

RESOLUTION NO. 012

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN FOR THE PROPERTY LOCATED IN THE CITY OF SANTA BARBARA, COMMONLY KNOWN AS THE "RAILROAD DEPOT REGIONAL TRANSPORTATION CENTER" OWNED BY THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA.

WHEREAS, in accordance with Assembly Bill No. X1 26, as amended by Assembly Bill No. 1484 ("Dissolution Act"), the Redevelopment Agency of the City of Santa Barbara ("RDA") dissolved on February 1, 2012 and the Successor Agency to the former RDA was formed and succeeded to all of the authority, rights, powers, duties, and obligations previously vested in the RDA ("Successor Agency");

WHEREAS, an Oversight Board of the Successor Agency to the former RDA has been duly formed as required by the Dissolution Act;

WHEREAS, the Successor Agency was issued a Finding of Completion on April 26, 2013;

WHEREAS, except for the real property owned by the former RDA and subsequently approved for transfer, and transferred, by the Successor Agency to the City of Santa Barbara, the remaining real property owned by the former RDA is, in accordance with Health & Safety Code Section 34191.4, currently being held in the Community Redevelopment Property Trust Fund of, and administered by, the Successor Agency;

WHEREAS, in accordance with Health & Safety Code Section 34191.3 et seq., the Successor Agency prepared, approved and submitted a Long Range Property Management Plan to the Oversight for review and approval; and

WHEREAS, on May 9, 2013, the Oversight Board reviewed and approved the LRPMP for the Railroad Depot Regional Transportation Center finding that LRPMP complies with the requirements of Assembly Bill No. 1484 and properly determines that the Railroad Depot Regional Transportation Center is a transit-oriented development and serves a "Governmental Purpose" and, therefore, should be retained for such purposes and transferred to the City of Santa Barbara.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. At a publicly noticed meeting on May 9, 2013, the Oversight Board reviewed the Long Range Property Management Plan for the Railroad Depot Regional Transportation Center and made the following findings:

A. The Railroad Depot Regional Transportation Center is comprised of 15 parcels acquired and assembled by the RDA to establish a regional transit center and to provide for the restoration of the historic Southern Pacific Railroad Depot.

B. The parcels encompassing the Depot Property have been used and developed as a regional transit center and, as such, are encumbered with easements and use restrictions that substantially diminish market value of the Depot Property.

C. Restoration of the Railroad Depot Center was a joint effort between the RDA and the California Department of Transportation ("DOT") which was completed in 1999 and culminated in the listing of the historic depot building on National Register of Historic Places.

D. Sixty-two percent (62%) of the funding for the restoration project was provided through Proposition 108 "The Passenger Rail and Clean Air Bond of 1990" and Proposition 116 "The Clean Air and Transportation Improvement Bond Act of 1990" for the purpose of providing funds for projects that directly support rail transportation and the funding commitment requires that if the Railroad Depot property should ever be sold or used for purposes other than for public passenger rail and transportation, the DOF would be entitled to a present value refund of its share of the funding.

E. The Railroad Depot Regional Transportation Center is a multi-modal public transportation center providing train and bus service and parking for residents and visitors.

F. Revenue generated through the operations of the Transit Center should be retained and used to maintain and operate the Railroad Depot Transportation Center.

SECTION 3. After completing its review, the Oversight Board hereby finds that the LRPMP for the Railroad Depot Regional Transportation Center complies with the requirements of Health & Safety Code Section 34191.5 and properly determines that the Railroad Depot Regional Transportation Center is a transit-oriented development and, as such, should be retained as "Governmental Purpose" property and transferred to the City of Santa Barbara.

SECTION 4. The Oversight Board hereby approves the LRPMP for the Railroad Depot Regional Transportation Center and directs the Successor Agency to transmit the LRPMP to the Department of Finance for approval.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

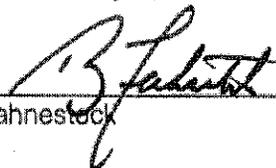
RESOLUTION NO. 012

STATE OF CALIFORNIA)
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COUNTY OF SANTA)
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OVERSIGHT BOARD OF THE)
SUCCESSOR AGENCY TO THE)
REDEVELOPMENT AGENCY OF THE)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the forgoing resolution was adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara at a meeting held on May 9, 2013, by the following roll call vote:

- AYES: Oversight Board Members Chandra Wallar, Jim Armstrong, Renee Bahl, Meg Jette, Liz Limon, Chair Brian Fahnestock
- NOES: None
- ABSENT: Carolle Van Sande
- ABSENTIONS: None

I HEREBY APPROVE the foregoing resolution on May 9, 2013.



Brian Fahnestock
Chair

RESOLUTION NO. 014

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN FOR THE RAILROAD DEPOT REGIONAL TRANSPORTATION CENTER PARCELS DESIGNATED FOR THE CHILDREN'S MUSEUM OF SANTA BARBARA, LOCATED IN THE CITY OF SANTA BARBARA, OWNED BY THE FORMER REDEVELOPMENT AGENCY.

WHEREAS, in accordance with Assembly Bill No. X1 26, as amended by Assembly Bill No. 1484 ("Dissolution Act"), the Redevelopment Agency of the City of Santa Barbara ("RDA") dissolved on February 1, 2012 and the Successor Agency to the former RDA was formed and succeeded to all of the authority, rights, powers, duties, and obligations previously vested in the RDA ("Successor Agency");

WHEREAS, an Oversight Board of the Successor Agency to the former RDA has been duly formed as required by the Dissolution Act;

WHEREAS, the Successor Agency was issued a Finding of Completion on April 26, 2013;

WHEREAS, except for the real property owned by the former RDA and subsequently approved for transfer, and transferred, by the Successor Agency to the City of Santa Barbara, the remaining real property owned by the former RDA is, in accordance with Health & Safety Code Section 34191.4, currently being held in the Community Redevelopment Property Trust Fund of, and administered by, the Successor Agency;

WHEREAS, in accordance with Health & Safety Code Section 34191.3 et seq., the Successor Agency prepared, approved and submitted a Long Range Property Management Plan to the Oversight for review and approval; and

WHEREAS, on June 6, 2013, the Oversight Board reviewed and approved the LRPMP for the Railroad Depot Regional Transportation Center parcels designated for the Children's Museum of Santa Barbara ("Children's Museum Parcels") finding that LRPMP complies with the requirements of Assembly Bill No. 1484 and properly determines that the long term lease and development of the Children's Museum on the Children's Museum Parcels is a project identified in the Redevelopment Plan's Five Year Implementation Plan and should, therefore, in accordance with Health & Safety Code Section 34191.5(c)(2)(A), be transferred at no cost to the City of Santa Barbara and thereafter retained for the future lease and development of the Children's Museum.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. At a publicly noticed meeting on June 6, 2013, the Oversight Board reviewed the Long Range Property Management Plan for the Children's Museum Parcels and made the following findings:

A. The Railroad Depot Regional Transportation Center is comprised of 15 parcels, including four designated for long-term lease to the Children's Museum, which were acquired and assembled by the RDA to establish a regional transit center and to provide for the restoration of the historic Southern Pacific Railroad Depot.

B. The California Department of Transportation, a partner with the former RDA in the funding and restoration of the historic Railroad Depot, confirmed that the use of the four remaining parcels for long-term lease to the Children's Museum is appropriate.

C. The Children's Museum development will, like the Railroad Depot Regional Transportation Center, be a transit oriented use which will incorporate and encourage the use by its visitor and employees of a variety of public transit options available at the Railroad Depot.

D. It is the intent of the City of Santa Barbara, as indicated in the draft lease currently under negotiation between the City and Children's Museum (pending transfer to the City), to enter into a long-term lease agreement with the Children's Museum of Santa Barbara at a lease rate of \$1 per year in exchange for Children's Museum's commitment to construct the museum facility on the Parcels and their long-term commitment to operate a children's museum as a youth-oriented educational facility for the benefit of the residents and visitors of Santa Barbara. To that end, support for City's lease of the Parcels to the Children's Museum has been received from members of the Santa Barbara County Board of Supervisors and the Superintendent of the Board of Education, among others.

E. The Children's Museum development proposal has been fully entitled for development by the City of Santa Barbara.

F. The Redevelopment Plan's Five-Year Implementation Plan for 2010-2014 identifies as a future redevelopment project the long-term lease and development of the Children's Museum facility as a planned future Cultural Arts Development project.

SECTION 3. After completing its review, the Oversight Board hereby finds that the LRPMP for the Children's Museum Parcels complies with the requirements of Health & Safety Code Section 34191.5 and properly determines that the Children's Museum Parcels are identified for future development in the Redevelopment Agency's Five Year Implementation Plan and, therefore, as provided in Section 34191.5(c)(2)(A), be transferred at no cost to the City of Santa Barbara and retained by the City for the long-

term lease and development by the Children's Museum as a Children's Museum at a lease rate of \$1 per year.

SECTION 4. The Oversight Board hereby approves the LRPMP for the Children's Museum Parcels and directs the Successor Agency to transmit the LRPMP to the Department of Finance for approval.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

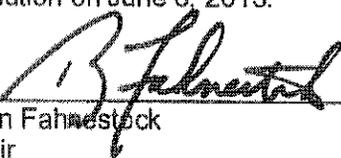
RESOLUTION NO. 014

STATE OF CALIFORNIA)
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REDEVELOPMENT AGENCY OF THE)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the forgoing resolution was adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara at a meeting held on June 6, 2013, by the following roll call vote:

AYES: Oversight Board Members Jim Armstrong, Renee Bahl, Meg Jetté, Liz Limón, Chair Brian Fahnestock
NOES: Chandra Wallar
ABSENT: Carolle Van Sande
ABSENTIONS: None

I HEREBY APPROVE the foregoing resolution on June 6, 2013.



Brian Fahnestock
Chair

**Successor Agency to the Redevelopment Agency of the City of Santa Barbara
 Railroad Depot Regional Transportation Center
 Long-Range Property Management Plan**

Pursuant to State of California Health and Safety Code section 34191.5 (c), below details the Long-Range Property Management Plan (LRPMP) of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara ("SA") for the Railroad Depot Properties and is inclusive of all of the elements required in a LRPMP as well as supporting documentation. The elements of the Property Management Plan are listed below in italics and addressed in the order that they appear in the statute.

Property Inventory (Health and Safety Code § 34191.5(c)(1)):

The Railroad Depot Regional Transportation Center is comprised of nineteen (19) parcels which were owned by the former Redevelopment Agency of the City of Santa Barbara and are currently in the Community Redevelopment Trust Fund established to serve as the repository of the former Redevelopment Agency's real properties. The properties comprising the entire Center include the following Assessor Parcel Numbers: 033-010-011, 033-010-012, 033-010-013, 033-010-014, 033-010-015, 033-041-012, 033-041-013, 033-042-001, 033-042-002, 033-042-003, 033-042-004, 033-042-012, 033-042-014, 033-042-015, 033-042-016, 033-042-017, 033-042-019, 033-075-012, and 033-075-014.

Assessor Parcel Numbers 033-010-012, 033-042-016, 033-075-012 and 033-075-014, identified with an asterisk (*) below, make up the property which will ultimately be occupied by the Children's Museum of Santa Barbara and are extracted from the SA's property inventory (*in subsections (B) & (C)*) and detailed in a separate Long-Range Property Management Plan.

Of the remaining fifteen (15) parcels, four parcels (APNs 033-010-011, 013, 014 & 015) are encumbered with exclusive easements held by Southern Pacific Transportation Company (SPTC) for railroad track purposes.

(A) *The date of the acquisition of the property and the value of the property at the time, and estimate of the current value of the property.*

The properties are listed by the date of acquisition by the Redevelopment Agency of the City of Santa Barbara.

APN	Acquisition Date	Official Document	Acquisition Value	Current Value Estimate
033-042-001	May 9, 1994	Grant Deed No 94-038853	\$330,750.00	See Section (D)
033-042-002				
033-042-003	May 9, 1994	Grant Deed No. 94-038852	\$210,000.00	
033-042-004				
033-010-011	June 21, 1995	Grant Deed No. 95-033463	The Redevelopment Agency of the City of Santa Barbara purchased seven (7) parcels from a private party on June 21, 1995 for \$3,600,000.00	
033-010-012*				
033-010-013				
033-042-012				
033-042-016*				
033-042-017				
033-075-012*				
033-010-014	December 4, 1996	Grant Deed No. 96-072319	\$0.00 ~ Exclusive Track Easements reserved by SPTC in vacated portions of City Streets <i>(Chapala Street & Yanonali Street)</i>	
033-010-015				
033-041-012	January 17, 1997	Grant Deed 97-002986	\$0.00	
033-041-013				
033-042-014				
033-042-015				
033-075-014*				
033-042-019	January 29, 2001	2001-0006319	Approximately \$678,000.00	

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Railroad Depot Regional Transportation Center
Long-Range Property Management Plan**

(B) *The purpose for which the property was acquired*

The fifteen (15) parcels comprising the Railroad Depot Regional Transportation Center were acquired to restore the historic Southern Pacific Railroad Depot originally constructed by Southern Pacific Railroad in 1905 and to create and establish a regional, multi-modal public transportation center in the City of Santa Barbara for residents and visitors alike (Exhibit A – Map of Properties).

Restoration of the Railroad Depot Regional Transportation Center was a joint effort undertaken by the Redevelopment Agency of the City of Santa Barbara and the California Department of Transportation, which was initiated in 1993 and completed in 1999. The project included restoration of the historic railroad depot; (perhaps a different word choice since included is used in this same sentence) including interior and exterior changes to meet ADA requirements, raising the passenger loading platforms, enlarging and reconfiguring public parking lots, restoring the historic Signalman's Building (located on parcels designated for use by the Children's Museum of Santa Barbara), landscaping, renovation of baggage and ticketing areas, improving functionality of depot building and providing bicycle parking.

Total project costs expended for the restoration were \$8,837,991. Of this amount, the State of California through the Department of Transportation, provided \$5,462,505 or 62% of the funding and the Redevelopment Agency provided \$3,375,486 or 38% of the funding. The State funds were provided from Proposition 108 funds - the Passenger Rail and Clean Air Bond Act of 1990 and Proposition 116 funds - the Clean Air and Transportation Improvement Bond Act of 1990 which authorized the sale of general obligation rail bonds for rail transit purposes and approved by the voters "*to provide funds for acquisition of rights of way, capital expenditures, and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit for capital improvements which directly support rail transportation, including exclusive busways which are converted within 10 years after completion of construction into rail lines, grade separates to enhance rail passenger service, and multimodal terminals*" and "*to provide funds principally for passenger and commuter rail systems...*" respectively.

Approval of the funding by the California Transportation Commission contained the express condition that if the Redevelopment Agency, or successor public entity, should fail or cease to utilize the Project property for the intended public passenger rail purposes or sell or transfer title to the Project, the State is then entitled to a "then present value refund, or credit, at State's option, equivalent to the proportionate funding participation by the State towards the Project" (Exhibit B).

With the rehabilitation of the historic buildings and surrounding property, the depot building was entered into the National Register of Historic Places on August 2, 2006. Identified as the Southern Pacific Train Depot, and referenced as National Register Information System Item No. 06000658 (Exhibit C), this building obtained its National Register status for its architectural significance while citing the property's historic and current transportation uses. The property has been historically used and recognized as a major transportation-hub – a freight and passenger enterprise - from 1905 to the present.

As a multi-modal public transportation center, the Railroad Depot Regional Transportation Center offers train service by Amtrak, bus service by Greyhound, and, additional public parking for Santa Barbara residents and visitors. John C. Moore, Rail and Transportation Associate, California Department of Transportation, acknowledged on January 10, 2008 that the Depot Station is "an excellent Amtrak railroad passenger station and transportation center in the City of Santa Barbara, which provides important transportation service to the people of California" (Exhibit D).

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Railroad Depot Regional Transportation Center
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(C) *Parcel data, including address, lot size and current zoning in the former agency redevelopment plan or specific, community, or general plan*

The parcels below are clustered by the Assessors' Parcel Map Book & Page

APN	Address	Lot Size <i>Approximate</i>	Zoning	General Plan Designation
033-041-012	No Site Address	0.17 acres	HRC-2/SD-3 <i>Hotel & Related Commerce/ Coastal Overlay</i>	Ocean Related Commercial/ Medium High Residential (15-27 du/ac)
033-041-013	90 West Yanonali Street	0.21 acres		
033-042-001	29 West Montecito Street	0.19 acres		
033-042-002	29 West Montecito Street 33 West Montecito Street	0.10 acres		
033-042-003	25 West Montecito Street	0.13 acres		
033-042-004	23 West Montecito Street 25 West Montecito Street	0.13 acres		
033-042-012	209 State Street 224 Chapala Street	2.12 acres		
033-042-014	No Site Address	0.34 acres		
033-042-015	No Site Address	0.11 acres		
033-042-017	209 State Street 229 Chapala Street	1.01 acres	C-2/SD-3 <i>Commercial/ Coastal Overlay</i>	Parks/Open Space
033-042-019	235 State Street	0.43 acres	HRC-2/SD-3 <i>Hotel & Related Commerce/ Coastal Overlay</i>	Ocean Related Commercial/ Medium High Residential (15-27 du/ac)
The parcels below are exclusive easements reserved for railroad track purposes by SPTC				
033-010-011	No Site Address	0.46 acres	HRC-2/SD-3 <i>Hotel & Related Commerce/ Coastal Overlay</i>	Ocean Related Commercial/ Medium High Residential (15-27 du/ac)
033-010-013	199 West Montecito Street 200 West Montecito Street	1.16 acres		
033-010-014	No Site Address	0.11 acres		
033-010-015	No Site Address	0.19 acres		

(D) *An estimate of the current value of the parcel including, if available, any appraisal information*

Current market value estimates for each parcel comprising the Railroad Depot Regional Transportation Center are unknown. No appraisal information is readily available. Given the Center's regional, multi-modal use consisting of a railway station, a bus station, and a public parking lot, as well as having a general plan designated one, 1-acre parks/open space parcel, it would be difficult to place a market value on such a facility that offers a wide-range of varied transportation and public uses.

(E) *An estimate of any lease, rental, or any other revenues generated by the property, and description of the contractual requirements for the disposition of those funds*

Income is generated at the Railroad Depot Regional Transportation Center by parking fees collected from the 160 space public parking lot, Lot 13, as well as two leases. By way of the attached Occupancy Survey charts (Exhibit E), Lot 13 averages approximately 35% occupancy on a regular basis with demands surging on weekends (*to approximately 65% capacity*) and holidays (*approximately 75% to 100% capacity*). Both aforementioned Leases encompass portions of the property identified as Assessor's Parcel Number 033-042-012. The former Redevelopment Agency entered into these two leases with the National Railroad Passenger

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Corporation (*identified below as the Amtrak Lease*) and Greyhound Lines, Inc (*identified below as the Greyhound Lease*). The specific details of each lease are provided below including lease terms and rental rates. The total combined annual lease revenue received is \$48,001.

In addition to the aforementioned rents received from Amtrak and Greyhound, as well as revenues generated by parking fees from the public parking lot located on Assessor's Parcel Number 033-042-012, the Railroad Depot Regional Transportation Center also acquires income by way of Parking Business Improvement Area Funds (*PBLA Funds*). The total parking revenue generated in Fiscal Year 2012 was \$86,502 and the total PBLA Funds collected were \$15,000. The total annual operating expenses¹ incurred for the parking lot were \$151,684 in Fiscal Year 2012. The annual operating deficit from the parking lot's operation was \$50,182 in Fiscal Year 2012.

Total net annual income and operating expenses for the Railroad Depot Regional Transportation Center resulted in a deficit of \$2,181 in Fiscal Year 2012. Additional expenses unaccounted for, such as replacement of the revenue control equipment, pavement striping and/or pavement maintenance, tree trimming, or regular property & building maintenance repairs and capital improvement costs which include but are not limited to roof repair and/or replacement, HVAC system maintenance, repair and/or replacement, any major costs associated with the facility's plumbing and exterior building repairs and painting, result in projected expenses that require the need to establish a capital replacement fund that far exceeds revenue generated from the Railroad Depot Regional Transportation Center. Further, the aforementioned regular operating expenses do not take into consideration the \$500,000 dollar seismic improvements required for the Railway Express Building, located on APN 033-042-012, thus creating an additional annual structural deficit of \$31,345.

Amtrak Lease Details

The Amtrak Lease commenced on April 21, 1998, by and between the Redevelopment Agency of the City of Santa Barbara and the National Railroad Passenger Corporation for a staffed passenger train station, for an initial term of ten (10) years, terminating on April 21, 2008 (Exhibit F). The rent rate of this Lease was set at \$1.00 per year. No renewal terms or amendment provisions were identified in the original Lease to allow for extension beyond the original 10-year term. On March 24, 2008, both parties agreed to a month-to-month holdover status while a new lease agreement could be negotiated (Exhibit G). A new Lease has since been negotiated and both parties are awaiting execution pending conveyance of the property to the City. A copy of this draft Lease is attached as Exhibit H. The parties expect the rental rate to remain nominal with Amtrak agreeing to assume more of the daily maintenance responsibilities in the future.

Greyhound Lease Details

The Greyhound Lease commenced on November 17, 2011, by and between the Redevelopment Agency of the City of Santa Barbara and Greyhound Lines, Inc. for a staffed passenger bus station, for an initial term of ten (10) years, terminating on November 16, 2021, with two (2) five-year options available. The rental rate of the Lease is \$4,000 per month with a 5-year rent adjustment of 12% of the monthly (Exhibit I).

(F) *The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.*

On behalf of the Redevelopment Agency, Fugro West, Inc. (Fugro) conducted a soil and ground water quality assessment on February 14, 1994, detailing the extent of known and potential onsite soil and ground water contamination at APN 033-042-012, the Railroad Depot site (Exhibit J). An official report was prepared and

¹ Regular operating expenses include, but are not limited to hourly salaries, water, electricity, landscaping, trash collection and property repairs (c.g. lighting, kiosk repairs, signage, vandalism and sidewalk repairs). These expenses do not include supervision, administration or overhead costs.

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submitted to the Agency in March of 1994. In summary, the report noted potential sources of subsurface contamination on the property due to underground storage tank (UST) sites in three (3) locations of the Railroad Depot Regional Transportation Center properties including: (i) APN 033-042-019 (225 State Street); (ii) in the vicinity of APNs 033-042-001, 002 & 003, at the former site of a Shell Oil Company Service Station, located at the corner of Montecito Street and Chapala Street; and (iii) APN 033-042-012 used for gasoline storage east of the Depot building and north of the train tracks.

The nature and extent of the subsurface contamination on APN 033-042-019 included diesel fuel and gasoline-related soil contamination extending southward into the Depot site at a depth of up to 12-feet. Further studies also revealed fuel related ground water contamination in this location. Records maintained at the County of Santa Barbara Environmental Health Services (EHS) Site Mitigation Unit (SMU)/Leaking Underground Fuel Tank (LUFT) Program also revealed previous occupancy of a dry cleaning facility at 225 State Street. None of the chlorinated solvents associated with the former dry cleaning plant were detected at concentrations at or above laboratory reporting limits or California Department of Health Services maximum contaminant levels for drinking water.

At the location of the former Shell Oil Company Service station - *at the corner of Montecito Street and Chapala Street* - a potential for subsurface contamination still exists on these properties despite the site being granted closure by the County Environmental Health Services Department in January 1993.

The underground storage tank at the Depot property was removed, and 200 cubic feet of contaminated soil was excavated and removed from the site in October of 1988. However, Fugro's study notes that not all of the soil was removed and contamination is believed to still exist east of the former excavation site at depths of up to 12-feet. In January of 1997, the County of Santa Barbara Protection Services Division Hazardous Materials Unit provided a letter confirming completion of site investigation and remedial action for a 7,500 gallon underground storage tank at 209 State Street (APN 033-042-012), the main Railroad Depot Regional Transportation Center parcel. In its letter, the County confirmed removal of the tank and satisfactory remediation of 150 cubic yards of soil. The case was closed on January 21, 1997.

In 1998, five (5) groundwater monitoring wells were also removed from the Railroad Depot Regional Transportation Center property by TRAK Environmental Group (Exhibits K & L) at a cost of approximately \$5,800. The wells were unearthed, inspected and the areas "backfilled by the trimmie-placement method using cement-bentonite grout to near surface grade. The upper one-foot of the borehole was then backfilled with native soil to match the existing surface."

(G) A description of the property's potential for transit oriented development and the advancement of the planning objectives of the successor agency.

The Railroad Depot Regional Transportation Center property's potential for transit oriented development is achieved by way of the existing on-site transit services – *a train station, a bus station and two public parking lots*. The parking lots, owned by the Successor Agency to the former Redevelopment Agency of the City of Santa Barbara provide required parking for both Amtrak and Greyhound users, as well as general public parking in the lower State Street and Waterfront areas. The Railroad Depot Regional Transportation Center is surrounded by a mix of relatively high-density residential development as well as commercial properties and is therefore able to maximize user access to public transportation services and encourage multi-modal transit ridership.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

The Santa Barbara Railroad Depot was built in 1905 and was declared a City of Santa Barbara Landmark in 1980. The Santa Barbara Railroad Depot property was owned and operated by Southern Pacific Transportation Company until 1993, when Martin V. Smith and Associates acquired the property. In 1995,

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Smith conveyed the Santa Barbara Railroad Depot properties to the Redevelopment Agency. The renovation of the Railroad Depot in conjunction with the California Department of Transportation is discussed in Section B.

Previous development proposals include a multi-modal Transportation Center Plan, conceptualized in 1976, by the City of Santa Barbara for the station and for the properties east of State Street opposite the station site and a proposal to build a "Railroad Plaza" by a private developer in 1985, which consisted of a large mixed-use development surrounding the Railroad Station. The City's Transportation Center Plan "arose out of the need to build a new Amtrak station in conjunction with the proposed relocation of the Southern Pacific mainline railroad tracks into the Cross-Town Freeway alignment and in order to assist Greyhound Bus Lines to find a new Santa Barbara Terminal site."² "Railroad Plaza" included a 125-room high-end hotel, a coffee shop, a 200-seat restaurant, +/-18,000 square feet of retail space, +/-3,500 square feet of commercial development, +/-3,500 square feet of office space, a +/-5,700 square foot youth hostel and a parking garage. The application for this project was originally approved by the City however, time lapsed and a request for an extension was subsequently denied by the City.

Another building on the property, commonly known as the "Railway Express Building" (REA) encompasses 2,900 square feet and in 1978 was determined to be eligible for the National Register of Historic Places as a contributing building to the Depot Station's significance as a major freight and passenger enterprise. This building was originally designed for and used as the Wells Fargo Express Company until 1973, moving mail and freight between communities. After 1973, the building was abandoned by Southern Pacific Railroad. A retail bicycle shop occupied the building for a few years and in 2011 Greyhound Bus Station leased one half of the building from the Redevelopment Agency. Greyhound opted not to lease the entire building because of requirement for seismic upgrade contained in the California Building Code. The other half of this building is vacant and used for construction storage and staging. Although eligible for a National Register status, this building was never formally listed because the owner at the time, the Southern Pacific Transportation Company, opposed the listing.

Use and Disposition of all Properties in the Redevelopment Property Trust Fund

(Health and Safety Code § 34191.5(c)(2)):

Address the use or disposition of all the properties in the Community Redevelopment Property Trust Fund. Permissible uses include 1) the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 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. The plan shall separately identify and list properties in the trust 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 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 as lease or parking revenues, for any purposes other than to fulfill an enforceable obligation or other than that specified in the bullet directly above, the proceeds from the sale shall be distributed as property tax to the taxing entities.*
- (c) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.*

² Santa Barbara Amtrak Rail Station Study Final Report , May 8, 1992 (Appendix 2)

**Successor Agency to the Redevelopment Agency of the City of Santa Barbara
Railroad Depot Regional Transportation Center
Long-Range Property Management Plan**

Pursuant to Health and Safety Code Section 34181.2, the Successor Agency to the Redevelopment Agency of the City of Santa Barbara is proposing that the Railroad Depot Regional Transportation Center be retained for governmental purposes and transferred to the City of Santa Barbara.

Due to use of the Railroad Depot Regional Transportation Center for a variety of transportation operations, and the restrictions on the use of the Proposition 108, *the Passenger Rail and Clear Air Bond Act of 1999*, and Proposition 116, *the Bonds for Passenger and Commuter Rail (1990)* funds, the properties that comprise the Railroad Depot Regional Transportation Center should be retained for governmental use pursuant to Health and Safety Code section 34181.2 and transferred to the City of Santa Barbara. Revenues generated from the property – *such as lease or parking revenues* – must be preserved for maintenance and operation of the Railroad Depot as a local and regional transportation center that serves the needs of Santa Barbara residents and visitors by providing multi-modal means of transportation such as trains, buses and waterfront parking.

The Railroad Depot Regional Transportation Center contains several parcels, each host to different components which allow the property to serve as a cohesive governmental use. The properties were acquired and rehabilitated to allow for the continued support and facilitation of the property's public transportation operation. Therefore, the SA to the Redevelopment Agency of the City of Santa Barbara respectfully requests approval by the Oversight Board and the Department of Finance to transfer the Railroad Depot Regional Transportation Center to the City of Santa Barbara for its continued governmental use as a regional multi-modal transportation center.

Exhibits

Exhibit A – Map of Properties

Exhibit B – California Transportation Commission Resolution No. MFP-97-16

Exhibit C – National Register Information System Item No. 06000658

Exhibit D – E-mail correspondence from DOT to City RDA dated January 10, 2008

Exhibit E – Occupancy Survey Charts

Exhibit F – Amtrak Lease Agreement (Original)

Exhibit G – Amtrak Lease Agreement Extension Letter dated March 24, 2008

Exhibit H – Amtrak Lease Agreement (New) – Draft pending execution post disposition determination

Exhibit I – Greyhound Lease Agreement

Exhibit J – Fugro West, Inc. Site Assessment

Exhibit K – TRAK Environmental Report dated November 5, 1998

Exhibit L – TRAK Environmental Report dated November 24, 1998

Appendix

Appendix 1 - Santa Barbara Amtrak Rail Station Study Final Report dated May 8, 1992

Appendix 2 - Historic Property Clearance Report by Preservation Planning Associates dated April 1994

RESOLUTION NO. 011

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN FOR THE PROPERTY BOUNDED BY QUINIENTOS TO THE NORTH AND QUARANTINE TO THE EAST, IN THE CITY OF SANTA BARBARA, COMMONLY KNOWN AS THE CALLE CESAR CHAVEZ PARCELS, OWNED BY THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA.

WHEREAS, in accordance with Assembly Bill No. X1 26, as amended by Assembly Bill No. 1484 ("Dissolution Act"), the Redevelopment Agency of the City of Santa Barbara ("RDA") dissolved on February 1, 2012 and the Successor Agency to the former RDA was formed and succeeded to all of the authority, rights, powers, duties, and obligations previously vested in the RDA ("Successor Agency");

WHEREAS, an Oversight Board of the Successor Agency to the former RDA has been duly formed as required by the Dissolution Act;

WHEREAS, the Successor Agency was issued a Finding of Completion on April 26, 2013;

WHEREAS, except for the real property owned by the former RDA and subsequently approved for transfer, and transferred, by the Successor Agency to the City of Santa Barbara, the remaining real property owned by the former RDA is, in accordance with Health & Safety Code Section 34191.4, currently being held in the Community Redevelopment Property Trust Fund of, and administered by, the Successor Agency;

WHEREAS, in accordance with Health & Safety Code Section 34191.3 et seq., the Successor Agency prepared, approved and submitted a Long Range Property Management Plan to the Oversight for review and approval; and

WHEREAS, on May 9, 2013, the Oversight Board reviewed and approved the LRPMP for the Calle Cesar Chavez Parcels finding that LRPMP complies with the requirements of Assembly Bill No. 1484 and properly directs the liquidation of the property with proceeds from the sale to be distributed as property tax to the taxing entities.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. At a publicly noticed meeting on May 9, 2013, the Oversight Board reviewed the Long Range Property Management Plan for the Calle Cesar Chaves Parcels and made the following findings:

A. The parcels were purchased by the former RDA as an "opportunity" acquisition for future development.

B. The parcels are zoned for Light Manufacturing and designed as Industrial on the City's General Plan.

C. The parcels are encumbered with a requirement to provide 20 parking spaces to serve the Casa Esperanza Homeless Shelter which restriction shall remain on title for the duration of the Casa Esperanza Shelter Conditional Use Permit.

D. The parcels do not have the potential for "transit oriented development".

SECTION 3. After completing its review, the Oversight Board hereby finds that the LRPMP for the Calle Cesar Chavez Parcels complies with the requirements of Health & Safety Code Section 34191.5 and properly determines that the Parcels should be liquidated and the proceeds for the sale should be distributed as property tax to the taxing entities.

SECTION 4. The Oversight Board hereby approves the LRPMP for the Calle Cesar Chavez Parcels and directs the Successor Agency to transmit the LRPMP to the Department of Finance for approval.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

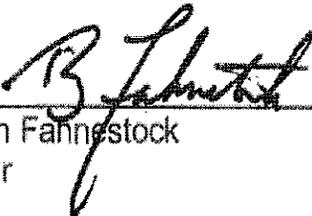
RESOLUTION NO. 011

STATE OF CALIFORNIA)
)
COUNTY OF SANTA)
)
OVERSIGHT BOARD OF THE)
SUCCESSOR AGENCY TO THE)
REDEVELOPMENT AGENCY OF THE)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the forgoing resolution was adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara at a meeting held on May 9, 2013, by the following roll call vote:

- AYES: Oversight Board Members Chandra Wallar, Jim Armstrong, Renee Bahl, Meg Jette, Liz Limon, Chair Brian Fahnestock
- NOES: None
- ABSENT: Carolle Van Sande
- ABSENTIONS: None

I HEREBY APPROVE the foregoing resolution on May 9, 2013.



Brian Fahnestock
Chair

Successor Agency to the Redevelopment Agency of the City of Santa Barbara
Calle Cesar Chavez Parcels
Long-Range Property Management Plan

Pursuant to State of California Health and Safety Code section 34191.5 (c), below details the Long-Range Property Management Plan (LRPMP) of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara for the Calle Cesar Chavez Properties and is inclusive of all of the elements required in a LRPMP as well as supporting documentation. The elements of the Property Management Plan are listed below in italics and addressed in the order that they appear in the statute.

Property Inventory (Health and Safety Code § 34191.5(c)(1):

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

The Redevelopment Agency acquired from Spumoni Holding Company in April 2001 at a cost of \$2,872,815. Current value of the property is not known.

APN	Acquisition Date	Official Document	Acquisition Value	Current Estimated Value
017-113-029, 017-113-030, 017-113-034, 017-113-035	April 23, 2001	2001-0029695	\$2,875,815	See Section D

(B) The purpose for which the property was acquired.

Agency purchased these properties as an opportunity acquisition for future redevelopment activities to eliminate visual blight and to enhance the for project area with a public benefit development in accordance with the Redevelopment Plan.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

APN	Address	Lot Size (sq. ft.)	Zoning	General Plan Designation
017-113-029	125 S. Calle Cesar Chavez	22,535	M-1/SD-3*	Industrial
017-113-030	145 S. Calle Cesar Chavez	29,378	M-1/SD-3	Industrial
017-113-034	110 S. Quarantina Street	29,555	M-1/SD-3	Industrial
017-113-035	114 S. Quarantina Street	23,327	M-1/SD-3	Industrial

*= Light Manufacturing / Coastal Overlay Zone

The Local Coastal Plan has the recommended use as general "Industrial." The properties are encumbered with a requirement to provide 20 parking spaces to serve the Casa Esperanza Homeless Shelter. The encumbrance serves the Casa Esperanza Conditional Use Permit and will remain on title for the duration of the Conditional Use Permit.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

The Successor Agency does not have a current value attributed to the property.

(E) 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.

The property is essentially vacant. There are no leases, rental or other revenues generated by the property.

Successor Agency to the Redevelopment Agency of the City of Santa Barbara
Calle Cesar Chavez Parcels
Long-Range Property Management Plan

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

Historically, the site was owned by Union Pacific Railroad and occupied by light industrial uses including car salvage, auto repair, drum storage, and the storage of above ground storage tanks. Consequently, the site has a number of areas with the presence of heavy petroleum hydrocarbons in the upper two feet of soil. Remediation efforts would be required if a development required significant soil disturbance. The following reports are included as Exhibits: Limited Soil and Groundwater Assessment – June 19, 2000; Evaluation of Wetland Status and Regulatory Constraints – June 2000; Update of Previous Biological Resource Report for a Drainage on Parcel 017-113-030 Near Calle Cesar Chavez – June 2006; and Phase I Archaeological Resource Survey – April 28, 2007.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

The property is zoned M-1 / S-D-3 (Light Manufacturing / Coastal Overlay Zone) and housing development is prohibited (unless incidental to use of land). The regional Amtrak Train Depot and Greyhound Bus Center are located approximately $\frac{3}{4}$ of a mile west of the subject properties. The site would not afford itself to development as a transit-oriented development.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

Since acquisition by the former Redevelopment Agency there have been no formal plans to develop the property. The Redevelopment Agency conducted a Request for Proposal process but that process was halted prior to selecting a proposal. A number of development ideas have been proposed in the past including: pSchool District Maintenance and Operations Facility, Santa Barbara Community Arts Workshop, Homeless Day Center Parking, Recreational Facilities, Light Industrial / Business Incubator, Fisherman's Storage, Fiesta Float Storage, Carriage Museum / Old Spanish Days Relocation, and RV Parking. As stated in Section C of this Plan, the property is encumbered with the requirement that 20 parking spaces to serve be Casa Esperanza Homeless Shelter be located on the property in accordance with the Casa Esperanza Condition Use Permit.

Use and Disposition (Health and Safety Code § 34191.5(c)(2):

Address the use or disposition of all of the properties in the trust. Permissible uses include 1) the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 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. The plan shall separately identify and list properties in the trust 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 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 as 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.***

Successor Agency to the Redevelopment Agency of the City of Santa Barbara
Calle Cesar Chavez Parcels
Long-Range Property Management Plan

C. Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

Use and Disposition of Property (Health & Safety Code § 34191.5(c)(2))

By way of submitting this Long-Range Property Management Plan, the Successor Agency to the Redevelopment Agency of the City of Santa Barbara has addressed the disposition and use of the real properties of the former redevelopment agency and proposes that these properties be liquidated.

Exhibits

- Exhibit A - Map of Calle Cesar Chavez Properties
- Exhibit B - Limited Soil and Groundwater Assessment – June 19, 2000
- Exhibit C - Evaluation of Wetland Status and Regulatory Constraints – June 2000;
- Exhibit D - Update of Previous Biological Resource Report for a Drainage on Parcel 017-113-030 Near Calle Cesar Chavez – June 2006
- Exhibit E - Phase I Archaeological Resource Survey – April 28, 2007

RESOLUTION NO. 019

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA APPROVING THE SUCCESSOR AGENCY'S INTENT TO OBTAIN A COMPENSATION AGREEMENT BETWEEN THE CITY OF SANTA BARBARA AND THE TAXING ENTITIES PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34180 (f) (1) UPON TRANSFER OF THE PROPERTY LOCATED AT 633 AND 635 BATH STREET, TO THE CITY OF SANTA BARBARA FOR DEVELOPMENT OF A NEIGHBORHOOD PARK.

WHEREAS, in accordance with Assembly Bill No. X1 26, as amended by Assembly Bill No. 1484 ("Dissolution Act"), the Redevelopment Agency of the City of Santa Barbara ("RDA") dissolved on February 1, 2012 and the Successor Agency to the former RDA was formed and succeeded to all of the authority, rights, powers, duties, and obligations previously vested in the RDA ("Successor Agency");

WHEREAS, an Oversight Board of the Successor Agency to the former RDA has been duly formed as required by the Dissolution Act;

WHEREAS, the Successor Agency was issued a Finding of Completion on April 26, 2013;

WHEREAS, except for the real property owned by the former RDA and subsequently approved for transfer, and transferred, by the Successor Agency to the City of Santa Barbara, the remaining real property owned by the former RDA is, in accordance with Health & Safety Code Section 34191.4, currently being held in the Community Redevelopment Property Trust Fund of, and administered by, the Successor Agency;

WHEREAS, in accordance with Health & Safety Code Section 34191.3 et seq., the Successor Agency prepared, approved and submitted a Long Range Property Management Plan to the Oversight Board for review and approval; and

WHEREAS, on June 6, 2013, the Oversight Board adopted Resolution No. 010 approving the LRPMP for the Bath Street Properties finding that LRPMP complies with the requirements of Assembly Bill No. 1484 and properly determines that the Bath Street Properties should be transferred to the City of Santa Barbara for development of a neighborhood park.

WHEREAS, in accordance with Health and Safety Code section 34180(f)(1), the Oversight Board must approve the action of the Successor Agency to require that the City obtain an compensation agreement with the taxing entities upon the transfer of property to the city for future development.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. The Oversight Board hereby approves the Successor Agency's intent to obtain a compensation agreement between the City of Santa Barbara and the affected taxing entities in accordance with Health and Safety Code Section 34180(f)(1) upon transfer of the Bath Street Properties to the City of Santa Barbara for development as a neighborhood pocket park.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

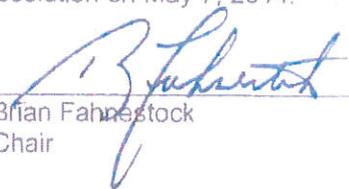
RESOLUTION NO. 019

STATE OF CALIFORNIA)
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COUNTY OF SANTA)
)
OVERSIGHT BOARD OF THE)
SUCCESSOR AGENCY TO THE)
REDEVELOPMENT AGENCY OF THE)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the forgoing resolution was adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara at a meeting held on May 7, 2014, by the following roll call vote:

AYES: Oversight Board Members Meg Jetté, Jim Armstrong, Renee Bahl, Liz Limón, Chair Brian Fahnestock
NOES: None
ABSENT: Carolle Van Sande
ABSENTIONS: None

I HEREBY APPROVE the foregoing resolution on May 7, 2014.



Brian Fahnestock
Chair

**Successor Agency to the Redevelopment Agency of the City of Santa Barbara
633 and 635 Bath Street Parcels
Long-Range Property Management Plan**

This Long-Range Property Management Plan (“LRPMP”) for the 633 and 635 Bath Street Parcels (Exhibit A – Map) includes all of the elements required pursuant to Health and Safety Code § 34191.5(c) as well as supporting documentation. For ease of reference, the elements of the LRPMP are listed below in italics and addressed in the order they are listed in the statute.

Property Inventory (Health and Safety Code § 34191.5(c)(1):

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

The properties were purchased in November 2007 (see Exhibit B: Redevelopment Agency Agenda Report dated November 20, 2007). The purchase price for 633 Bath Street was \$500,000. The purchase price for 635 Bath Street was \$620,000. There are no current estimates of the property values for 633 or 635 Bath Street.

APN	Acquisition Date	Official Document	Acquisition Value	Current Estimated Value
037-113-010	2-29-08	2008-0011283	\$500,000	See Section D
037-113-009	2-13-08	2008-0007929	\$620,000	See Section D

(B) The purpose for which the property was acquired.

The two parcels were acquired by the Redevelopment Agency as part of an effort to enhance the austere design proposed by the Army Corps of Engineers for the Mission Creek Flood Control Project improvements. It was envisioned that enhancements to the creek corridor could be achieved through the creation of pocket parks or through aesthetic treatment of historic bridges and pedestrian paths. The project was originally packaged along with other possible Mission Creek Flood Control Project improvements and funded in the amount of \$2,475,000 from proceeds of the Redevelopment Agency’s 2001A tax increment bonds.

These particular properties were purchased by the Redevelopment Agency in order to develop a pocket park. Two studies, the *West Downtown Community Revitalization Study* completed in 1981 and recently the *West Downtown Study* (Exhibit C) completed in 2002 identified, among other things, a lack of park land/open space as a major concern of west downtown residents. Efforts to develop the parcels as a pocket park have been underway for some time. Initially efforts included the relocation of tenants occupying the two residential structures and, once vacant, the old, dilapidated houses were demolished. However, due to the threat and eventual dissolution of redevelopment in the State of California, design efforts were temporarily suspended pending the outcome of Successor Agency ROPS submittals. Funding for this obligation is to be paid from excess proceeds of the 2001 tax increment bond. Consequently, the City of Santa Barbara Parks and Recreation Department is currently in the process of developing a plan for the property.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

APN	Address	Lot Size (sq. ft.)	Zoning	General Plan Designation
037-113-010	633 Bath St.	1,318	R-4 Hotel-Motel-Multiple Residence Zone	Parks/Open Space
037-113-009	635 Bath St.	1,370	R-4 Hotel-Motel-Multiple Residence Zone	Parks/Open Space

Successor Agency to the Redevelopment Agency of the City of Santa Barbara
633 and 635 Bath Street Parcels
Long-Range Property Management Plan

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

There are no current estimates of the property values for 633 or 635 Bath Street. The last estimate was provided through the appraisals prepared for the acquisition of the two properties at a time when both parcels had existing single family residences. These single family residences have since been demolished and the property is vacant. Any developable area of the lot is significantly compromised due to a required creek setback of twenty-five feet from the top of creek bank. In addition, the parcels sit on a street corner which requires a ten foot setback from the street. The remaining developable area of the two parcels combined is 102 square feet. (Exhibit A). With essentially no developable area, the market value of the two parcels is negligible.

(E) 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.

The parcels are currently vacant and no lease, rental, or other revenues are being generated by the property.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

A Phase I Environmental Assessment was prepared for 633 Bath Street and found that there is no known history of environmental contamination at the site. See Exhibit E.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

This property is located in a residential neighborhood and has no potential to be developed as a transit-oriented development.

The Successor Agency has not adopted planning objectives, but looks to the Redevelopment Agency's Central City Redevelopment Project Area Plan and the Redevelopment Plan's Implementation Plan for direction. The Redevelopment Agency of the City of Santa Barbara adopted a 2010-2014 Implementation Plan, which identifies the Bath Properties Park acquisition and park development as follows:

“Mission Creek Flood Control Project Enhancement: Augmenting the US Army Corps of Engineers-funded flood control project for Mission Creek, the Agency has funded purchase of two residential properties adjacent to Mission Creek for likely use as a neighborhood park and to serve as a creek buffer. Design and construction of the park would further the creek enhancements. Restoration efforts will eliminate this existing blight and prevent further blight from developing.”
(Exhibit D. Page 5.)

The planned use of the parcels is for the development of a public pocket park as identified in the Implementation Plan.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

The parcels were purchased in 2007. At the time of purchase each parcel contained a single family residence. Upon purchase, the properties were vacated in accordance with California Community Redevelopment Law. The properties were temporarily leased at the rental rates below:

- 633 Bath Street was occupied from 6-26-2008 through 3-16-2011 (33 months) the rental rate was \$755.00

Successor Agency to the Redevelopment Agency of the City of Santa Barbara
633 and 635 Bath Street Parcels
Long-Range Property Management Plan

- 635 Bath Street was occupied from 7-02-2008 through 02-05-2011 (31 months) the rental rate was \$1,256.00

Use and Disposition (Health and Safety Code § 34191.5(c)(2):

Address the use or disposition of all of the properties in the trust. Permissible uses include 1) the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 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. The plan shall separately identify and list properties in the trust 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 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 as 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.

(C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

Use and Disposition of Property (Health & Safety Code § 34191.5(c)(2))

By way of submitting this Long-Range Property Management Plan, the Successor Agency to the Redevelopment Agency of City of Santa Barbara determines that the properties should be retained for governmental use due to their future development as a much needed public park. The properties at 633 and 635 Bath Street should be transferred to the City of Santa Barbara for governmental use pursuant to subdivision (a) of Section 34181.

Exhibits

- Exhibit A - Map of 633 and 635 Bath
- Exhibit B - Council Agenda Report dated November 20, 2007
- Exhibit C - West Downtown Study dated December 20, 2002 including attachments
- Exhibit D - 2010-2014 CCRP Implementation Plan, p.5
- Exhibit E - Phase I Environmental Assessment: Residential Property 633 Bath Street

RESOLUTION NO. 022

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA APPROVING THE SUCCESSOR AGENCY'S INTENT TO OBTAIN A COMPENSATION AGREEMENT BETWEEN THE CITY OF SANTA BARBARA AND THE TAXING ENTITIES PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34180 (f) (1) UPON SALE OF PASEO NUEVO PROPERTIES.

WHEREAS, in accordance with Assembly Bill No. X1 26, as amended by Assembly Bill No. 1484 ("Dissolution Act"), the Redevelopment Agency of the City of Santa Barbara ("RDA") dissolved on February 1, 2012 and the Successor Agency to the former RDA was formed and succeeded to all of the authority, rights, powers, duties, and obligations previously vested in the RDA ("Successor Agency");

WHEREAS, an Oversight Board of the Successor Agency to the former RDA has been duly formed as required by the Dissolution Act;

WHEREAS, the Successor Agency was issued a Finding of Completion on April 26, 2013;

WHEREAS, except for the real property owned by the former RDA and subsequently approved for transfer, and transferred, by the Successor Agency to the City of Santa Barbara, the remaining real property owned by the former RDA is, in accordance with Health & Safety Code Section 34191.4, currently being held in the Community Redevelopment Property Trust Fund of, and administered by, the Successor Agency;

WHEREAS, the former RDA owned that certain property described herein as the "Paseo Nuevo Properties" that is comprised of several parcels and is encumbered by three (3) seventy-five (75) year ground leases, a Construction Operation and Reciprocal Easement Agreement, the Paseo Nuevo Parking Agreement and Public Parking Covenants, among others, and is developed as the Paseo Nuevo retail shopping center;

WHEREAS, in accordance with Health & Safety Code Section 34191.3 et seq., the Successor Agency prepared, approved and submitted a Long Range Property Management Plan to the Oversight Board for review and approval; and

WHEREAS, the Oversight Board approved the LRPMP for the Paseo Nuevo Properties through adoption of Resolution No. 013, Resolution No. 020 and Resolution No. 23 by finding that LRPMP complies with the requirements of Assembly Bill No. 1484 and properly determines that the Paseo Nuevo Leased Fee Interest should be transferred to the City of Santa Barbara.

WHEREAS, Health and Safety Code section 34180(f)(1), requires that if, at some future time, the City determines to dispose of its ownership interest in the Paseo Nuevo Properties, it will enter into a compensation agreement with the taxing entities.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. If the City determines to dispose of its ownership interest in Paseo Nuevo Properties the City shall enter into a compensation agreement with the Taxing Entities.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 022

STATE OF CALIFORNIA)
)
COUNTY OF SANTA)
)
OVERSIGHT BOARD OF THE)
SUCCESSOR AGENCY TO THE)
REDEVELOPMENT AGENCY OF THE)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the forgoing resolution was adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara at a meeting held on February 17, 2015, by the following roll call vote:

- AYES: Oversight Board Members Paul Casey, Meg Jette, Liz Limon, Chair Brian Fahnestock, Carolle Van Sande
- NOES: None
- ABSENT: Oversight Board Members Tom Alvarez, Renee Bahl
- ABSENTIONS: None

I HEREBY APPROVE the foregoing resolution on February 17, 2015



Brian Fahnestock
Chair

RESOLUTION NO. 023

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA APPROVING A SECOND AMENDMENT TO THE LONG RANGE PROPERTY MANAGEMENT PLAN FOR THE REAL PROPERTY OWNED BY THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA ENCUMBERED BY THE PASEO NUEVO LEASEHOLDS AND RELATED AGREEMENTS TO DESCRIBE THE DISPOSITION OF THE PROPERTY AFTER TERMINATION OF THE PASEO NUEVO LEASES.

WHEREAS, in accordance with Assembly Bill No. X1 26, as amended by Assembly Bill No. 1484 ("Dissolution Act"), the Redevelopment Agency of the City of Santa Barbara ("RDA") dissolved on February 1, 2012 and the Successor Agency to the former RDA was formed and succeeded to all of the authority, rights, powers, duties, and obligations previously vested in the RDA ("Successor Agency");

WHEREAS, an Oversight Board of the Successor Agency to the former RDA has been duly formed as required by the Dissolution Act;

WHEREAS, the Successor Agency was issued a Finding of Completion on April 26, 2013;

WHEREAS, in accordance with Health & Safety Code Section 34191.4(a), the former RDA's real property interest in the Paseo Nuevo Shopping Mall is owned by the Successor Agency and is encumbered by three 75-year ground leases, parking agreements, reciprocal easement agreements and other agreements ("Paseo Nuevo Agreement") that create enforceable obligations that must be performed by either the Successor Agency or the City of Santa Barbara ("City") until termination of the leases and other agreements in the year 2065;

WHEREAS, in accordance with Health & Safety Code Section 34191.3 et seq., the Successor Agency prepared, approved and submitted a Long Range Property Management Plan to the Oversight for review and approval; and

WHEREAS, on May 9, 2013, June 6, 2013, July 31, 2013, and September 11, 2013, the Oversight Board reviewed and, on September 11, 2013, approved the LRPMP for the former RDA's encumbered real property interest in the Paseo Nuevo Mall finding that the LRPMP complies with the requirements of Assembly Bill No. 1484 and properly determines that the RDA's encumbered fee interest in the Paseo Nuevo Mall should be transferred to the City so that the RDA's and City's obligations set forth in the Paseo Nuevo Agreements may be performed by the City for the remaining 52 year term of the Paseo Nuevo Agreements;

Whereas, on September 18, 2014, the Oversight Board adopted Resolution No. 020 amending the LRPMP for the Paseo Nuevo Properties to add two parcels into the LRPMP and to make certain findings which have now been added to the LRPMP;

WHEREAS, the LRPMP directs that the Paseo Nuevo Properties will be transferred to the City of Santa Barbara to fulfill the continuing enforceable obligations contained in the leases and parking agreements, the disposition of the properties after those obligations are satisfied must also be provided for in the LRPMP;

WHEREAS, the LRPMP is further amended to incorporate the potential disposition of the Paseo Nuevo Properties at the time of termination of the existing leases that currently encumber the Properties;

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. At a publicly noticed meeting on February 17, 2015, the Oversight Board approved a Second Amendment to the Long Range Property Management Plan for the former RDA's encumbered real property interest in the Paseo Nuevo Shopping Mall and adopted the following findings:

A. The RDA assembled the land for the Paseo Nuevo Shopping Mall and parking structures for the purpose of eliminating blight and encouraging economic investment and vitality in the Central City Redevelopment Project Area.

B. The RDA's real property interest in the Paseo Nuevo Mall is encumbered by three 75-year leases ("Leases") which, due to the financial structure of the Leases, have resulted in neither the RDA nor the City receiving any income or revenue from the Paseo Nuevo Agreements and, instead, bind the RDA and the City to certain on-going monetary payments, parking requirements and other obligations.

C. The following financial terms in the Paseo Nuevo Agreements have resulted in the Agreements becoming an obligation of the former RDA and City instead of an asset: (i) payment of "minimum rent" by the Developer and Majors was waived by the Developer's pre-payment of \$7,780,000 and the Major's prepayment of \$1 million (each) at the 1989 closing of the transaction, (ii) payment of annual "Participation Rent" is due only if and when the Paseo Nuevo Mall income exceeds a defined "Base Income" threshold which threshold has not been reached to date and is not expected to be reached during the term of the Leases, and (iii) payment of a \$2 million loan (plus 10% interest) made to the RDA by the Developer is offset against payment of Participation Rent.

D. The Paseo Nuevo Agreements require the RDA to provide 572 on-site parking spaces and, along with the City of Santa Barbara, to provide 1,115 public parking spaces within a two block radius of the Shopping Mall until the leases terminate in the year 2065.

E. The RDA or City must provide the public parking (listed above) on a non-discriminatory basis and at the same, subsidized, hourly rate charged by the City in its other downtown Santa Barbara parking lots and structures.

F. The former RDA (now Successor Agency) is obligated under the Leases to pay to the City that portion of Paseo Nuevo's annual Parking and Business Improvement Area ("PBIA") assessment that exceeds \$100,000 ("Excess PBIA").

G. As provided in the Annual Parking Operations Agreement, the former RDA's (Successor Agency's) payment of the Excess PBIA is offset by the City's on-going maintenance and operation of the two parking structures for which the receipt of parking fee revenue is insufficient to pay the operational costs incurred by the City and by the City's contribution of the parking structures to the Paseo Nuevo development with the expectation that the parking structures would be (and have been) returned to City ownership.

H. The Successor Agency, as the owner of the former RDA's encumbered real property interest in the Paseo Nuevo Mall, has neither the legal nor the administrative capacity to perform the on-going, long-term, obligations contained in the Paseo Nuevo Agreements for the remaining 52-years of the Agreements.

I. The City of Santa Barbara, as partner with the former RDA in development of the Paseo Nuevo Mall, has the legal, the regulatory and the administrative capacity to assume the on-going monetary and non-monetary obligations contained in the Paseo Nuevo Agreements for the duration of the Agreements and, thereafter, only the City has the legal and the regulatory ability to provide for the property's needed redevelopment and renewal.

J. At the termination of the termination of the leases, the City of Santa Barbara, as property owner, will evaluate the needs of the property and assess its condition as a South Coast retail shopping center. If the City of Santa Barbara decides to dispose of its ownership interest in the property at the conclusion of the 75-year leases (or before), the City will enter into a compensation agreement with the appropriate taxing entities pursuant to California Health and Safety Code Section 34180(f)(1).

SECTION 3. After completing its review, the Oversight Board hereby finds that the LRPMP for the Successor Agency's encumbered real property interest in the Paseo Nuevo Shopping Mall complies with the requirements of Health & Safety Code Section 34191.5 and properly determines that the property should be transferred to the City of Santa Barbara and used by the City to fulfill the on-going enforceable obligations created by the Paseo Nuevo Agreements; provided, however, the City, in accepting the property, must expressly agree to assume all existing lease obligations and other monetary and non-monetary obligations.

SECTION 4. The Oversight Board hereby amends and approves the LRPMP for the former RDA's real property interest in the Paseo Nuevo Mall and directs the Successor Agency to transmit the LRPMP, as hereby amended, to the Department of Finance for approval.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

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STATE OF CALIFORNIA)
)
COUNTY OF SANTA)
)
OVERSIGHT BOARD OF THE)
SUCCESSOR AGENCY TO THE)
REDEVELOPMENT AGENCY OF THE)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the forgoing resolution was adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara at a meeting held on February 17, 2015, by the following roll call vote:

AYES: Oversight Board Members Paul Casey, Meg Jette, Liz Limon, Chair Brian Fahnestock, Carolle Van Sande

NOES: None

ABSENT: Oversight Board Members Tom Alvarez, Renee Bahl

ABSENTIONS: None

I HEREBY APPROVE the foregoing resolution on February 17, 2015



Brian Fahnestock
Chair

**Successor Agency to the Redevelopment Agency of the City of Santa Barbara
Long-Range Property Management Plan for the Paseo Nuevo Leased Fee Interest
As Amended**

This Long-Range Property Management Plan (“LRPMP”) is prepared for the former Redevelopment Agency of the City of Santa Barbara’s (“Agency”) leased fee interest in the real property which is currently encumbered by three (3) seventy-five (75) year ground leases, a Construction Operation and Reciprocal Easement Agreement, Paseo Nuevo Parking Agreement and Public Parking Covenants, among others, all of which comprise the Paseo Nuevo Shopping Center (“Paseo Nuevo”). Paseo Nuevo is located within the former Agency’s Central City Redevelopment Project Area (“CCRP”) within the downtown core of the City of Santa Barbara. This LRPMP necessarily includes all of the elements required pursuant to Health and Safety Code § 34191.5(c). Documents referenced in this LRPMP are available for review at www.santabarbaraca.gov/Government/Boards_and_Commissions_N-Z/Oversight_Board/Agendas under the heading “Paseo Nuevo Report”. For ease of reference, the statutory and state Department of Finance (“DOF”) elements for an appropriate LRPMP are listed below in italics and addressed in the order they are listed in the relevant LRPMP statute.

The “Real Property Inventory” (Health and Safety Code § 34191.5(c)(1):

1. Real Property Description – The “real property” in question is the former Redevelopment Agency’s reversionary fee interest in the Santa Barbara Paseo Nuevo Shopping Center and Parking Lot 1 Structure which property is encumbered with the following long-term ground leases, related parking agreements, and contractual covenants:

Three (3) separate 75 year ground leases for the Paseo Nuevo Shopping Center where each 75 year lease term began on January 1, 1990 and which will end on December 31, 2065, including: 1. Paseo Nuevo Center Ground Leasehold Interest (“Developer Lease”), 2. Carter Hawley Hale Stores, Inc. Ground Leasehold Interest, and 3. Nordstrom Inc. Ground Leasehold Interest (2 and 3 are collectively hereinafter referred to as, “Majors”).

Lot 1 Parking Structure Tract (separately leased by the Agency to the Developer) and related reciprocal operating agreements and contractual covenants with concurrent 75 year terms that began on January 1, 1990 and will end on December 31, 2065.

The contractual covenants of the Agency (now the Successor Agency), as the Paseo Nuevo ground lessor, under those contractual and leasehold rights and leasehold obligations, reciprocal easements, contractual obligations, and contractual covenants are contained within the following Paseo Nuevo Shopping Center Agreements (among other related Project agreements):

1. A ground lease for each of the three leaseholds referenced above as recorded on February 24, 1989, with related attachments and amendments, among the Developer, the Majors, respectively, and the Agency.

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2. The "Paseo Nuevo Parking Agreement", as amended, as entered into on February 24, 1989 among the Developer, the Majors, the Agency and the City of Santa Barbara ("City").
3. The "Paseo Nuevo Lot No. 1 Parking Covenants, Conditions, and Restrictions Agreement" as recorded on February 24, 1989 among the Developer, the Majors and the Agency.
4. The "Paseo Nuevo Lot No. 2 Public Parking Covenants, Conditions, and Restrictions Agreement" as recorded on February 24, 1989 among the Developer, the Majors, the Agency and the City.
5. The "Paseo Nuevo Lot 10 Parking Covenants, Conditions, and Restrictions Agreement" as recorded on February 24, 1989 among the Developer, the Majors, the Agency and the City.
6. The "Nonvacated De La Guerra Plaza Street Easement Agreement" recorded on February 24, 1989 among the Developer, the Majors, the Agency and the City.
7. The "Construction, Operation and Reciprocal Easement Agreement" (the "Paseo Nuevo REA") recorded on February 24, 1989 among the Developer, the Majors and the Agency.
8. The "Amendment to Parking Covenants and Parking Agreement" recorded on February 24, 1989 among the Developer, the Majors, the Agency and the City.
9. Various recorded "reciprocal easement agreements" with neighboring property owners and related to the Paseo Nuevo Shopping Center, particularly with respect to the storage and disposal of trash and the maintenance of trash enclosures and commercial loading areas.
10. The "Disposition and Development Agreement" (the "DDA") dated as of 1987 among the Developer, the Majors and the Agency.
11. Downtown Retail Revitalization Project Cooperation Agreement ("Cooperation Agreement") dated as of 1987 between the Agency and the City.

2. The Paseo Nuevo Shopping Center Legal Descriptions: The legal description of the real property is as attached to the long term leases referenced above – (the Paseo Nuevo Shopping Center, Macys, Nordstrom, and the Parking Structure) as follows:

1. The Paseo Nuevo Shopping Center Leasehold: "Parcels 2 and 12 of City of Santa Barbara Parcel Map 20,504 in the City of Santa Barbara as per map recorded in Book 42, Page 86 through Page 98 as recorded in the official records of Santa

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Barbara County on February 24, 1989. (Santa Barbara County APNs 037-400-002, 037-400-004, 037-400-019, 037-400-006)

2. The Macy's (originally the "Broadway") Leasehold: Parcels 3, 9, 10, and 11 of City of Santa Barbara Parcel Map 20,504 in the City of Santa Barbara as per map recorded in Book 42, Page 86 through Page 98 as recorded in the official records of Santa Barbara County on February 24, 1989. (Santa Barbara County APN 037-400-003, APN 037-400-004, 037-400-005)
3. The Nordstrom Leasehold: Parcels 1, 7, and 8 of City of Santa Barbara Parcel Map 20,504 in the City of Santa Barbara as per map recorded in Book 42, Page 86 through Page 98 as recorded in the official records of Santa Barbara County on February 24, 1989. (Santa Barbara County APN 037-400-001, 037-400-004.)
4. The Parking Lot No. 1 Leasehold: Parcels 4, 5, 6, 13, and 14 of City of Santa Barbara Parcel Map 20,504 in the City of Santa Barbara as per map recorded in Book 42, Page 86 through Page 98 as recorded in the official records of Santa Barbara County on February 24, 1989. (Santa Barbara County APN 037-400-004.)

3. The Paseo Nuevo Shopping Center Physical Description: The Center consists of the following buildings/structures/and open retail areas:

1. Paseo Nuevo Center – "Major" Buildings/Structure Floor Area Tabulations:
 - o Macy's Leasehold Building: 135,000 square feet on 3 levels;
 - o Nordstrom Leasehold Building: 189,000 square feet on 3 levels + basement;
 - o Parking Lot No. 1 Parking Structure – 572 On-site parking spaces.
2. Paseo Nuevo Mall Leasehold Building Area Tabulations:
 - o Shopping Center Retail/Office Mall Building Space: 102,000 square feet;
 - o Open Space Retail Area Tabulations: 208,000 square feet.

A. The date of the acquisition of the property and the value of the property at the time of acquisition, and an estimate of the current value of the property.

- **Date of Acquisition:** February 24, 1989.

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- **Acquisition Value:** The land assembled by the Agency and constructed as the Paseo Nuevo Mall had a value (land only) at time of acquisition (February 1989) – approximately \$18 million dollars. The bulk of the land assembled by the Agency and which formed the Shopping Center had formerly been City-owned real property – primarily the City-owned surface parking lot known as City Parking Lot No. 1 in the 800 block of State/Chapala and the former City street known as De La Guerra Street between State and Chapala Streets. The City conveyed its real property to the Agency without compensation to the City prior to the Shopping Center closing in February 1989.
- **Estimate of Current Value:** The Agency's leased fee interest in the Paseo Nuevo Center is encumbered by the three long-term ground leases, by Parking Lot No. 1 (572 parking spaces) and by public parking covenants and with requirements obligating the Agency to pay fees and provide subsidized public parking for mall customers until the year 2065.

Additionally, the Agency and the City of Santa Barbara are obligated through the Paseo Nuevo Parking Agreement to provide 1,115 public parking spaces within a two block radius of the Paseo Nuevo Mall until the year 2065. The parking requirement is satisfied through the provision of 1,115 public parking spaces in City Parking Structures Nos. 2 and 10. The obligation to provide these parking spaces on a non-preferential basis and at subsidized parking rates is set forth in the Paseo Nuevo Lot 2 and Lot 10 Public Parking Covenants. These Parking Agreements jointly bind the City of Santa Barbara and the former Agency, now the Successor Agency, to their requirements. The sharing of obligations between the City and Agency is memorialized in the Cooperation Agreement.

Allan D. Kotin, an experienced real estate economist, has prepared an analysis of the value of the Agency's fee interest in the Paseo Nuevo Center. Mr. Kotin's analysis dated July 25, 2013 is attached hereto and is available on the Successor Agency's webpage. According to Mr. Kotin, the value of the Agency's fee interest in the Paseo Nuevo Center is substantially, if not entirely, diminished by the existing long-term monetary and parking requirements. In large part, this is because the Developer and Majors pre-paid rent to the Agency when the Paseo Nuevo Center was constructed so that the Agency could fund its obligations for land acquisition. On-going rent was also offset by an additional loan made to the Agency.

Furthermore, the Agency (currently the Successor Agency), as owner of the leased fee, is required to pay to the City of Santa Barbara that portion of Paseo Nuevo's annual Parking and Business Improvement Area fee that exceeds \$100,000. The average amount of the Agency's obligation is \$77,000 per year. Payment of this amount has, however, been offset by the benefits received by the City in the operation of Parking Structures Nos. 2 and 10. As

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required by the Cooperation Agreement, and as set forth in the Annual Parking Operations Agreement, the City is responsible for the operation, maintenance and replacement of Parking Structures Nos. 2 and 10 and those Structures must, in accordance with the Paseo Nuevo Agreements, be available to provide 1,115 parking spaces for public use at subsidized rates. In return for operation of the two parking structures, the City is entitled to receive revenue generated by parking rates and, it was contemplated, ultimate ownership of the parking structures.

B. The purpose for which the property was acquired:

The property was acquired by the Agency between 1987 and 1989 through transfer from the City of Santa Barbara to the Agency, by negotiation by Agency staff and through the use of condemnation actions filed by the Agency. For the most part, the land was assembled from real properties formerly owned by the City of Santa Barbara (City surface parking Lot No. 1 and the City's De La Guerra Street). The balance of the land was acquired from private property owners of those real properties along the eastside of the 700 and 800 blocks of State Street.

The real property was expressly acquired for the purposes of redevelopment in the form of an urban open-air retail shopping center within the City's central business district – i.e., to develop a 400,000 square foot central business district shopping center with all of the necessary and required public parking as a redevelopment project under the State Redevelopment Act by and between the Agency and a qualified and experienced private shopping center developer and operator, two major department stores and the City.

C. 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.

- Address: 701 – 817 State Street, Santa Barbara
- Lot Size: Two City blocks
- See Lease Exhibit 1, Field Paoli Site Plan dated January 20, 1990, Site Plan sheets pages 1 – 3. ()
- Current Zoning is C-2 – Mixed Commercial.

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

- The current assessed value for property tax purposes for the Paseo Nuevo “Center” lessee leasehold improvements are:

\$44,002,902 for property tax year 2102/2013 as provided by the Santa Barbara County Clerk, Recorder and Assessor.

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- The current assessed value for property tax purposes for the Macy's lessee leasehold improvements are:

\$9,522,888.00 for property tax year 2102/2013 as provided by the Santa Barbara County Clerk, Recorder and Assessor.
- The current assessed value for property tax purposes for the Nordstrom lessee leasehold improvements are:

\$14,500,000.00 for property tax year 2102/2013 as provided by the Santa Barbara County Clerk, Recorder and Assessor.
- The current assessed value is for the Parking Lot No. 1's leasehold improvements are:

[No Assessed Value.]
- The current estimated value of the Agency's encumbered leased fee real property interest is provided in the attached memorandum prepared by Allan D. Kotin dated July 25, 2013.

E. 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.

- Original Paseo Nuevo Center Ground Lease rent amount was \$7,780,000; this amount was pre-paid in full at closing (February 1989) with additional \$2,000,000 loan made to the Agency which loan was secured and repaid using only an offset against any "Annual Participation Rent" due and payable to the Agency.
- Annual Participation Rent: - As Required by Section 3.2 of Paseo Nuevo Ground Lease. [Note: No "Participation Rent" has ever been paid to the Agency to date - 1989 - 2013 nor is it anticipated during the term of the leases.]
- Original "Majors" Lease Base Rent - \$1.5 million in "base rent" each for the Nordstrom and Macy's Ground Lease was due at closing; both lease "base rent" amounts were prepaid to Agency at closing in February 1989 and no "base rent" is or will be payable to the City or the Agency under the Major leases for the remaining term of those lease.
- Parking Lot No. 1 Parking Lease: Base rent of one dollar due at February 1989 closing - no rent due thereafter.

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F. 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.

Paseo Nuevo Property had contaminated soil and ground water which was fully remediated as part of the construction of the Paseo Nuevo Shopping Center between February 1989 and November 1990. The Redevelopment Agency was a defendant in a class-action lawsuit filed and preliminarily resolved years ago by the U.S. Environmental Protection Agency regarding the now-closed Casmalia Landfill site where some contaminated soil removed from Paseo Nuevo site was disposed of. The Agency and the Successor Agency (as the current fee owner) remain subject to contingent future liability for disposal of contaminated Paseo Nuevo soil by virtue of the lawsuits entitled U.S. Environmental Protection Agency (EPA) (Casmalia Landfill) v. Seinsom Hydrocarbons, Inc., et. al.

G. 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.

As a leased fee interest in the three separate ground leaseholds and parking requirements - which leaseholds will not terminate until December 31, 2065, this property has no potential for "transit-oriented development".

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

The Paseo Nuevo Shopping Center property formerly consisted of small retail buildings with common or "shared" walls constructed along State Street in the 1930s, 1940s and 1950s on somewhat fragmented and small land parcels adjacent to a City surface parking lot which began operations in the 1960s. Since February 1989, upon its acquisition by the Redevelopment Agency through negotiation and the use of eminent domain, and with its redevelopment as a shopping center, the real property now consists of a central business district type open air shopping center "mall" with two major department store buildings as part of the center - the "majors" (Nordstrom and Macys) occupy buildings totaling approximately 300,000 square feet of 3 level space) along with approximately 100,000 square feet of Center mall "shops" and 9,000 square feet of second floor office space which is also managed and leased by the Center owner. Parking for the Mall is provided through 572 on-site parking spaces in Parking Lot No. 1 and through a combined total of 1,115 spaces in Parking Structures Nos. 2 and 10.

I. 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.

The Agency's fee interest in the Paseo Nuevo property is encumbered with obligations that continue until the year 2065. Because of the dissolution of the Agency, and the inability of the Successor Agency to, over the long term, fulfill the existing monetary and non-monetary

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enforceable obligations applicable to the Paseo Nuevo Center and the underlying property, the property should be transferred to the City of Santa Barbara to ensure the continued functioning of the Center in accordance with the Paseo Nuevo Agreements. The operation of the Center is inseparably tied to the provision of 1,115 public parking spaces at subsidized rates and without preference to any particular retail customers. The City, a party to the Paseo Nuevo Parking Agreements, is the only entity that has the legal authority and practical ability to provide the required public parking in accordance with the Paseo Nuevo Agreements. Further, in 2065 when the existing agreements expire, the property will obviously need redevelopment and renewal and only the City of Santa Barbara will have the police and regulatory power to effect the redevelopment that will be necessary in 52 year's time.

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

The leased fee interest in the Paseo Nuevo Center property owned by the former Redevelopment Agency should be transferred to the City of Santa Barbara for the purpose of fulfilling the enforceable obligations contained in the leases and other related agreements such as the obligation to pay PBIA fees and to provide subsidized public parking until the year 2065 when the ground leases and other agreements will terminate.

During the term of the 75-year leases, the Parking Lot No. 1 Parking Agreement requires that 572 on-site public parking spaces be provided on a non-preferential basis; in other words, no parking preference or discount is provided to Paseo Nuevo Shopping Center customers and, as a result, any member of the public may use the Parking Lot No. 1 parking structure to park a vehicle. The Parking Lot No. 1 Parking Agreement also mandates that the Shopping Center operate the Parking No. 1 Structure with a period of free parking equivalent to that period of free parking offered by the City at the majority of the City's Central Business District (CBD) parking lots and structures (currently 75 minutes free) and that the hourly parking rates in the Lot No. 1 Structure (i.e., those rates charged after the period of free parking) must be equivalent to the parking rates charged by the City at its CBD parking lots and parking structures. Further, the 75-year lease agreements, along with the Parking Agreement and the Parking Covenants, require that the Agency and/or the City provide 1,115 parking spaces within a two block radius of the Paseo Nuevo Center which are available to the public on the same non-preferential basis and with the same period of free parking and at the same hourly rates charged by the City at its CBD lots for the term of the leases which extends to the year 2065.

Use and Disposition (Health and Safety Code § 34191.5(c)(2):

Address the use or disposition of all of the properties in the trust. Permissible uses include 1) the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 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. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

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Use and Disposition of Property (Health & Safety Code § 34191.5(c)(2))

By way of submitting this Long-Range Property Management Plan, the Successor Agency to the Redevelopment Agency of City of Santa Barbara determines that the properties should be transferred to the City of Santa Barbara to fulfill the enforceable obligations contained in the existing long-term Paseo Nuevo ground leases and the other public parking covenants and requirements contained in the related Paseo Nuevo easement and other agreements. In accord with the recommendation of the Oversight Board, transfer of the Agency's fee interest in Paseo Nuevo to the City of Santa Barbara is expressly conditioned upon the City's assumption of all Agency obligations, both monetary and non-monetary, created under the Paseo Nuevo Agreements. At the termination of the 75-year Leases, on December 31, 2065, the City of Santa Barbara, as property owner, will evaluate the needs of the property and assess its condition as a South Coast retail shopping center. If, at any time, the City of Santa Barbara decides to dispose of its ownership interest in the property, the City will enter into a compensation agreement with the appropriate taxing entities pursuant to California Health and Safety Code Section 34180(f)(1).

Attachment: Kotin Memorandum dated July 25, 2013