

RESOLUTION NO. 14-3

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF WALNUT CREEK APPROVING AND ADOPTING A LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, on January 12, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Walnut Creek (the "City Council") declared that the City of Walnut Creek, a municipal corporation (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Community Redevelopment Agency of the City of Walnut Creek (the "Former RDA") effective February 1, 2012; and

WHEREAS, on February 1, 2012, the Former RDA was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, the Successor Agency is responsible for implementing Assembly Bill x1 26, "the Dissolution Act"; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City; and

WHEREAS, pursuant to Health and Safety Code Section 34179.7, the Department of Finance issued a finding of completion to the Successor Agency on October 3, 2013; and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency, after receiving a finding of completion, to prepare a long-range property management plan ("Property Management Plan") that addresses the disposition and use of the real properties of the former redevelopment agency; and

WHEREAS, Health and Safety Code Section 34191.5(b) also requires the Successor Agency to submit the Property Management Plan to the Successor Agency's oversight board and the Department of Finance for approval no later than six months following the issuance to the Successor Agency of the finding of completion pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, the Successor Agency has prepared a long-range Property Management Plan that contains all the information required under Health and Safety Code Section 34191.5; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF WALNUT CREEK DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Approval of Property Management Plan. The Oversight Board hereby approves the Property Management Plan, in substantially the form currently on file with the Secretary of the Oversight Board.

Section 3. Transmittal of Property Management Plan. The Executive Director is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the Property Management Plan, including without limitation cooperating with the Successor Agency to submit the Property Management Plan to the State of California Department of Finance for approval, and posting of the approved Property Management Plan on the Successor Agency's website.

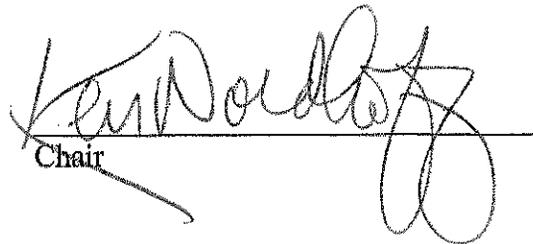
PASSED, APPROVED AND ADOPTED at a regular meeting of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Walnut Creek on the 4th day of June, 2014, by the following vote:

AYES: Nordhoff, Mitchoff, Gordon, Majors

NOES: None.

ABSTAIN: None.

ABSENT: Wells, Lawson, Collins


Chair

ATTEST:


Secretary

City of Walnut Creek Successor Agency

Long Range Property Management Plan

Transfer and Use of Real Property Assets of the Former Redevelopment Agency

The Successor Agency to the former Redevelopment Agency of the City of Walnut Creek is required by AB1x26 and AB 1484 (Dissolution Bills) to prepare a Long Range Property Management Plan that addresses the disposition and use of the properties of the former Redevelopment Agency of the City of Walnut Creek. The Property Management Plan must be submitted to the Oversight Board and the Department of Finance (DOF) for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion (FOC). The Successor Agency FOC was issued by DOF on October 3, 2013.

The Dissolution Bills established a Community Redevelopment Property Trust Fund administered by the Successor Agency to serve as the repository of the former Agency's real properties. Properties retained for governmental use and implementation of a redevelopment plan will be transferred from the Property Trust fund to the City of Walnut Creek. The Successor Agency must receive prior approval by the Oversight Board for each property transfer or disposition. Oversight Board approval is subject to DOF review.

The Property Management Plan addresses the disposition and use of the real properties of the former Agency and must include an inventory of all properties in the Property Trust Fund. The inventory shall consist of:

- 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 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 any appraisal information if available.
- 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, any related environmental studies, and history of any remediation efforts.
- The property's potential for transit-oriented development and the advancement of planning objectives of the successor agency.
- A brief history of previous development proposals and activity, including the rental or lease of property.
- Address the use or disposition of all the properties in the Trust Fund, such as the retention of property for governmental use, or the use of property to fulfill an enforceable obligation.

- If the plan directs the use or disposition of the property for a project identified in an approved redevelopment plan, the property shall transfer to the City.

Properties cannot be transferred to the Property Trust Fund unless the Long Range Property Management Plan has been approved by the Oversight Board and the DOF. Once that occurs, the properties will be transferred to the Property Trust Fund. The Property Management Plan identifies 1) property for governmental use, and 2) use of property for a project identified in an approved redevelopment plan. Site 1: 470-480 Lawrence Way, will be transferred with Oversight Board approval from the Property Trust Fund to the City for public use. Site 2: 1250 Locust Street, will be transferred with Oversight Board approval to the City for a project identified in an approved redevelopment plan. The property is currently vacant and is proposed for a mixed use development under an existing Disposition and Development Agreement.

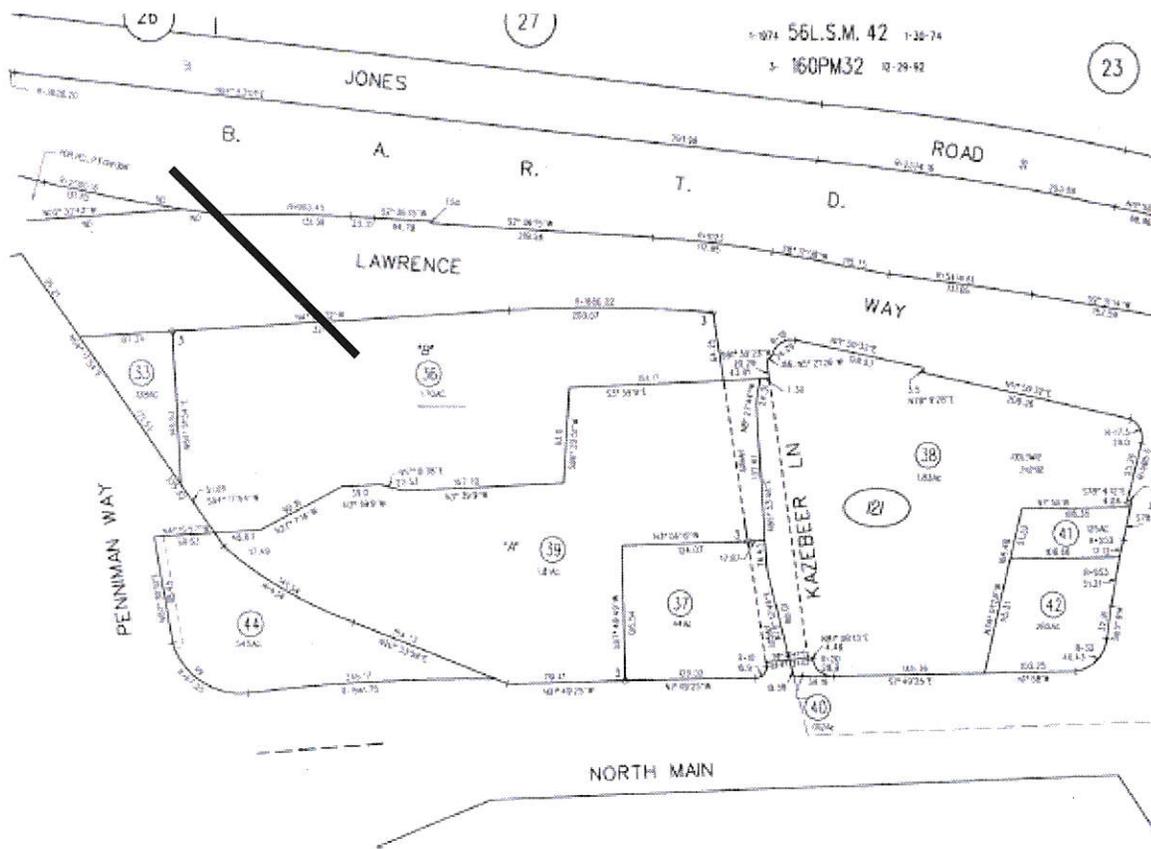
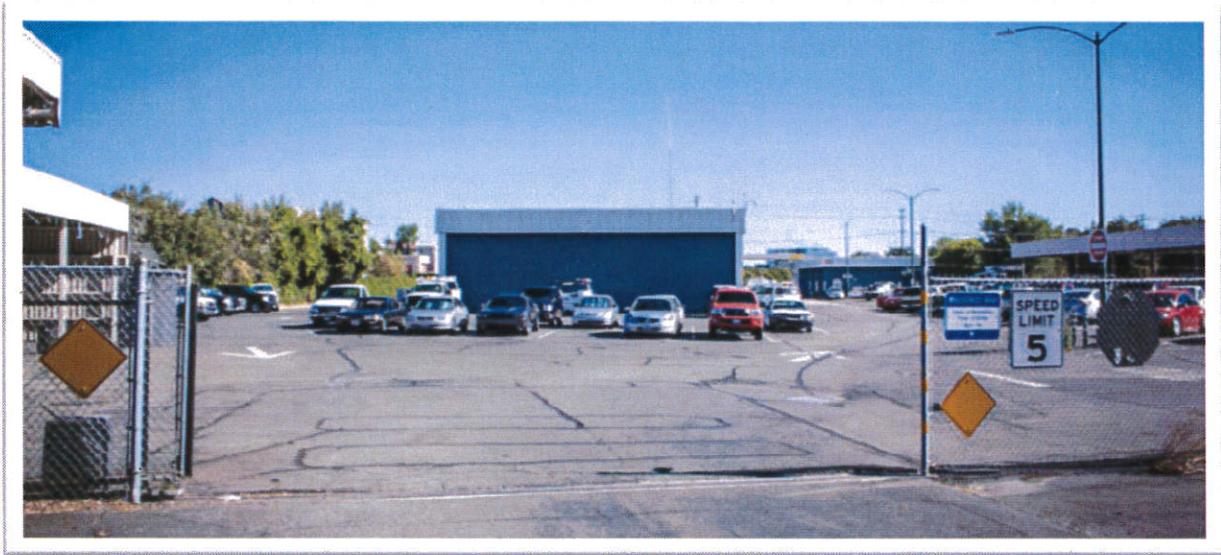
Next Steps

Now that the Successor Agency has received the FOC from the DOF and pending Oversight Board approval of the LRPMP on January 15th, staff will:

- Submit the LRPMP to the DOF for approval.
- Upon DOF approval, transfer of all properties to the Property Trust Fund administered by the Successor Agency.
- Request Oversight Board approval to transfer those properties retained for governmental use and implementation of a redevelopment plan to the City.
- Request Successor Agency transfer of 470-480 Lawrence Way site for public use and 1250 Locust for implementation of the Redevelopment Plan to the City.

Site 1: Transfer to City for Governmental Use

470-480 Lawrence Way



Site 1: Owner/Title:

- Successor Agency of the Redevelopment Agency of the City of Walnut Creek
- Redevelopment Agency of the City of Walnut Creek

Address/Parcel Number:

- 470 and 480 Lawrence Way
- 173-121-036

Current Use/Description:

- 470 Lawrence Way is currently used as an impound yard; 480 Lawrence Way is currently used as a recycling center.
- The Property has been used since its acquisition in September 1990, as a City corporation yard, including parking for city vehicles, and a storage area for supplies related to City equipment and facilities. Photos are attached.
- The site is located at 470-480 Lawrence Way. It replaced portions of the City's Corporation Yard lost to Caltrans as a result of the widening of I-680. It has been in public use since its acquisition from Siemens Laboratory in 1990.

Acquisition Date/Acquisition Property Value/Acquisition Purpose:

- November 20, 1990
- The total cost of the former Siemens property site, which was 3.4 acres, was \$4.6 million paid by the City. The Agency sold approximately 1.4 acres in 1992 to a private party, as it was not needed for the corporation yard, and the sales proceeds were paid to the City. The site is outside the redevelopment project area and no tax increments were used to acquire it. The cost was about \$26/sf. Title should have transferred to the City 20 years ago.
- City Corporation Yard

Parcel Size:

- 85,813 square feet, approximately 1.7 acres

Current Zoning:

- Auto Sales & Service District (AS): Auto sales and auto service.
- Floor Area Ratio (FAR): 1.00, Maximum
- Building Height: 35 feet. Restricted by Measure A, 1985 Building Height Freeze Initiative.

Estimate of Current Property Value

- \$50-60/sf
- No property revenue

History of Environmental Contamination:

- The City has performed level Phase I and Phase II Environmental Assessments of the site. The assessments indicate some level of remediation may be necessary.

Potential for Transit-Oriented Development/Use or Disposition of Property/Advancement of the Planning Objectives of the Successor Agency

- Not applicable
- Transfer to City for governmental use. The site is a part of the City's corporation yard, used for vehicle storage and maintenance.
- Continue to use as a corporation yard; fulfills no successor agency planning objectives.

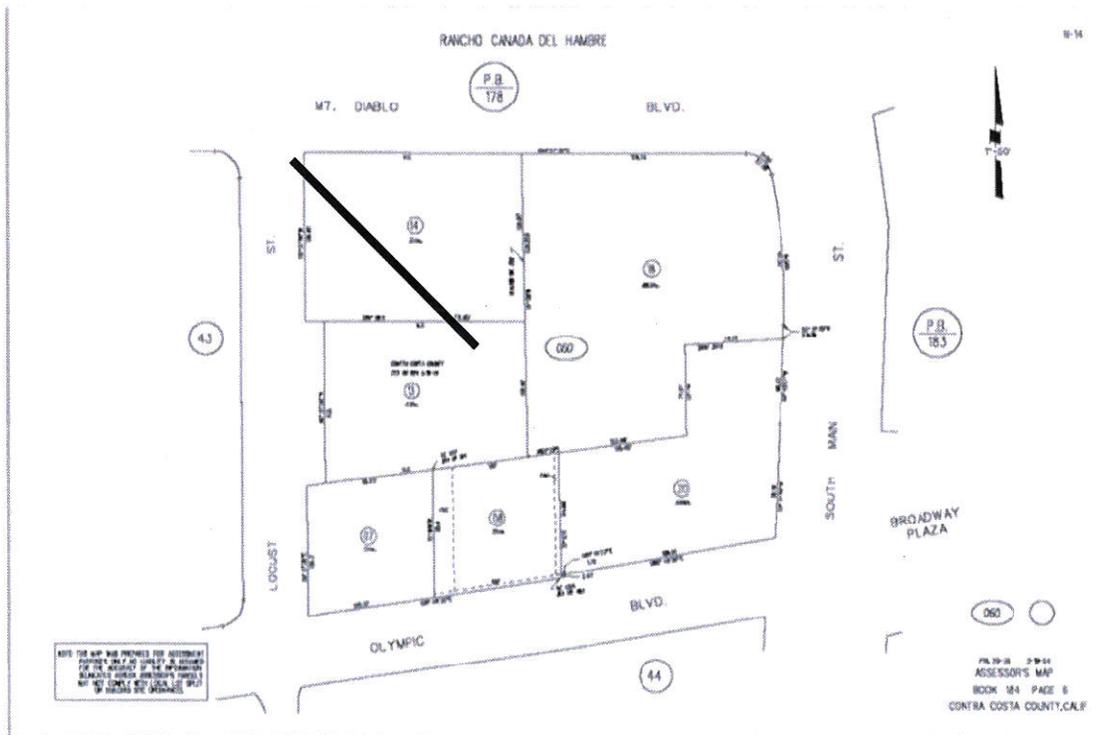
Previous Development Proposals and Activity

- When Caltrans acquired a portion of the City's corporation yard for the widening of Interstate 680, the City needed approximately 2 acres to replace the area that had been taken by Caltrans. However, Siemens would only agree to sell its entire 3.4 acre site. As permitted by law, the Agency acquired the site in 1990 with City funds, in order to sell the excess portion to a third party, which it did in 1992. The sales proceeds from the sale of the excess portion were transferred to the City. There have been no development proposals for the site, as it has been in continual use as a city corporation yard since the acquisition.

SITE 2: An enforceable obligation to implement an approved Redevelopment Plan: 1250 Locust



Street



Site 2: Owner/Title:

- Successor Agency of the Redevelopment Agency of the City of Walnut Creek
- Redevelopment Agency of the City of Walnut Creek

Address/Parcel Number:

- 1250 Locust Street
- 184-060-13

Current Use/Description:

- Vacant lot, Agency proposes to dispose of the property pursuant to the existing Disposition and Development Agreement in furtherance of project identified in the approved 2009-2014 Implementation Plan.
- The property is subject to a Disposition and Development Agreement, dated August 5, 2008, and amended February 16, 2010. It was executed with BH Development in furtherance of the 2009-2014 Walnut Creek Redevelopment Agency Implementation Plan to:
 - Successfully complete the redevelopment of the Locust Street Redevelopment Project (Block C). Guidelines call for mixed use retail on the ground floor with office and/or residential units above. Ten percent of these units would be affordable housing.

The DDA is an enforceable obligation. It provides for the sale of the Property to the Developer for the sum of \$4,113,500, plus the cost of acquiring an easement for \$200,000, a cost that was advanced to the former Redevelopment Agency by the developer. The development of the site would be integrated with the development on another portion of the block that was developed by an affiliate of developer.

Acquisition Date/Acquisition Property Value/Acquisition Purpose:

- The Agency acquired the property, the site of a former Veterans Building, in 2003 for \$2.8 million as part of a multi-party arrangement. The Agency also paid \$800,000 toward the construction of a new Veterans Memorial Building in Lafayette to be used by Walnut Creek Board of Trustees as well. The Agency demolished the old Veteran's building located on the property at a cost of \$113,500. The property was appraised in 2008 at \$4,200,000, a value which included the existing Union Bank easement. The DDA provides for the sale of the property to the developer for \$4,113,500, plus \$200,000 for an easement. The vacant property has generated no property taxes since its acquisition by the redevelopment agency, however its development will require the provision of certain public improvements, including parking.

Parcel Size:

- 18,368 sf, or .42 acres.

Current Zoning:

- Pedestrian Retail Zone
- The current maximum Floor Area Ratio is .85. The proposal development would apply for a General Plan Amendment, and rezoning to a Planned Development District with a 1.38 FAR. This would require approval by the Planning Commission and by City Council.

Estimate of Current Property Value

- \$4,313,500 pursuant to the DDA

History of Environmental Contamination:

- The Agency conducted a Phase I Environmental Analysis of the Agency parcel which was provided to the developer. Developer agreed to purchase the site in an “as-is” condition.

Potential for Transit-Oriented Development/Use or Disposition of Property/Advancement of the Planning Objectives of the Successor Agency

- The site is not located within a transit-proximate location.
- The Disposition and Development Agreement, dated August 5, 2008, and amended February 16, 2010, was executed with BH Development -in furtherance of the 2009-2014 Walnut Creek Redevelopment Agency Implementation Plan to:
 - Successfully complete the redevelopment of the Locust Street Redevelopment Project (Block C). Guidelines call for mixed use retail on the ground floor with office and/or residential units above. Ten percent of these units would be affordable housing.
- The DDA provides for the sale of the property to the developer for \$4,113,500, plus \$200,000 for an easement. The Successor Agency will fulfill the DDA by transferring the property to the developer and using the sales proceeds for an enforceable obligation.
- If the DDA is terminated, the property would be transferred to the city for future development. In that event, the city would enter into a compensation agreement with the affected taxing entities in accordance with all applicable laws.

Previous Development Proposals and Activity:

- From the early 20th century, the site served as the home of the former Veteran’s Hall, owned by the County, which consisted of a two-story wood frame structure and a surface parking lot. The former Veteran’s Hall was demolished in 2004 and historic video and records of the site were retained in the Walnut Creek Historical Society.