OVERSIGHT BOARD RESOLUTION NO. 14-01

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED TWENTYNINE PALMS REDEVELOPMENT AGENCY APPROVING AND ADOPTING THE SUCCESSOR AGENCY'S REVISED LONG RANGE PROPERTY MANAGEMENT PLAN AND AUTHORIZING ITS TRANSMITTAL.

WHEREAS, the Twentynine Palms Successor Agency ("Successor Agency") is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code §§ 33000 *et seq.)*; and

WHEREAS, the City of Twentynine Palms is a municipal corporation and a general law city organized and existing under the Constitution of the State of California ("City"); and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of Assembly Bill x1 26 ("ABx1 26") and invalidated Assembly Bill x1 27; and

WHEREAS, the Court's decision results in the implementation of ABx1 26 which dissolves all the redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, the City is, by operation of law, the Successor Agency to the Redevelopment Agency for purposes of winding-down the Redevelopment Agency under ABx1 26; and

WHEREAS, pursuant to Health & Safety Code Section 34191.5(b), successor agencies are required to send a Long Range Property Management Plan to the Oversight Board and State Department of Finance no later than six months following the issuance of the finding of completion; and

WHEREAS, pursuant to Health & Safety Code Section 34191.3, the Long Range Property Management Plan is designed to govern the disposition and use of the real property assets of the former redevelopment agency; and

WHEREAS, the Successor Agency received the Department of Finance's response to the Successor Agency's first Long Range Property Management Plan on January 17, 2014, in which the Department of Finance rejected properties being categorized as Government Use; and

WHEREAS, pursuant to Health & Safety Code Section 34191.5(c)(2), this revised Long Range Property Management Plan addresses the use or disposition of all real property assets of the former redevelopment agency to address the Department of Finance's initial rejection of the first version of the Long Range Property Management Plan; and

NOW, THEREFORE, the Oversight Board to the Successor Agency to the Dissolved Twentynine Palms Redevelopment Agency, resolves as follows:

SECTION 1. The Oversight Board approves the revised Long Range Property Management Plan subject to the approval of the State Department of Finance.

SECTION 2. Staff is directed to submit the revised Long Range Property Management Plan to the State Department of Finance as required by law.

SECTION 3. At such time as the Successor Agency receives proceeds from the sale of any property as identified in the Long Range Property Management Plan, the Successor Agency shall comply with applicable statutes regarding the distribution of these proceeds to the County Auditor Controller for dissemination to the affected taxing agencies.

PASSED, APPROVED and ADOPTED this 26th day of February 2014.

John Cole
Chair, Oversight Board

CITY OF TWENTYNINE PALMS November 23, 1987

ATTEST:

Cindy Villescas
Secretary, Oversight Board

I hereby certify that the foregoing Oversight Board Resolution No. 14-01 was duly adopted by the Oversight Board to the Successor Agency, to the dissolved Twentynine Palms Redevelopment Agency, at a meeting of the Oversight Board, held on the 26th of February, 2014.

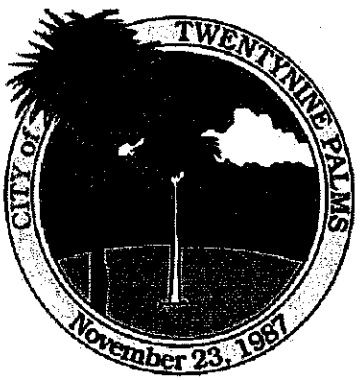
AYES: BOARD MEMBERS: MEYER, GUZZETTA, GILLICK, J. COLE

NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: K. COLE, MATTOS, PRICE

Cindy Villescas
Secretary, Oversight Board

REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN



City of Twentynine Palms
Successor Agency

February 26, 2014

INTRODUCTION

Assembly Bill (AB) 1484 requires all successor agencies to former redevelopment agencies that owned non housing property as of the time of redevelopment dissolution on February 1, 2011, to prepare a Long Range Property Management Plan (LRPMP). The LRPMP governs the disposition and use of non housing property held by the former redevelopment agency pursuant to legal requirements, as detailed in the next section.

This document is the LRPMP for the Successor Agency to the Twentynine Palms Redevelopment Agency (Successor Agency). Once this LRPMP is approved by the Twentynine Palms Oversight Board (Oversight Board), it will be transmitted to the State Department of Finance (DOF) for final approval. Prior to reviewing the LRPMP, the DOF must issue a Finding of Completion (FOC) to the Successor Agency. A FOC is issued by the DOF after the Successor Agency submits a FOC Request and can demonstrate that both the Housing and Non Housing Due Diligence Reviews have been completed and all identified unencumbered funds of the former redevelopment agency have been returned to the county auditor controller for redistribution to the affected taxing entities. The Successor Agency received their FOC from the DOF on July 18, 2013.

On January 17, 2014, the Successor Agency received the DOF's initial determination on the LRPMP in which the DOF denied the status of four properties as "Government Use." This revised LRPMP re-categorizes these properties as "Sale of Property"

EXECUTIVE SUMMARY

The former Twentynine Palms Redevelopment Agency (Redevelopment Agency) is the owner of record on the title for four (4) properties in the City of Twentynine Palms (City). These properties are grouped into a single location at the intersection of Highway 62 and Bullion Avenue. All four (4) properties are now being designated as "Sale of Property". The table below provides a summary of all LRPMP property categories:

Twentynine Palms Successor Agency
Summary of Property Disposition Categories

Permissible Use Under AB 1484	# of Properties
Government Use	0
Sale of Property	4
Fulfill an Enforceable Obligation	0
Retain for Future Development	0
TOTAL	**4**

The City originally purchased the properties to abate several dilapidated vacant houses and construct a visitor center. Given the site constraints and funding challenges, the City was unable to construct the visitor center. In hopes of developing the properties to create employment opportunities and add to the City's tax base, the City transferred ownership to the Redevelopment Agency in 2009. After an attempt to market the properties with a restaurant use failed primarily due to site preparation costs and challenges accessing the site, the City hoped to convert the properties into a small park and gateway sign / community art piece. However, the properties will be listed for sale pending Oversight Board and DOF approval of this revised LRPMP.

Parcel boundaries shown are approximate

Location of Subject Properties

LEGAL REQUIREMENT

Pursuant to Health and Safety Code section 34191.5, within six months after receiving an FOC from the DOF, each successor agency is required to submit for approval to the oversight board and DOF, a LRPMP that addresses the disposition and use of the real properties of the former redevelopment agency. In the Successor Agency's case, an Oversight Board approved PMP is due to the DOF by or before January 18, 2014.

The LRPMP shall do all the following:

1. Include an inventory of all properties in the Community Redevelopment Property Trust Fund (Trust), which was established to serve as the repository of the former redevelopment agency's real properties. The inventory shall consist of all of the following information:

    - The date of acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.
    - The purpose for which the property was acquired.
    - Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.
    - An estimate of the current value of the parcel including, if available, any appraisal information.
    - 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 history of environmental contamination, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
    - A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency
    - A brief history of previous development proposal and activity, including the rental or lease of property.

2. Address the use or disposition of all the properties in the Trust. Permissible uses include:

    - the retention of the property for governmental use pursuant to subdivision (a) of Section 34181
    - the retention of property for future development
    - the sale of the property, or
    - the use of the property to fulfill an enforceable obligation.

3. The LRPMP 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 the following shall apply:

    - 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.

    - 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 the bullet directly above, the proceeds from the sale shall be distributed as property tax to the taxing entities.

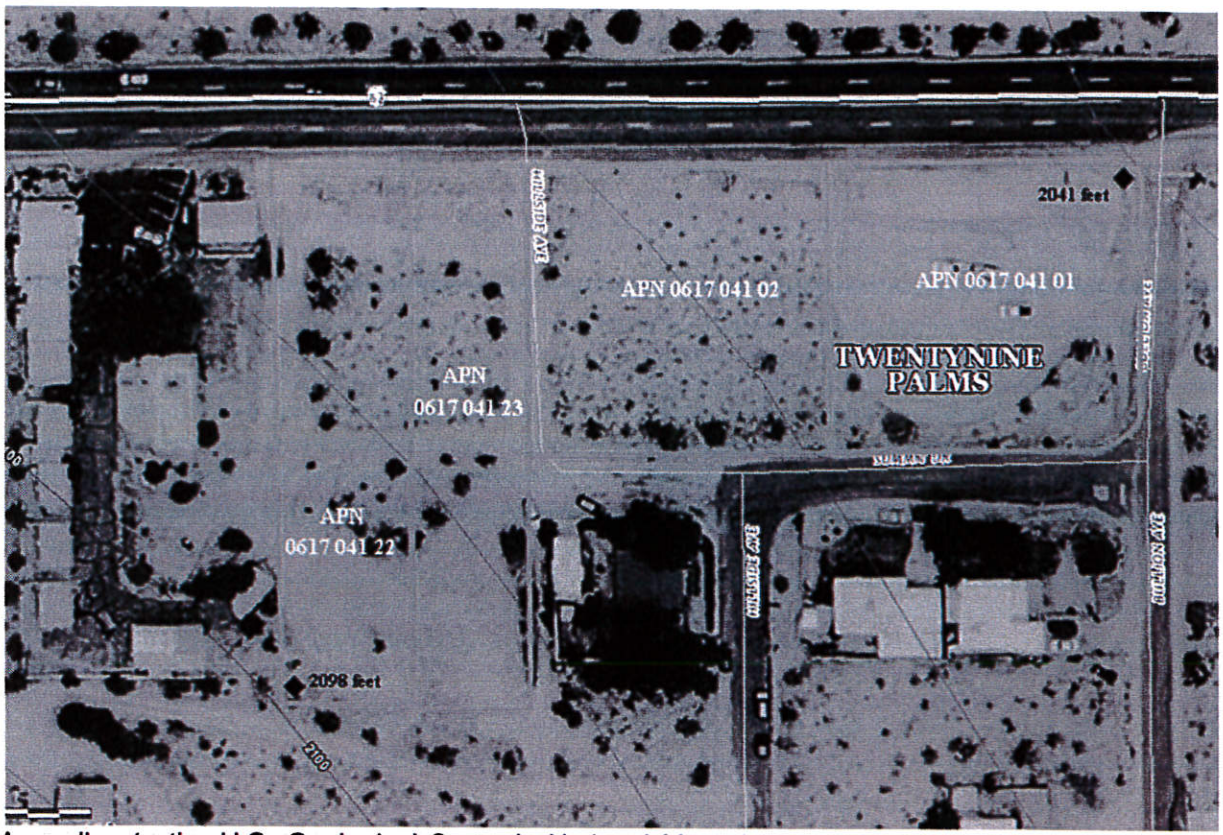
    - Property shall not be transferred to a successor agency, city, county, or city and county, unless the LRPMP has been approved by the oversight board and DOF.

PROPERTY DESCRIPTION SUMMARY

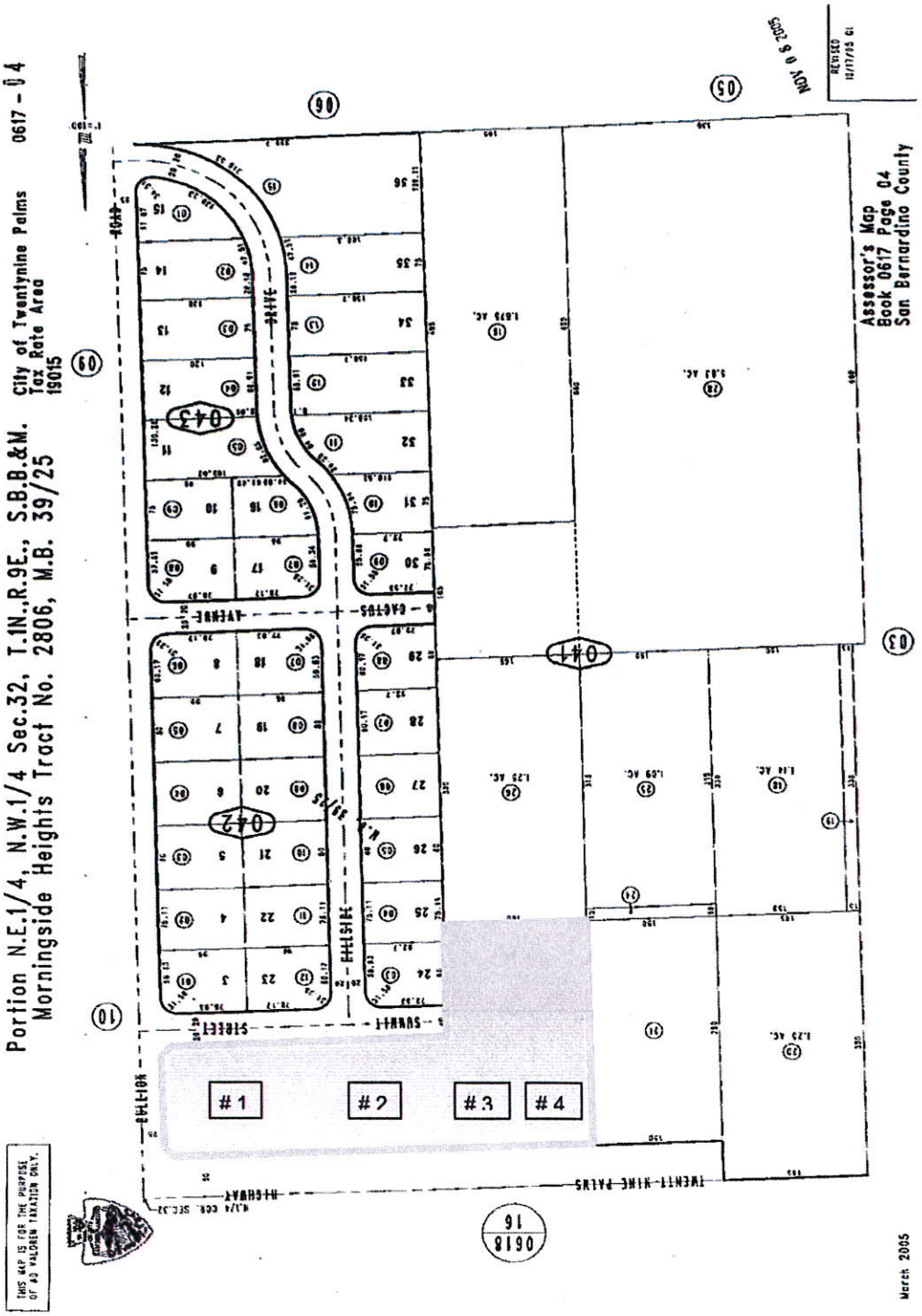
The former Redevelopment Agency owned four non-housing properties. The four properties are grouped into a single location at the intersection of Highway 62 and Bullion Avenue, as summarized below and described in greater detail in the Property Inventory section that follows.

The approximately two acre site (in total) consists of four parcels which are bounded by Highway 62 to the north, Bullion Avenue to the east, Summit Drive to the south, and the Hillview Motel to the west. The City originally purchased the properties to abate several dilapidated houses and construct a visitor center. Given the site constraints and funding challenges, the City was unable to construct the visitor center. In hopes of developing the properties, the City transferred ownership to the Redevelopment Agency in 2009.

Despite the Redevelopment Agency's efforts, a retail or restaurant end-user was not located. Part of the main challenge in developing the properties is the grade changes between the individual properties and the surrounding residential properties. Individually, the properties are too small to effectively develop. However, any development would have to take into consideration the grade and slope changes. In the end, significant grading would have to be done with extensive retaining walls installed around the majority of the combined properties. In the end, the main development entity that did express interest in developing the property basically wanted the properties conveyed for nothing because all of these grading and site preparation costs far exceeded the value of the properties. This negative economic value of the properties led the City to develop the parcels as a public area with a gateway sign / public art piece. Countless visitors to the community now stop at these properties to orientate themselves to the community and take pictures of the art piece that is shown to the right. Other photographs of the properties are shown on the following page that highlights the elevation changes between the properties.



According to the U.S. Geological Survey's National Map shown above, the low point of the four sites is 2,041 feet at the northeast corner of the site while the high point is 2,098 feet at the southwest corner of the site. This is an elevation difference of 57 feet. The two photographs below also show the elevation changes to the residential and hotel uses that surround the four properties.


Portion N.E.1/4, N.W.1/4 Sec.32, T.1N.,R.9E., S.B.B.&M.
Morningside Heights Tract No. 2806, M.B. 39/25
City of Twentynine Palms
Tax Rate Area
19015
0617 - 04
Assessor's Map
Book 0617 Page 04
San Bernardino County
NOV 0 6 2005
REVISED
THIS MAP IS FOR THE PURPOSE OF AD VALOREM TAXATION ONLY.
March 2005
#1
#2
#3
#4
0618
16

PROPERTY INVENTORY

Property No. 1

Parcel Number	0617-041-01
Address	N/A
Lot Size	23,100 Sq/Ft
Property Type (DOF Category)	Property for Sale
Zoning	General Commercial
Date of Acquisition	July 14, 2009
Value of Property at time of acquisition	$29,187
Estimated current property value	$10,000
Value Basis	Market comparable
Date of Estimated Value	Current
Original Purpose of acquisition	Community welcome center
Estimated income/revenue	$0
Contractual obligations for income/revenue	N/A
Environmental contamination	Unknown
Potential for TOD	Minimal
Advancement of planning objectives of Successor Agency	Minimal to Successor Agency but could serve as a welcome gateway to the downtown area and public park.
History of previous development proposals and activity	Failed attempt to attract a restaurant use due to development costs exceeding value of property.
Use or disposition of property	Successor Agency will list property for sale.

Property No. 2

Parcel Number	0617-041-02
Address	N/A
Lot Size	23,100 Sq/Ft
Property Type (DOF Category)	Property for Sale
Zoning	General Commercial
Date of Acquisition	July 14, 2009
Value of Property at time of acquisition	$29,187
Estimated current property value	$10,000
Value Basis	Market comparable
Date of Estimated Value	Current
Original Purpose of acquisition	Community welcome center
Estimated income/revenue	$0
Contractual obligations for income/revenue	N/A
Environmental contamination	Unknown
Potential for TOD	Minimal
Advancement of planning objectives of Successor Agency	Minimal to Successor Agency but could serve as a welcome gateway to the downtown area and public park.
History of previous development proposals and activity	Failed attempt to attract a restaurant use due to development costs exceeding value of property.
Use or disposition of property	Successor Agency will list property for sale.

Property No. 3

Parcel Number	0617-041-23
Address	N/A
Lot Size	21,840 Sq/Ft
Property Type (DOF Category)	Property for Sale
Zoning	General Commercial
Date of Acquisition	July 14, 2009
Value of Property at time of acquisition	$25,000
Estimated current property value	$10,000
Value Basis	Market comparable
Date of Estimated Value	Current
Original Purpose of acquisition	Community welcome center
Estimated income/revenue	$0
Contractual obligations for income/revenue	N/A
Environmental contamination	Unknown
Potential for TOD	Minimal
Advancement of planning objectives of Successor Agency	Minimal to Successor Agency but could serve as a welcome gateway to the downtown area and public park.
History of previous development proposals and activity	Failed attempt to attract a restaurant use due to development costs exceeding value of property.
Use or disposition of property	Successor Agency will list property for sale.

Property No. 4

Parcel Number	0617-041-22
Address	N/A
Lot Size	21, 840 Sq/Ft
Property Type (DOF Category)	Property for Sale
Zoning	General Commercial
Date of Acquisition	July 14, 2009
Value of Property at time of acquisition	$25,000
Estimated current property value	$10,000
Value Basis	Market comparable
Date of Estimated Value	Current
Original Purpose of acquisition	Community welcome center
Estimated income/revenue	$0
Contractual obligations for income/revenue	N/A
Environmental contamination	Unknown
Potential for TOD	Minimal
Advancement of planning objectives of Successor Agency	Minimal to Successor Agency but could serve as a welcome gateway to the downtown area and public park.
History of previous development proposals and activity	Failed attempt to attract a restaurant use due to development costs exceeding value of property.
Use or disposition of property	Successor Agency will list property for sale.

PROPERTIES TRANSFERRED TO CITY FOR GOVERNMENTAL USE PURPOSES

Pursuant to HSC Section 34181 (a) the Oversight Board may *"direct the Successor Agency to transfer ownership of properties that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administration buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset."* The following are these properties:

Properties	Description
N/A	N/A

PROPERTIES RETAINED FOR FUTURE DEVELOPMENT

At this time, there are no properties being proposed to be retained for future development.

Properties	Description
N/A	N/A

PROPERTIES TO BE SOLD

At this time, there are four properties being proposed to be sold.

Properties	Description
Properties 1, 2, 3, and 4	These properties are the current location of a gateway monument sign / art sculpture and parking area. Visitors and tourists often stop at this property to take photographs of the art sculpture and orientate themselves to the City. The City was in the middle of a planning process to enhance public access. However, the properties will now be listed for sale.

PROPERTIES RETAINED FOR PURPOSES OF FULFILLING AN ENFORCEABLE OBLIGATION

At this time, there are no properties being proposed to be retained for purposed of fulfilling an enforceable obligation.

Properties	Description
N/A	N/A