPARTMENT OF FINANCE (DOF)**

WHEREAS, The Redevelopment Dissolution Act (AB 1484) requires the Successor Agency (SA) to prepare a Long Range Property Management Plan prior to the disposition of any property being held by the Successor Agency in the Community Redevelopment Property Trust Fund, and following SA approval, transmit said plan to its Oversight Board for review and approval; and

WHEREAS, the Sand City Successor Agency is holding several properties in said trust fund as further described in the Long Range Property Management Plan, attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the Long Range Property Management Plan addresses all of the requirements of Health and Safety Code Section 34191.5; and

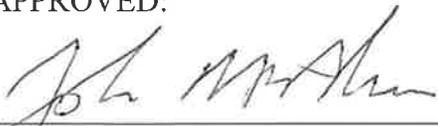
WHEREAS, on December 1, 2015, the Sand City Successor Agency held a public meeting to review and discuss said plan and following said public meeting, the Sand City Successor Agency approved the plan with amendments by Resolution SA 15-08, 2015.

NOW, THEREFORE, BE IT RESOLVED by the Sand City Oversight Board that the Long Range Property Management Plan is hereby approved as amended, and that Oversight Board staff is further directed to submit said plan, to the Department of Finance for review and approval.

PASSED AND ADOPTED by the Sand City Oversight Board on this 15th day of December, 2015 by the following vote:

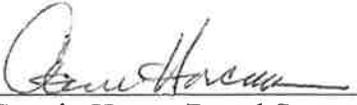
AYES: Board Members McPherson, Miles, Nakamura, Scholink, Bodem, Addleman
NOES: None
ABSENT: Board Member Parker
ABSTAIN: None

APPROVED:



John McPherson, Board Chair

ATTEST:



Connie Horca, Board Secretary

**SAND CITY OVERSIGHT BOARD
RESOLUTION OB 14-03, 2014**

**RESOLUTION OF THE SAND CITY OVERSIGHT BOARD (OB) APPROVING
THE LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP) AND
SUBMITTING SAID PLAN FOR FINAL REVIEW AND APPROVAL
TO THE DEPARTMENT OF FINANCE (DOF)**

WHEREAS, The Redevelopment Dissolution Act (AB 1484) requires the Successor Agency (SA) to prepare a Long Range Property Management Plan prior to the disposition of any property being held by the Successor Agency in the Community Redevelopment Property Trust Fund, and following SA approval, transmit said plan to its Oversight Board for review and approval; and

WHEREAS, the Sand City Successor Agency is holding several properties in said trust fund as further described in the Long Range Property Management Plan, attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the Long Range Property Management Plan addresses all of the requirements of Health and Safety Code Section 34191.5; and

WHEREAS, on January 21, 2014, the Sand City Successor Agency held a public meeting to review and discuss said plan and to solicit public comment prior to its approval. And, following said public meeting, the Sand City Successor Agency approved the plan without modification; and

WHEREAS, the Sand City Oversight Board (OB) reviewed said plan on February 3, 2014, during a regularly scheduled meeting, and made the following revisions as follows:

Recommendation on Carroll property: "The Carroll property shall be offered for sale on the open real estate market." Recommendation on the Community Garden site shall be revised as follows: "The Successor Agency shall offer the property for sale to the City of Sand City at its original cost of \$75,000. Should the city accept this offer, it shall designate the property as a "community garden" and/or "public park". Should the City of Sand City not accept this offer, then the property will be offered for sale in the open real estate market." For the sewer pump station site: "The property shall be offered to DBO development/the Orosco Group at its fair market value as determined by an updated appraisal by an MAI appraiser. This offer shall be effective for 60 days following the submission of the updated appraisal. Should DBO/the Orosco group fail to purchase the property within the 60 day period; the property shall be placed on the open real estate market for sale."

NOW, THEREFORE, BE IT RESOLVED by the Sand City Oversight Board that the Long Range Property Management Plan is hereby approved, as amended pursuant to additional language regarding the Carroll property as specified in the staff report dated January 27, 2014. Oversight Board staff is further directed to submit said plan, as amended, to the Department of Finance for review and approval.

Oversight Board Resolution OB 14-03, 2014

PASSED AND ADOPTED by the Sand City Oversight Board on this 3rd day of February, 2014 by the following vote:

AYES: Board Members McPherson, Parker, Miles, Nakamura, Scholink, Matarazzo
NOES: None
ABSENT: Board Member Addleman
ABSTAIN: None

APPROVED:



John McPherson, Board Chair

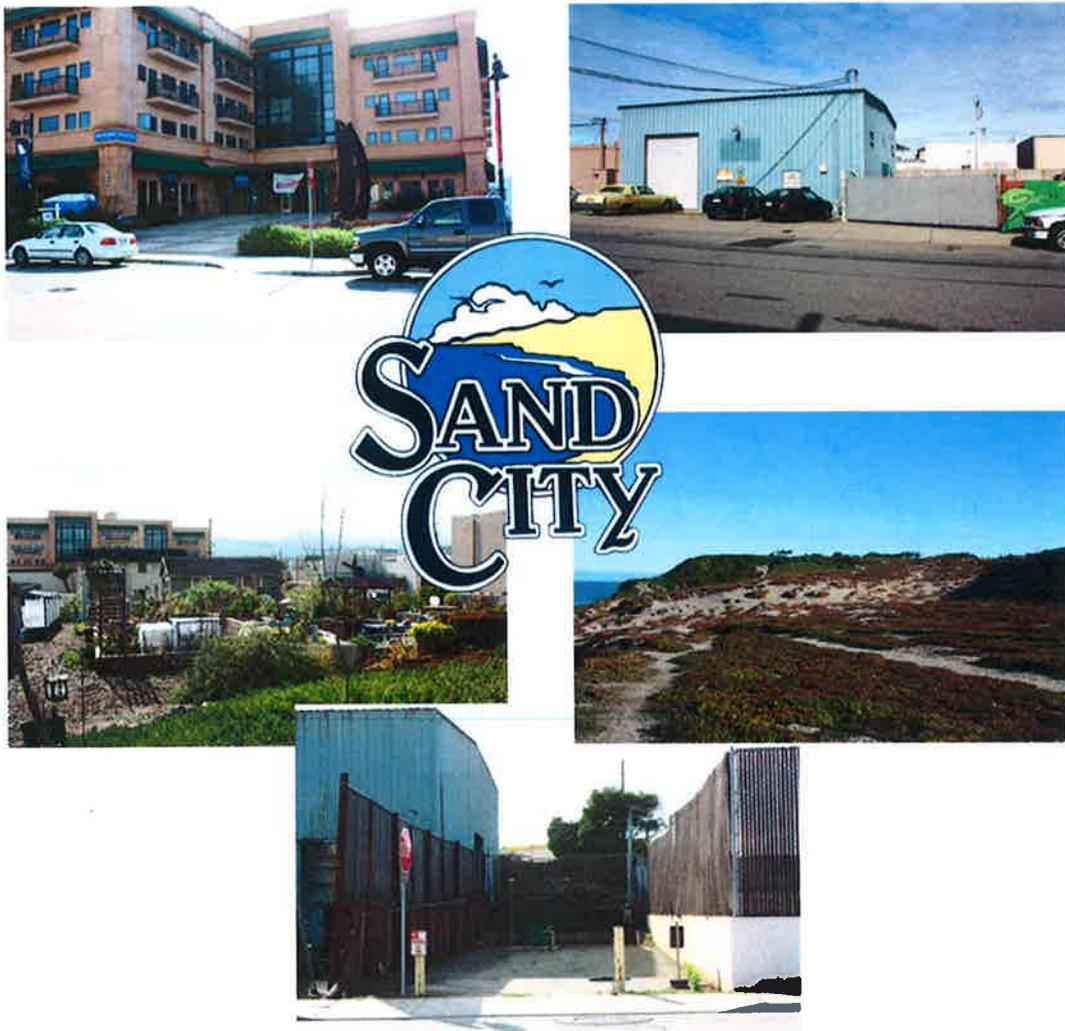
ATTEST:



Connie Horca, Board Secretary

**Sand City Community Redevelopment
Property Trust Fund**

**LONG TERM PROPERTY
MANAGEMENT PLAN**



**Submitted to Sand City Successor Agency on 12/01/2015
APPROVED by Successor Agency on 12/01/2015**

**Submitted to Sand City Oversight Board on 12/15/2015
APPROVED by Sand City Oversight Board on 12/15/2015**

UPDATED LONG RANGE PROPERTY MANAGEMENT PLAN

Sand City Community Redevelopment Property Trust Fund

City Council/Successor Agency

David K. Pendergrass, Chair

Mary Ann Carbone, Vice Chair

Jerry Blackwelder

Craig Hubler

Todd Kruper

Oversight Board

John McPherson, Chair

Jane Parker, Chair

Sandra Miles

Vicki Nakamura

Jayanti Addleman

Todd Bodem

Linda Scholink

Sand City Staff

Todd Bodem, City Administrator

Kelly Morgan, Consultant

Charles Pooler, Associate Planner

Linda Scholink, City Clerk/Administrative Services Director

Jim Heisinger, City Attorney

LONG RANGE PROPERTY MANAGEMENT PLAN

Sand City Community Redevelopment Property Trust Fund

TABLE OF CONTENTS

RDA Properties City-Wide Location Map

Introduction

Properties & Discussion:

- Section 1: Carroll Property**
- Section 2: Community Garden**
- Section 3: Tioga Avenue Sewer Pump Site**
- Section 4: McDonald Coastal Site**
- Section 5: Easements on 'The Independent' Site**
 - 1) Public Plaza Easement**
 - 2) Water Well and Utility Line Easement**
 - 3) Parking Structure Air Easement**

Appendixes:

- A Carroll Property**
 - Property Appraisal
 - Grant Deed

- B Community Garden**
 - Grant Deed

- C Tioga Avenue Sewer Pump Site**
 - Property Appraisal
 - Quit Claim Deed & City Resolution of Acceptance

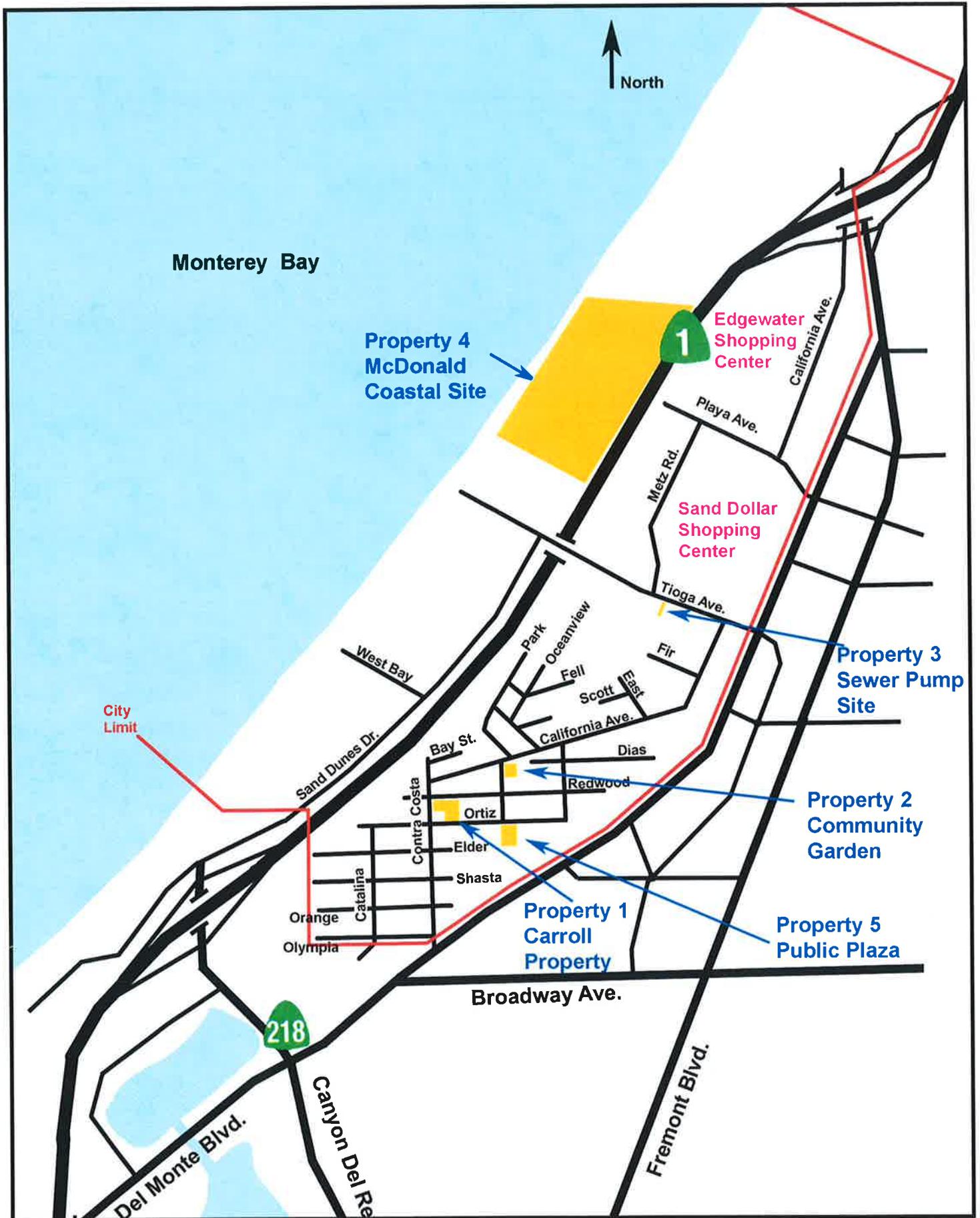
- D McDonald Coastal Site**
 - Development & Disposition Agreement (DDA) - Original
 - Development & Disposition Agreement (DDA) - Amended
 - Certificate of Participation (COP)
 - Grant Deed

- E Easements on 'The Independent' Site**
 - Grant Deeds (property, water well, parking & plaza)

- F Sand City RDA 5-Year Implementation Plan 2010 - 2014**

- G Successor Agency SA 15-08 - Approval of LRPMP**

- H Oversight Board OB 15-11 - Approval of LRPMP**



Former Redevelopment Agency Property Assets

SAND CITY LONG RANGE PROPERTY MANAGEMENT PLAN

UPDATE –DECEMBER 2015

INTRODUCTION/BACKGROUND

In early 2014, Sand City prepared and submitted a Long Range Property Management Plan (LRPMP) for review and approval to the Sand City Successor Agency and the Sand City Oversight Board. The Successor Agency approved the LRPMP as submitted. However, the Oversight Board approved the Plan with several revisions; with instructions to sell several of the former Redevelopment Agency properties. The LRPMP was revised as instructed and submitted to the California Department of Finance (DOF). The LRPMP was not approved by DOF, and was returned with a matrix list of corrections and/or additional information that was required. This update of the LRPMP is being submitted in response to the DOF comments, and to provide further justification for the Sand City proposals.

SB 107

In September 2015, the California legislature passed, and the Governor subsequently signed, Senate Bill (“SB”) 107, which allows the retention by the City of parking facilities and lots dedicated solely to public parking so long as the lots do not generate revenues in excess of the reasonable maintenance costs of the properties. Since a list of corrections is required by the DOF, along with the Senate Bill changes how the Successor Agency and Oversight Board approached the disposition of the Carroll and Community Garden Properties.

The Properties

There are five properties/entitlements included in the LRPMP: 1) The Carroll Property fronting Ortiz Avenue, Contra Costa Street, and Redwood Avenue. 2) The Community Garden property at the southeast corner of Hickory Street and Dias Avenue. 3) The sewer Pump Station property fronting Tioga Avenue near Metz Road. 4) The McDonald Coastal Property west of Highway 1 and the Playa Avenue underpass. 5) The Independent property, Public Plaza, Water, Parking easements and Affordable Housing requirements at 600 Ortiz Avenue. All of these properties or entitlements were acquired through the programs/activities of the former Sand City Redevelopment Agency. Sand City has been issued a “Finding of Completion” by the DOF, and all current and real property and interests in real property of the former Sand City Redevelopment Agency (RDA) must be included in the LRPMP prepared by the Successor Agency to address the disposition and/or use of these properties. Once the LRPMP is approved by the DOF, the LRPMP will govern and supersede other provisions relating to the real property assets of the Former Sand City RDA.

Plan Inventory

The Dissolution Act, Health & Safety Code Section 14191.5, requires that the LRPMP include all of the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund; establish to serve as the repository of the former redevelopment agency's real properties. This inventory shall consist of all of the following information:
 - a. **Date of acquisition** of the property and the value of the property at that time, and an estimate of the current value of the property.
 - b. **Purpose** for which the property was acquired.
 - c. **Parcel data**, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.
 - d. **Estimate of the current value** of the parcel including, if available, any appraisal information.
 - e. **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.
 - f. **History of the environmental contamination**, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
 - g. Description of the **properties potential for transit-oriented development and the advancement of the planning objectives** of the successor agency.
 - h. Brief history of **previous development proposals** and activity, including the rental or lease of property.
2. Address the use or disposition of all the properties in the Trust Fund. Permissible uses include:
 - a. **Retention for governmental use** pursuant to subdivision (a) of Section 34181;
 - b. **Retention for future development**;
 - c. **Sale** of the property; or
 - d. **Use** of property to fulfill an **enforceable obligation**.
3. Separately identify and list properties in the Trust Fund dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all 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 as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or as otherwise specified in subsection 3 (a) above, the proceeds from the sale shall be distributed as property tax to the affected taxing entities.
- c. Property shall not be transferred to a successor agency, city or county unless the LRPMP has been approved by the Oversight Board and DOF.

Summary of Proposed Property Intension

1. Carroll Property. Negotiate with Developer to sell 6 of the 14 lots. Of those sold, the revenue shall be divided and distributed to each taxing entity. The remaining 8 lots to remain as public parking and public purpose. If these 6 lots are not sold, Sand City proposes to accept the ownership of them for governmental use at no cost to the City along with the remaining lots at no cost to the City.
2. Community Garden. Transfer for Governmental use as a park and possible future parking. Transfer at no cost to the City.
3. Sewer Pump Site. This property shall be offered to DBO Development at its fair market value and sales revenue generated by this property shall be divided and distributed to each taxing entity.
4. McDonald Site. Continue to hold title to the property in order to fulfil an enforceable obligation. If King Ventures exercises its right to terminate the DDA, then the City will exercise its right to transfer title pursuant to the COP, or if the City does not exercise its right to take title, the SA will sell the property and the proceeds from the sale will be first used to satisfy the approximately \$1.45 million obligation to King referred to above and the balance of the sales proceeds will be distributed to the Monterey County Auditor/Controller.
5. Public Easements at 'the Independent'. Transfer for Governmental Use.

Agency Actions

The Sand City Successor Agency approved the LRPMP as amended on December 1, 2015. The Sand City Oversight Board approved the LRPMP as amended on December 15, 2015. The Long Range Property Management Plan is now being presented to the California Department of Finance for consideration and adoption.

SECTION 1

Carroll Property

PROPERTY #1 – Carroll Property:

Reference: Carroll Property

Address: 525 Ortiz Avenue

Assessor
Parcel Nos. 011-196-004, 013, 019, 020

Date
Acquired: 3/20/2009

Purchase
Price: \$1,300,000

Lot Size: 26,250 SF (11,250 SF, 3,750 SF
3,750 SF, 7,500 SF)

Estimated
Current
Value: \$750,000 (if sold as one
parcel), \$915,000 if sold
cumulatively
(11/6/2012 Appraisal)

Current Land Use: MU-D (Mixed Use Development)

Current Zoning: MU-P (Mixed-Use Planned)



Purpose For Which Property Acquired: The property was purchased by the former Redevelopment Agency with tax exempt bond proceeds in 2009 for the purpose of providing public parking in a parking deficient area of the City. The property's location is ideal for that purpose.

Parcel Data: (See above for address/location.) The property is centrally located within the West End District, abutting two collector streets (Contra Costa Street and Ortiz Avenue). This location provides convenient vehicular access and allows for ideal pedestrian distribution to the surrounding area. Sand City General Plan Policy 3.6.3 states that the City will plan and facilitate the development of public parking lots and/or structures. The Sand City West End District Urban Design and Parking Implementation Plan recommend the provision of public parking to alleviate a shortage of parking. The 2010-2014 Sand City Redevelopment Agency 5-Year Implementation Plan recognizes the Agency's accomplishment in acquiring the property for parking purposes in furtherance of the City's General Plan Policies and Urban Design and Parking Implementation Plan. The property is improved with surface level paving, a 1,920 SF warehouse and a 475 SF shed. The warehouse is currently used for the parking and storage of the Public Works Department equipment and vehicles.

Income/Revenue: The property has not produced any income or other revenues since the time of its acquisition by the former Redevelopment Agency. Since the time of acquisition by the RDA, the property has been used by the City on an interim basis for public purposes including storage and public parking connected with City sponsored events. These interim governmental uses have been authorized by the Oversight Board.

Environmental Assessment: A database search conducted on Envirostor on January 24, 2013 confirmed that the project site was not a hazardous materials site.

Potential for Transit Oriented Development and Advancement of Planning Objectives: The property has the potential for transit oriented development. It is located less than one-half mile (0.16 mile or four blocks) northwest of the Transportation Agency of Monterey County's (TAMC) proposed future Monterey Peninsula Fixed Guideway Service station (Seaside stop), which is currently undergoing environmental review. The Monterey Peninsula Fixed Guideway Service will provide light rail transit service between Monterey and Castroville on the existing publicly owned tracks adjacent to Highway 1. This property does advance the planning objectives of the successor agency.

Development Proposals: DBO Development has expressed interest in purchasing a portion of the property in order to exchange it with an adjacent property owner for the benefit of both property owners. There had also been other interests to rent or purchase the property; however those uses were questionable regarding zoning compliance.

Purpose For Which Property Acquired: The property was purchased by the former Redevelopment Agency with tax exempt bond proceeds in 2009 for the purpose of providing public parking in a parking deficient area of the City. The property's location is ideal for that purpose.

Parcel Data: (See above for address/location.) The property is centrally located within the West End District, abutting two collector streets (Contra Costa Street and Ortiz Avenue). This location provides convenient vehicular access and allows for ideal pedestrian distribution to the surrounding area. Sand City General Plan Policy 3.6.3 states that the City will plan and facilitate the development of public parking lots and/or structures. The Sand City West End District Urban Design and Parking Implementation Plan recommend the provision of public parking to alleviate a shortage of parking. The 2010-2014 Sand City Redevelopment Agency 5-Year Implementation Plan recognizes the Agency's accomplishment in acquiring the property for parking purposes in furtherance of the City's General Plan Policies and Urban Design and Parking Implementation Plan. The property is improved with surface level paving, a 1,920 SF warehouse and a 475 SF shed. The warehouse is currently used for the parking and storage of the Public Works Department equipment and vehicles.

Income/Revenue: The property has not produced any income or other revenues since the time of its acquisition by the former Redevelopment Agency. Since the time of acquisition by the RDA, the property has been used by the City on an interim basis for public purposes including storage and public parking connected with City sponsored events. These interim governmental uses have been authorized by the Oversight Board.

Environmental Assessment: A database search conducted on Envirostor on January 24, 2013 confirmed that the project site was not a hazardous materials site.

Potential for Transit Oriented Development and Advancement of Planning Objectives: The property has the potential for transit oriented development. It is located less than one-half mile (0.16 mile or four blocks) northwest of the Transportation Agency of Monterey County's (TAMC) proposed future Monterey Peninsula Fixed Guideway Service station (Seaside stop), which is currently undergoing environmental review. The Monterey Peninsula Fixed Guideway Service will provide light rail transit service between Monterey and Castroville on the existing publicly owned tracks adjacent to Highway 1. This property does advance the planning objectives of the successor agency.

Development Proposals: DBO Development has expressed interest in purchasing a portion of the property in order to exchange it with an adjacent property owner for the benefit of both property owners. There had also been other interests to rent or purchase the property; however those uses were questionable regarding zoning compliance.

Permissible Use / Disposition Recommendation:

Retention for Governmental Use. H&SC sec. 34181 (a) (1). The parcels were used for governmental purpose as lots dedicated solely for public parking and a local agency warehouse structure. The intent is to allow the transfer of ownership of this property to the City, at no cost for continued public uses and planned future use.

This site was included as an Objective in the RDA 5-Year Implementation Plan, stating that the "Agency will develop additional parking in the West End area to allow for an intensification of residential and commercial uses." (See page 7 of the RDA Implementation Plan). Page 14, RDA Implementation Plan explains that the Carroll property was acquired in 2009 with bond financing for additional parking in the West End District, and that the property may be combined with other redevelopment projects nearby to create a public parking complex, and working with an RDA-approved developer.

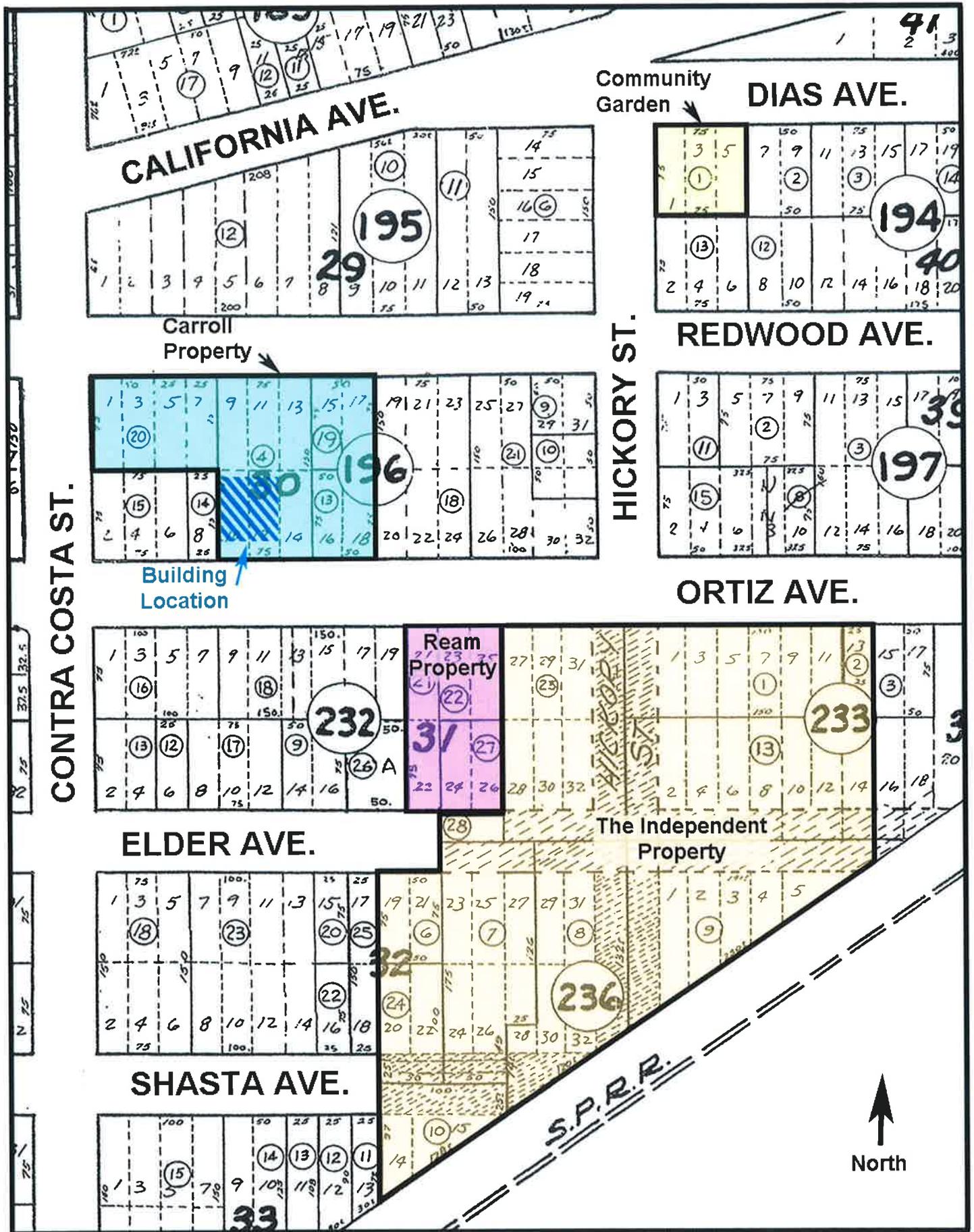
All properties of the former RDA are allowed to be transferred for governmental purposes. However, in an effort to meet the financial concerns-objectives of the Oversight Board, the Sand City Successor Agency (SA) will negotiate with a developer that roughly half of the Carroll property be put up for sale, and half will be transferred for public parking as explained further below. If this approach is not approved, then the SA will allow the transfer ownership for public parking and local agency administrative building uses, at no cost.

Intended Use of Sale Proceeds: The Carroll property was acquired by the RDA in March 2009 for \$1,300,000. Another appraisal was prepared by Stephen Brown, MAI, SRA Appraiser in November 2012 that indicated the property was worth \$750,000 (if sold as one parcel), or as high as \$915,000 cumulatively, if the site were divided and sold as two parcels.

If the Updated LRPMP is approved as proposed, then Sand City would negotiate with the developer to sell six of the fourteen lots; producing an estimated \$315,000 in sales price for taxing agencies based the \$915,000 multiple parcel appraisal value (\$215,000 value for APN 011-196-013 & 019 + \$100,000 value for 2 lots of APN 011-196-004).

The sale of the six lots to the developer will be of valuable assistance to this former RDA project and used to create more parking. In transferring the remaining lots, the City will be able to achieve its planning objectives of providing public parking for the West End District of Sand City. If any parcels are sold, then the net proceeds from the sale of the parcels will be used to pay for enforceable obligations that have been placed on a Recognized Obligation Payment Schedule (ROPS) as approved by Finance or the proceeds will be submitted to the County-Auditor Controller for distribution to the taxing entities.

If these six lots are not sold, Sand City proposes to accept ownership of them for governmental use at no cost to the City.



Location Map: Carroll Property

SECTION 2

Community Garden

PROPERTY #2 – Community Garden:

Reference: Community Garden

Address: No Street Address. Located at the southwest intersection of Dias Avenue and Hickory Street

Assessor
Parcel No. 011-194-001

Date
Acquired: 6/15/2001 - 6/21/2001 Purchase
Price: \$75,000

Lot Size: 5,625 SF Estimated
Current

Date Of Estimated
Current Value: 12/14/2015 Value: \$75,000 (Agency Estimate)

Current Land Use: MU-D (Mixed Use Development)

Current Zoning: MU-P (Mixed-Use Planned)



Purpose For Which Property Acquired: The property was acquired by the former Redevelopment Agency for use for additional parking by the Sand City Police Department in September of 2009. The 2010-2014 Sand City Redevelopment Agency 5-Year Implementation Plan provides for expansion of Sand City Police Department facilities. In June of 2011, the City approved interim use of this property for community garden purposes.

Parcel Data: (See above for address/location.) The parcel is located across California Street from City Hall. Improvements including a retaining wall, water storage tank and planting beds have been constructed on the property. The property has been continuously used for community garden purposes since June of 2011.

Income / Revenue: The property has not produced any income or other revenues since the time of its acquisition by the former Redevelopment Agency. Current use of the site as a public community garden does not generate revenue.

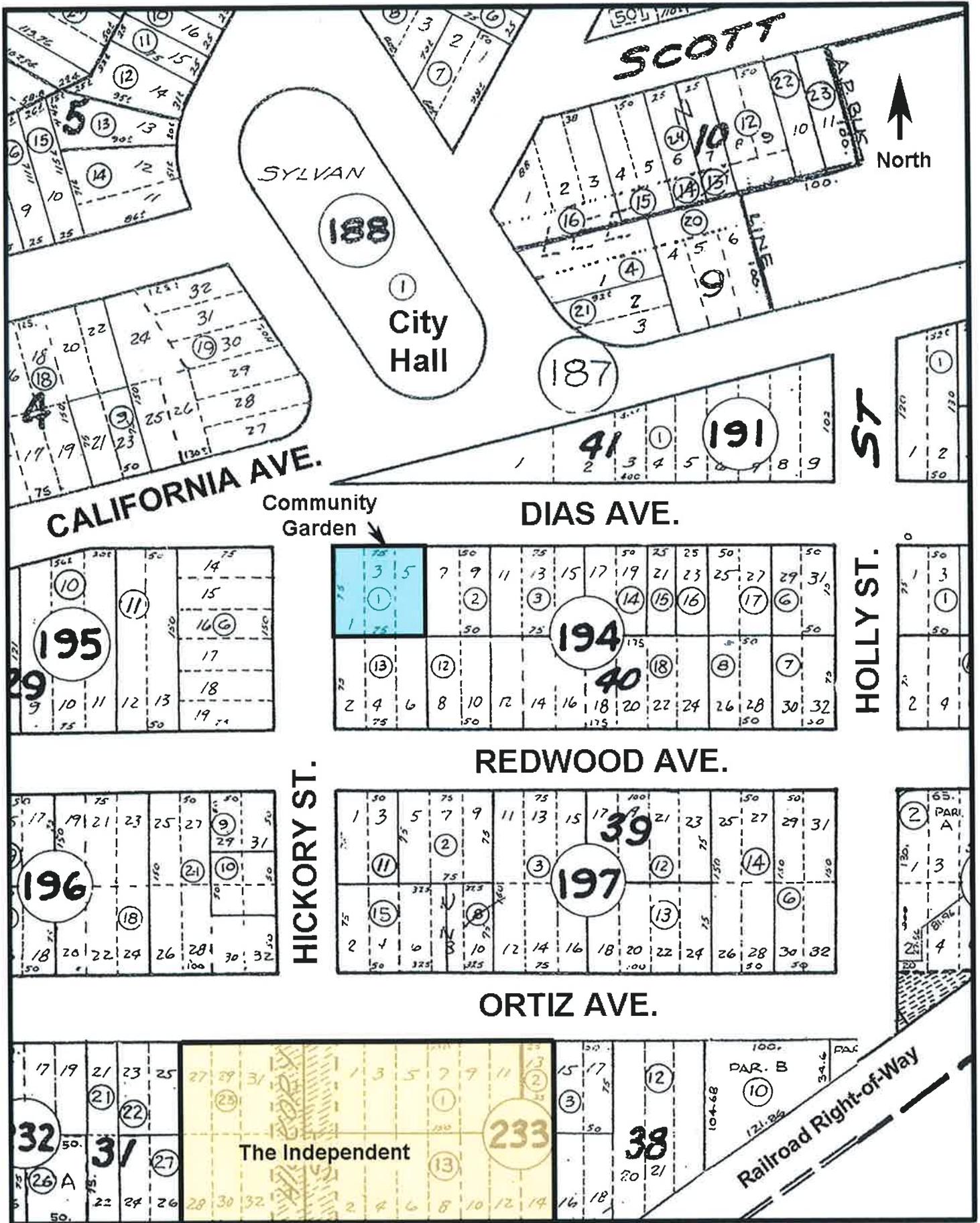
Environmental Assessment: A Phase I Environmental Assessment was prepared by ACC Industrial Services Corporation in April 2001 and an Initial Study/Negative Declaration was prepared by PMC in May 2001. Both reports determined there was no evidence of a recognized environmental condition in connection with the property. A database search conducted on Envirostor on January 24, 2013 confirmed that the project site was not a hazardous materials site. However, it appears to be used as a community garden and the use and application of limited amounts of fertilizers and pesticides may have occurred on the property.

Potential for Transit Oriented Development and Advancement of Planning Objectives: This property has the potential for transit oriented development. It is located less than one-half mile (0.27 mile or six blocks) northwest of the Transportation Agency of Monterey County's (TAMC) proposed future Monterey Peninsula Fixed Guideway Service Station (Seaside stop), which is currently undergoing environmental review. The Monterey Peninsula Fixed Guideway Service will provide light rail transit service between Monterey and Castroville on the existing publicly owned tracks adjacent to Highway 1. The property's proximity to the proposed future light rail station and existing mixed use land use designation provide an opportunity for future TOD. Interim use of the property as a community garden prevents blighting conditions from occurring. The property has been identified for future use for parking for the Sand City Police Department. Future use of the property for parking for the Sand City Police Department is consistent with the policies of the 2010-2014 Sand City Redevelopment Agency 5-Year Implementation Plan. This property does advance the planning objectives of the successor agency.

Development Proposals: Up to the time of the Redevelopment Agency's acquisition of the property, there had been no previous development or development proposals for this site, and it remained vacant. The existing community garden resulted from a proposal by a City resident, which the City and Redevelopment Agency found to be acceptable as an interim use until the site is developed for its intended use as parking.

Permissible Use / Disposition Recommendation: Transfer for Governmental Use. H&SC sec. 34181(a) (1) for parks and police parking facilities. Transfer ownership of this property to the City at no cost for continued interim public uses and planned future use.

| Intended Use of Sales Proceeds: N/A (Transfer For Governmental Use).



Location Map: Community Garden



Aerial Map: Community Garden

SECTION 3

Tioga Avenue Sewer Pump Site

PROPERTY #3 – Sewer Pump Site:

Reference: Sewer Pump Site

Address: No Address. Fronts Tioga Avenue near Metz Road.

Assessor
Parcel Nos. 011-122-005

Date Acquired: 7/23/2004 Purchase Price: \$27,000

Lot Size: 2,250 SF Estimated Current Value: \$63,000 (Appraisal 11/6/2012)

Current Land Use: East Dunes Specific Plan

Current Zoning: M (Manufacturing)



PROPERTY #3 – Sewer Pump Site:

Reference: Sewer Pump Site

Address: No Address. Fronts Tioga Avenue near Metz Road.

Assessor
Parcel Nos. 011-122-005

Date Acquired:	<u>7/23/2004</u>	Purchase Price:	<u>\$27,000</u>
-------------------	------------------	--------------------	-----------------

Lot Size:	<u>2,250 SF</u>	Estimated Current Value:	<u>\$63,000 (Appraisal 11/6/2012)</u>
-----------	-----------------	--------------------------------	---------------------------------------

Current Land Use: East Dunes Specific Plan

Current Zoning: M (Manufacturing)



Purpose for which Property was Acquired: This property was acquired as part of a cooperative endeavor between the former Sand City Redevelopment Agency and DBO Development (a.k.a. The Orosco Group) in the acquisition of properties within the designated South of Tioga Project Area (discussed in the Sand City General Plan) to accommodate redevelopment of this heavily blighted area of Sand City. This is consistent with an objective of the 2010 - 2014 Sand City RDA 5-Year Implementation Plan, which states that *“the Agency will assist in the development of the South of Tioga mixed-use project...”*.

Parcel Data: (See above for address/location.) This property is developed with one of the four lift stations operated by the Seaside County Sanitation District (SCSD). The SCSD is a special district responsible for the maintenance and operation of the sanitary sewer collection system serving an area of approximately 2,400 acres with a population of about 30,000 (Cities of Del Rey Oaks, Sand City, and Seaside). The sewer system consists of approximately 70 miles of pipeline with 930 man-holes, 475 rod holes, and 4 lift stations.

Income / Revenue: The site has been in public domain for sewer utility operation. When the City acquired the site to further the South of Tioga land acquisition efforts, the site continued its previous sewer utility pumping operation. No lease or other revenue generating activities have occurred.

Environmental Assessment: A database search conducted on Envirostor on January 24, 2013 confirmed that the project site was not a hazardous materials site.

Potential for Transit Oriented Development and Advancement of Planning Objectives: This property does not have the potential for transit oriented development due to its small size. It is located less than one-half mile from the Transportation Agency of Monterey County’s (TAMC) proposed future Monterey Peninsula Fixed Guideway Service station (Sand City and Seaside stop), which is currently undergoing environmental review. This property does advance the planning objectives of the successor agency.

Development Proposals: A developer (DBO) has expressed interest in purchasing this property for future development of a larger project within the South of Tioga Planning District. This would be part of a larger land assemblage (11 acres total) for either a complementary commercial development across from Costco or mixed use development. Prior to redevelopment dissolution, the developer had an Exclusive Negotiation Agreement (ENA) with the former RDA for that purpose. Disposition of this property to DBO Development (a.k.a. The Orosco Group) satisfies the original intention of this property’s acquisition, and accommodates cohesive redevelopment of the South of Tioga Planning Area to eliminate existing blighted conditions.

Permissible Use / Disposition Recommendation: This property shall be offered to DBO Development (a.k.a. The Orosco Group) at its fair market value as determined by an updated appraisal by an MAI appraiser. This offer shall be effective for sixty (60) days

Purpose for which Property was Acquired: This property was acquired as part of a cooperative endeavor between the former Sand City Redevelopment Agency and DBO Development (a.k.a. The Orosco Group) in the acquisition of properties within the designated South of Tioga Project Area (discussed in the Sand City General Plan) to accommodate redevelopment of this heavily blighted area of Sand City. This is consistent with an objective of the 2010 - 2014 Sand City RDA 5-Year Implementation Plan, which states that *"the Agency will assist in the development of the South of Tioga mixed-use project..."*.

Parcel Data: (See above for address/location.) This property is developed with one of the four lift stations operated by the Seaside County Sanitation District (SCSD). The SCSD is a special district responsible for the maintenance and operation of the sanitary sewer collection system serving an area of approximately 2,400 acres with a population of about 30,000 (Cities of Del Rey Oaks, Sand City, and Seaside). The sewer system consists of approximately 70 miles of pipeline with 930 man-holes, 475 rod holes, and 4 lift stations.

Income / Revenue: The site has been in public domain for sewer utility operation. When the City acquired the site to further the South of Tioga land acquisition efforts, the site continued its previous sewer utility pumping operation. No lease or other revenue generating activities have occurred.

Environmental Assessment: A database search conducted on Envirostor on January 24, 2013 confirmed that the project site was not a hazardous materials site.

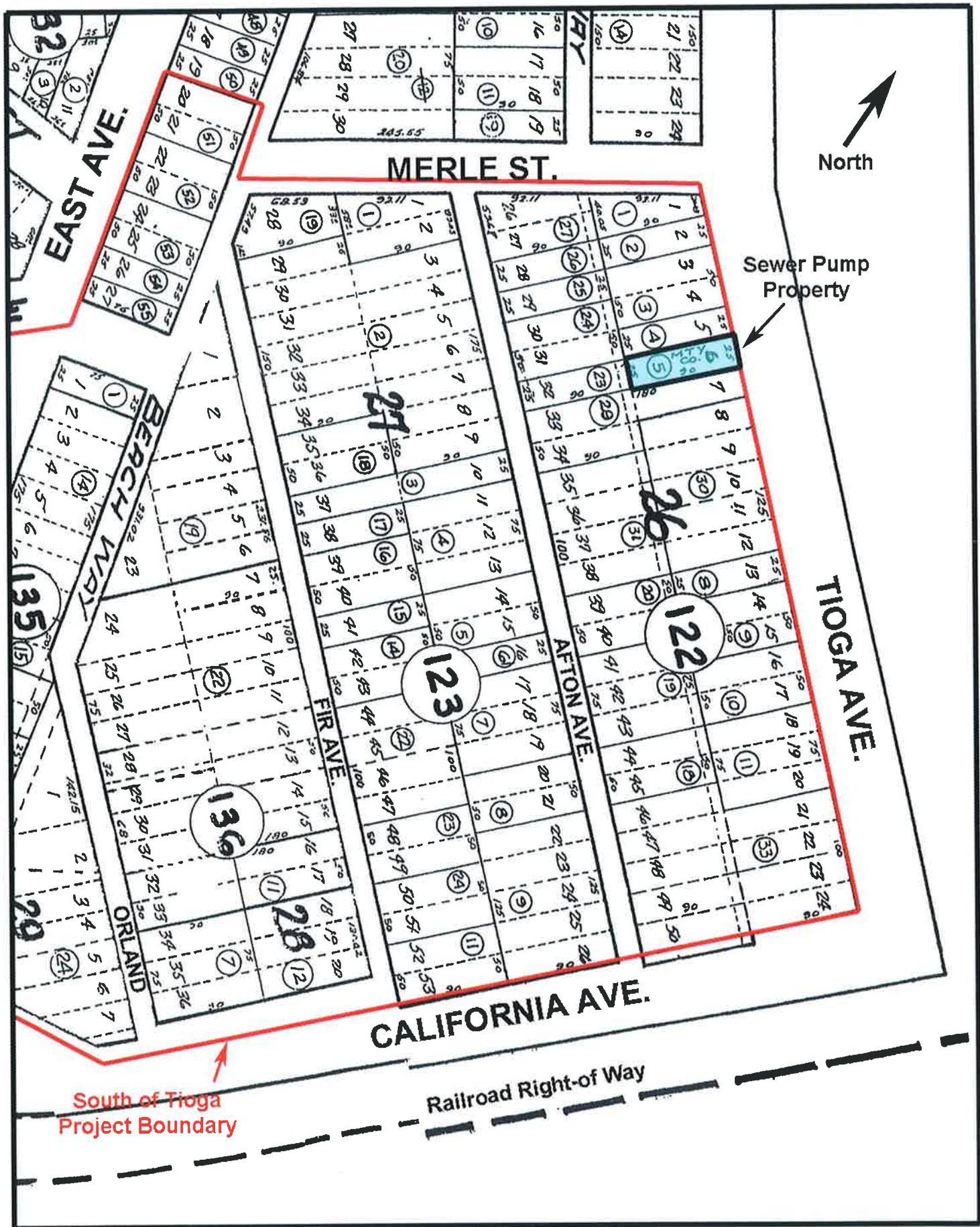
Potential for Transit Oriented Development and Advancement of Planning Objectives: This property does not have the potential for transit oriented development due to its small size. It is located less than one-half mile from the Transportation Agency of Monterey County's (TAMC) proposed future Monterey Peninsula Fixed Guideway Service station (Sand City and Seaside stop), which is currently undergoing environmental review. This property does advance the planning objectives of the successor agency.

Development Proposals: A developer (DBO) has expressed interest in purchasing this property for future development of a larger project within the South of Tioga Planning District. This would be part of a larger land assemblage (11 acres total) for either a complementary commercial development across from Costco or mixed use development. Prior to redevelopment dissolution, the developer had an Exclusive Negotiation Agreement (ENA) with the former RDA for that purpose. Disposition of this property to DBO Development (a.k.a. The Orosco Group) satisfies the original intention of this property's acquisition, and accommodates cohesive redevelopment of the South of Tioga Planning Area to eliminate existing blighted conditions.

Permissible Use / Disposition Recommendation: This property shall be offered to DBO Development (a.k.a. The Orosco Group) at its fair market value as determined by an updated appraisal by an MAI appraiser. This offer shall be effective for sixty (60) days

following the submission of the updated appraisal. Should DBO Development/The Orosco Group fail to open escrow towards the purchase the property within the sixty (60) day period, the property shall be placed on the open real estate market for sale. The proposed sale value and date are to be determined.

Intended Use of Sales Proceeds: The sale revenue generated by this property will be divided and distributed according to each taxing entity. If any parcels are sold, then the net proceeds from the sale of the parcels will be used to pay for enforceable obligations that have been placed on a Recognized Obligation Payment Schedule (ROPS) as approved by Finance or the proceeds will be submitted to the County-Auditor Controller for distribution to the taxing entities.



Location Map: Tioga Avenue Site

SECTION 4

McDonald Coastal Site

PROPERTY #4 – McDonald Site:

Reference: McDonald Coastal Site

Address: No Address. Located at the westerly end of Play Avenue, west of Highway 1.

Assessor

Parcel Nos. 011-012-001 & 002

Date

Acquired: 1/19/1995

Purchase

Price: \$1,100,000

Lot Size: 16.25 acres

Estimated

Current

Value: \$1,445,000 (value under terms of the DDA)

Date of Estimated Current Value: 7/17/2001

Current Land Use: Coastal: VSC (Visitor Serving Commercial)

Current Zoning: CZ-VSC-B (Coastal - Visitor Serving Commercial)



Purpose For Which Property Acquired: To abate existing blighted conditions remnant of the former sand mining operation on the property and to facilitate the development of a visitor serving coastal resort, including public beach access, extension of the regional bike trail through the property, public restrooms consistent with the Sand City Local Coastal Program and the 2010-2014 Sand City RDA 5-Year Implementation Plan.

Parcel Data: (See above for address/location.) The project site was historically used for sand mining operations and a concrete batch plant that are no longer active. Most of the site is currently undeveloped except for a coastal bike trail and concrete slurry erosion protection along the coastal bluff of the property.

Income/Revenue - Enforceable Obligation: The former Redevelopment Agency acquired title to the property in 1995. The acquisition was financed with proceeds from a taxable Certificate of Participation (COP). Under the terms of the COP, the Agency leased the site to the City. Rental payments were assigned to the holders of the COP. The Lease provides in part that the Agency will convey title to the property to the City when all obligations under the COP had been satisfied in full. All obligations under the COP have been satisfied, but the City has not yet exercised its right to take title to the property. The lease terminated in 2005. Hence, there is no current revenue guaranteed by this property.

In 2001, the former Redevelopment Agency entered into a contract to sell the property to John King of King Ventures in San Luis Obispo. Under the terms of the contract, known as a Disposition and Development Agreement (DDA), King was obligated to pay the former Redevelopment Agency the sum of \$2.2 million for the property, acquire an adjoining site commonly known as the 'Sterling Site' and develop a coastal resort project on the combined site consistent with the City's certified Local Coastal Plan, and a 1996 Memorandum of Understanding (MOU) between the California Department of Parks and Recreation, the Monterey Peninsula Regional Park District, the City of Sand City, and the former Sand City Redevelopment Agency. The 1996 MOU provides in part that the park agencies will support development of a coastal resort project on this site in exchange for allowing most of the Sand City coastal zone to remain in open space and park and recreational uses.

King Ventures has paid the full purchase price for the property to the former Redevelopment Agency. King has purchased the Sterling site. In December of 2013, King received approval of a Coastal Development Permit from the City for construction and operation of a coastal resort project on the McDonald/Sterling site called the Collections at Monterey Bay, which includes 340 visitor serving rooms, a restaurant with banquet facilities, a Tapas Bar restaurant, a bakery, a wine center, a deli juice bar, conference and meeting facilities, a health/wellness spa center, parking, and other ancillary and related improvements on the property. The City's approval of the Coastal Development Permit has been appealed to the California Coastal Commission by the Sierra Club.

The DDA provides that the sale to King Ventures will close within twelve (12) months following final approval of all discretionary and ministerial permits necessary to construct and operate the project. King has the right to accelerate the closing at any time by giving notice to the SA. Upon receipt of the notice, the SA would be obligated to close within ninety (90) days.

King Ventures also has the right to terminate the DDA. In the event King exercised that right, the SA would be obligated to pay King approximately \$1.45 million within one (1) year following the date of termination.

The SA anticipates that the City will waive its right to acquire title to the McDonald site at the time of closing of the sale of the McDonald site to King Ventures. If King Ventures exercises its right to terminate the DDA, then the City may exercise its right to take title pursuant to the COP, or if the City does not exercise its right to take title, the SA will sell the property and the proceeds from the sale will be distributed to the Monterey County Auditor/Controller.

Income / Revenue: The property has generated revenue sufficient to satisfy the former Agency's obligations under the COP. As noted above, the property is subject of a contract of sale (enforceable obligation) to John King. Mr. King has paid the full purchase price under the DDA.

Environmental Assessment: A Final Environmental Impact Report (Final EIR) for the Collection at Monterey Bay project was approved by the City Council on December 17, 2013. The EIR stated that the McDonald site was used for Sand Mining operations as early as the 1950s. A review of a government agency database report for these properties found that the site is listed as a "small quantity generator" of between 100 kilograms (kg) and 1,000 kg of hazardous waste per month. Based on a review of historical records and a government agency database report, it was determined that there are no known on-site environmental conditions impacting the property. A database search conducted on Envirostor on January 24, 2013 confirmed that the project site was not a hazardous material site.

Potential for Transit Oriented Development and Advancement of Planning Objectives: This property has the potential for transit oriented development. It is located less than one-half mile (0.36 mile) southwest of the Transportation Agency of Monterey County's (TAMC) proposed future Monterey Peninsula Fixed Guideway Service station (Sand City stop), which is currently undergoing environmental review. The Monterey Peninsula Guideway Service will provide light rail transit service between Monterey and Castroville on the existing publicly owned tracks adjacent to Highway 1. The property is designated for Coastal Visitor Serving Commercial land use. A Coastal Development Permit authorizing development of a Visitor Serving resort on the site has been approved by the City. That approval is presently on appeal to the California Coastal Commission. This property does advance the planning objectives of the successor agency.

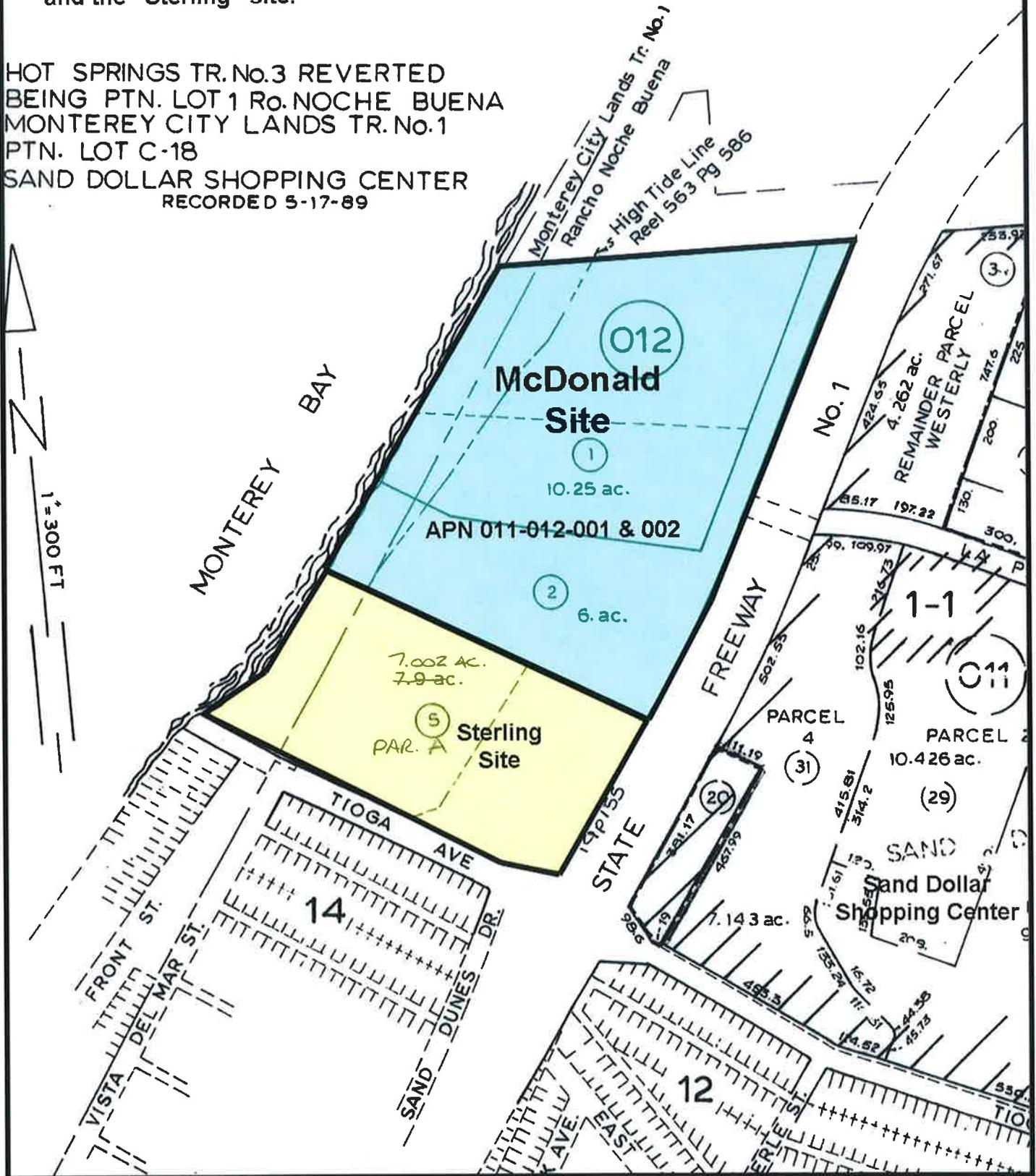
Development Proposals: Development of the property of a coastal resort will stabilize the City's revenue stream to be less reliant on retail sales (the primary revenue source for Sand City that was extremely susceptible to the 2009 economic recession). Development of the property will also eliminate existing blighted conditions from the former sand mining operation.

Permissible Use / Disposition Recommendation: Continue to hold title to the property in order to fulfill an enforceable obligation. Any breach of that enforceable obligation would subject the SA to a suit for specific performance of the SA's obligation under the DDA or an action for damages in an amount that is estimated to be in excess of the purchase price paid by King for the property. If King Ventures exercises its right to terminate the DDA, then the City will exercise its right to transfer title pursuant to the COP, or if the City does not exercise its right to take title, the SA will sell the property and the proceeds from the sale will be used first to satisfy the approximately \$1.45 million obligation to King referred to above and the balance of the sales proceeds will be distributed to the Monterey County Auditor/Controller.

Intended Use of Sales Proceeds: N/A. The SA has an enforceable obligation under the terms of the DDA to convey title to the property to John King. Mr. King has no obligation to pay any additional sums to the SA on account of such transfer of title.

Note:
 King Ventures coastal project
 includes both the "McDonald" site
 and the "Sterling" site.

HOT SPRINGS TR. No.3 REVERTED
 BEING PTN. LOT 1 Ro. NOCHE BUENA
 MONTEREY CITY LANDS TR. No.1
 PTN. LOT C-18
 SAND DOLLAR SHOPPING CENTER
 RECORDED 5-17-89



Location Map: McDonald Site

SECTION 5

Easements on 'The Independent' Site

- 1) Public Plaza Easement**
- 2) Water Well and Utility Line Easement**
- 3) Parking Structure Air Easement**

PROPERTY #5 – Public Easements at ‘The Independent’:

Reference: Public Plaza Easement
Well and Utility Line Easement
Parking Structure Easement

Address: 600 Ortiz Avenue

Assessor
Parcel Nos. Portion of 011-236-027

Date
Acquired: 5/17/2005 (DDA) Purchase
Value: Zero (Subject easements were
reserved to former RDA at time of sale
of underlying fee title)

Lot Size: 6,045 SF Current
Estimated
Value: Zero - Agency Estimate

Date of Estimated Current Value: 12/14/2015

Current Land Use: Public Plaza
Well and Utility Lines
Surface Level Parking

Current Zoning: MU-P (Mixed Use - Planned)



Purpose For Which Property Acquired: The Independent site was acquired for redevelopment as a mixed-use project. The easements for the Public Plaza, the water well and utility access, and Public Parking Structure were retained by the former Redevelopment Agency at the time the former Redevelopment Agency sold fee title to the underlying property. Maintaining these easements were intended to enable future public use; the Plaza for ongoing and future access of public events for public use, the water easement to maintain City rights and access to water from the on-site well, and the parking structure easement to provide for future public parking within the West End District. Furthermore, development of a public parking structure on the Design Center property is a stated goal of the Sand City West End District Urban Design and Parking Implementation Plan.

Parcel Data: (See above for address/location.) These easements are located on a large parcel formerly used for sand mining purposes. The large parcel was formerly developed with sheds, storage bins, a mobile office, and large scale sand processing equipment. The large parcel was acquired by the former Sand city Redevelopment Agency in 1997 and sold to a developer pursuant to a Disposition and Development Agreement (DDA) in 2005. The large parcel is currently developed with a mixed-use residential condominium project that was formerly known as the 'Design Center' and is currently known as 'The Independent'. The locations of the easements are depicted on the attached map entitled "The Independent Easement Map".

The former Redevelopment Agency conveyed fee title to the large parcel to the developer of the Design Center by grant deed in June of 2005, to be developed in accordance with the Disposition and Development Agreement. At the time title was conveyed, the former Redevelopment Agency reserved easements on the property for public plaza purposes, well lot and utility line purposes, and a parking structure.

The former Redevelopment Agency and the new property owner also entered into an Agreement regarding the public plaza easement and the parking structure easement (the Easement Agreement), a copy of which is appended to this Plan.

The Easement Agreement provides, in part, that the developer would construct the public plaza at its expense in accordance with plans approved by the City. The Easement Agreement requires the Public Plaza to remain open for use by the general public. The Public Plaza easement area is now developed with a public plaza including hardscape, planted areas, street furniture, and a large sculpture. The Public Plaza is continuously open for use by the general public. It is also used for special events, such as the West End Celebration.

The Easement Agreement also provides that the former Redevelopment Agency could construct a multi-level parking structure over the Parking Structure Easement area (called the "Parking Garage Easement" on the attached map). The owner of the Independent site would retain the right to surface level parking in the area while the former Redevelopment Agency would have exclusive right to use the upper level of the structure for parking purposes. The location of this easement is intended to take advantage of the grade differential that exists between the westerly boundary of the easement and the property immediately to the west of the easement. Vehicles will have

direct access to the upper level of the parking structure from Shasta Avenue. The Parking Structure Easement area is currently used for surface level parking.

Easements for well site purposes and utility line and access purposes were also reserved to the former Redevelopment Agency at the time title to what is now called the Independent site was conveyed to the Design Center. The well site easement is presently improved with a water well. However, the sole and exclusive right to take groundwater from that well was awarded to the City in California American Water v. City of Seaside, et al. (No. M66343, Monterey County).

Income / Revenue: The easements for the public plaza, the water well and related utility easements, and the parking garage do not generate revenue. Easement of the Plaza is intended to provide free continuous public access. Extraction of water from the well can only be performed by the City of Sand City pursuant to the final judgment cited above. The easement for the parking garage is essentially airspace and a right to use upper level(s) of a parking garage with access from Elder and Shasta Avenues for use as public parking. Since this public parking garage has not been constructed as of yet, there have been no revenues.

Estimated Current Value/Value of Acquisition. There is no current value for the Plaza, Well, or Parking easements. These were created as public easements on this site. The Public Plaza, the Well, and the Parking easement provisions were not purchased. These were negotiated to be part of the design and construction of the original redevelopment project for the project, and were maintained in the conversion to The Independent. Thus, no appraisals were needed or completed.

Environmental Assessment: An Initial Study for the adjacent mixed use project (Design Center) was prepared by PMC in March 2005. The Initial Study determined that the proposed project would not result in the transport, disposal, emission of or accidental release of hazardous materials as the project site was not a hazardous materials site. A database search conducted on Envirostor on January 24, 2013 confirmed that the project site was not a hazardous materials site.

Potential for Transit Oriented Development and Advancement of Planning Objectives: These easement areas have limited potential for transit oriented development. The SA does not hold sufficient rights in any of these areas to allow use Transit Oriented Development (TOD) or use of these easement areas. Although the easements are located less than one-half mile (0.19 mile or six blocks) northwest of the Transportation Agency of Monterey County's (TAMC) proposed future Monterey Peninsula Fixed Guideway Service station (Seaside stop), all of the easement areas are very small. In addition, all of the easement areas are located adjacent to another mixed use development that would qualify as TOD. There is no potential for future TOD on these easements. This property does advance the planning objectives of the successor agency.

Development Proposals: Each easement is discussed individually below.

Public Plaza Easement. This easement area is presently improved with a Public Plaza that is continuously open to and used by members of the general public plaza.

Parking Structure Easement: Maintaining easement for the parking garage will support the goal to increase public parking availability within the West End District, as provided in the 2010-2014 Sand City RDA 5-Year Implementation Plan and the Sand City General Plan.

Well Site and Utility Easement. This easement is to enable access to the existing well and for which only the City of Sand City has legal right to extract water.

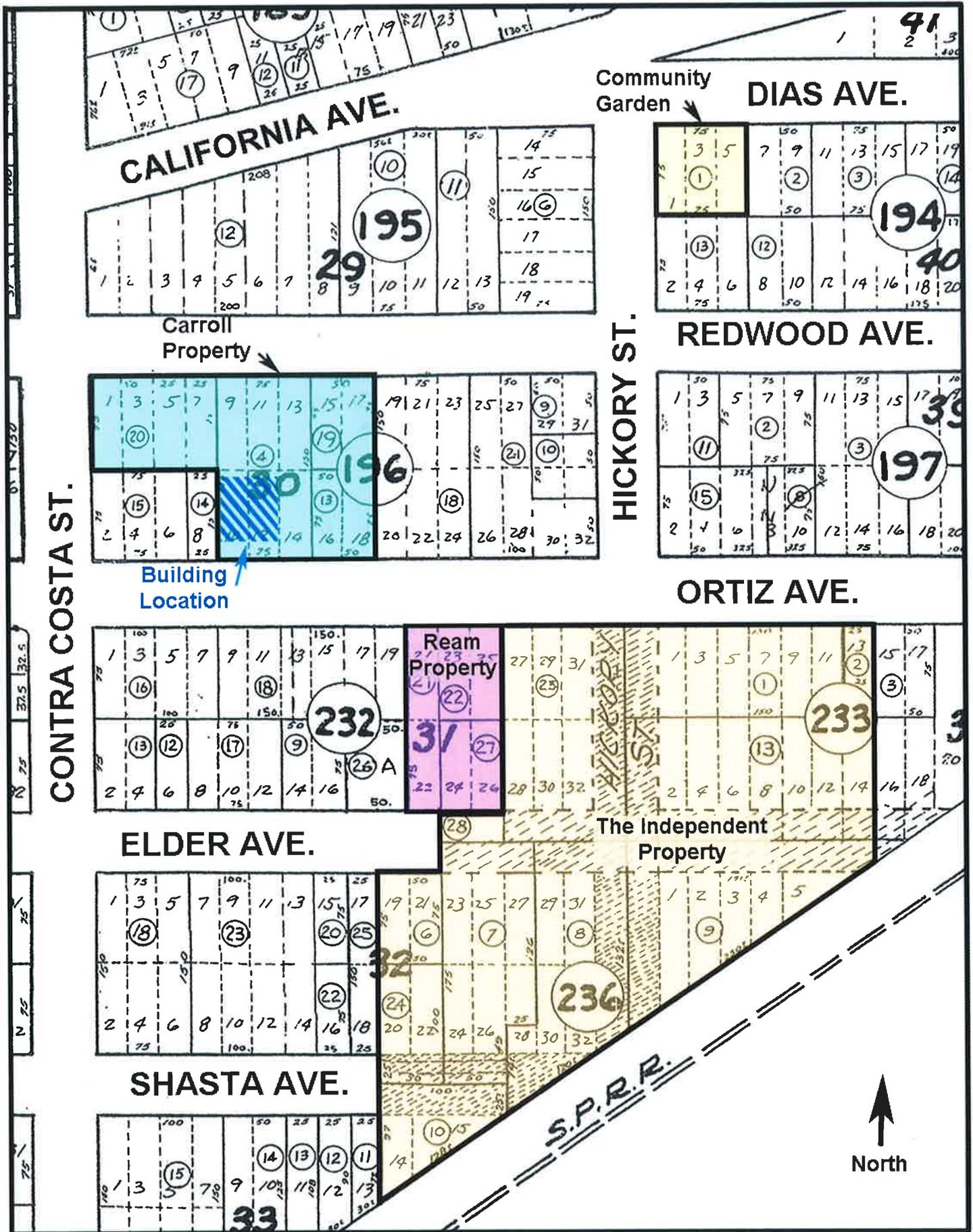
Permissible Use / Disposition Recommendation: Each easement is discussed individually below.

Public Plaza Easement. This easement area is presently improved with a Public Plaza that is continuously open to and used by members of the general public. The SA should transfer its interest in this easement to the City of Sand City in order to allow its continued public use.

Parking Structure Easement. In essence, this is an airspace easement that can only be used for a vehicle parking structure. After considering the cost of construction of a parking structure and the value of any fees that could be charged for use of the upper level of the parking structure, the SA does not believe that the easement has any residual value. The SA believes that a parking structure at this location will only be economically viable if its construction is subsidized by the City. The SA should transfer its interest in this easement to the City in order to allow future construction and use of a parking structure on the easement.

Well Site and Utility Easement. This well and the associated utility line easement are intended for public use in Sand City. The SA does not have any right to draw water from the Seaside Groundwater Basin. The only entity that holds a right to draw water from the Seaside Groundwater Basin and has access to this easement is the City. The SA should transfer its interest in this easement to the City so that the well can continue to be used for its public purpose.

Intended Use of Sales Proceeds: N/A (Transfer for Governmental Use).



Location Map: The Independent Property

