



CITY OF SANTA BARBARA

JOINT COUNCIL AND SUCCESSOR AGENCY AGENDA REPORT

AGENDA DATE: January 29, 2013

TO: Council Members and Successor Agency Members

FROM: Administration, Community Development Department

SUBJECT: Transfer Of Real Property From The Successor Agency To The Former Redevelopment Agency Of The City Of Santa Barbara To The City Of Santa Barbara

RECOMMENDATIONS:

- A. That Successor Agency adopt, by reading of title only, A Resolution of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara Conveying and Assigning For Public Parking and All Related Purposes All Right, Title and Interest to the "Governmental Purpose" Real Property Described Herein Owned by the Successor Agency to the Former Redevelopment Agency of the City of Santa Barbara to the City of Santa Barbara and Authorizing the Executive Director to Execute Such Agreements and Related Documents as Necessary to Effectuate Such Transfer of Real Property Interests to the City of Santa Barbara; and
- B. That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting and Assuming for Public Parking and All Related Purposes All Right, Title and Interest to the "Governmental Purpose" Real Property Described Herein Owned by the Successor Agency to the Former Redevelopment Agency of the City of Santa Barbara to the City of Santa Barbara and Authorizing the City Administrator to Execute Such Agreements and Related Documents as Necessary to Effectuate Such Transfer of Real Property Interests to the City of Santa Barbara.

BACKGROUND:

Over the years, the Redevelopment Agency of the City of Santa Barbara has successfully carried out its mission to eliminate blight and provide affordable housing within the Central City Redevelopment Project Area (CCRP). In order to accomplish this mission, redevelopment agencies across the state were provided many tools by which parcels owned by differing interests could be assembled and effectively redeveloped through agreements, such as owner participation agreements and disposition and development agreements, entered into with private property owners, developers, cities and housing providers. The increased property values created by

these redevelopment efforts generated the tax increment that was then reinvested into further projects and programs.

In order to assemble the property needed to carry-out the many redevelopment projects within the CCRP, the Redevelopment Agency acquired real property from many differing entities including the City of Santa Barbara, the state of California and private owners. In some cases, the property was acquired with tax increment funds and in other cases it was acquired with state bond funds or other programs including Parking and Business Improvement Area Assessments.

In most cases, the property was assembled and developed for public use purposes such as public parking facilities, public parks, public infrastructure improvements, transportation centers and public safety facilities. In other cases, the property was assembled and developed, in cooperation with private developers, for commercial revitalization such as the Paseo Nuevo retail mall. Finally, in a few cases the Agency purchased the property because its availability created an opportunity for the Agency for future development.

DISCUSSION:

As mandated by Assembly Bill 1X 26, on February 1, 2012, the Redevelopment Agency of the City of Santa Barbara, along with all other California redevelopment agencies, dissolved. Successor agencies have since stepped into the shoes of the former redevelopment agencies to manage the dissolution process, and oversight boards have been appointed to oversee the activities of the successor agencies. Assembly Bill 1484 was enacted to clarify AB 1X 26. Pursuant to AB 1484, a successor agency's oversight board may direct a successor agency to transfer assets owned by the former redevelopment that were constructed and used for a governmental purpose to the appropriate public agency.

As part of the redevelopment dissolution process, on September 20, 2012 the Oversight Board to the Successor Agency to the former Redevelopment Agency of the City of Santa Barbara adopted Resolution No. 005 approving the transfer of all but two properties (Paseo Nuevo and the Calle Cesar Chavez property) to the City of Santa Barbara. The Resolution, along with appropriate documentation, was submitted to the California Department of Finance for consideration. On November 16, 2012, the Department of Finance issued its decision and rejected the transfer of the parking lots, the Railroad Depot properties and the Bath Street Properties to the City, stating that the transfers did not qualify as "governmental purpose" property. The Department approved transfer of the Chase Palm Park Expansion area and the Ortega Water Treatment Facility to the City of Santa Barbara.

In response to the Department of Finance decision, the Successor Agency submitted a request to "meet and confer" with Department and a request that the Department reconsider its November 16th decision as it pertained to those properties rejected for transfer. The request to meet was granted and on December 19, 2012, Assemblymember Das Williams, Mayor Helene Schneider, the City Administrator, the City Attorney, and the Assistant City Administrator met with representatives of the Department of Finance. At that meeting, representatives from the Department of

Finance agreed to review the original decision based on the discussion and the clarifying information that was presented.

On January 22, 2013, the City received a revised determination from the Department of Finance. In the revised determination, the Department of Finance withdrew its objection to the transfer of the parking lots to the City of Santa Barbara. The Department found that, based on the unique Parking and Business Improvement Area Assessment, which was formed in 1971, the parking lot parcels should be maintained as governmental purpose and were eligible for immediate transfer to the City. The Department, however, continued to object to the transfer of the Railroad Depot properties and the Bath Street properties to the City because, it found, these properties had not been constructed and used for a governmental purpose.

The action before the Successor Agency and the City Council today is to formally transfer the parking lot properties to the City of Santa Barbara. The Successor Agency and City Council adopted Resolution Nos. 12-082 and 12-084, respectively, on November 20, 2012 to transfer the Chase Palm Park Expansion and Ortega Treatment Facility properties to the City. The four remaining groups of properties (Paseo Nuevo, Railroad Depot, Calle Cesar Chavez, and Bath Street) will be included in the Successor Agency's Long Range Property Management Plan that is currently under preparation.

PREPARED BY: Brian J. Bosse, Waterfront Business Manager
SUBMITTED BY: Paul Casey, Assistant City Administrator
APPROVED BY: City Administrator's Office



Transfer of Former Redevelopment Property



January 29, 2013



Chronological History

- ◆ September 20, 2012 – Oversight Board Approves Transfer of Former RDA Properties and Governmental Assets
- ◆ November 16, 2012 – State Department of Finance (DOF) Denies Request of Parking Lots, Railroad Depot, and Bath Street Property

State Approves Transfer of Chase Palm Park and Ortega Water Treatment Plant

Chronological History cont'd

- ◆ November 27, 2012 – City Submits Additional Information / Requests Meeting with DOF
- ◆ December 19, 2012 – Meeting with State DOF
- ◆ January 22, 2013 – Revised Response from DOF Approving the Transfer of Parking Lots – and Positive Guidance on Remaining Properties



Previously Approved for Transfer and Acted Upon

- ◆ Chase Palm Park Expansion
- ◆ Ortega Water Treatment Plant
- ◆ All Housing Assets

Parking Lots Approved For Transfer – Council Action Today:

Granada Garage

Lot 10 – Ortega Street

Lot 12 – State / Gutierrez

Cota Commuter Lot

Helena Street Lot

Lot 2 – Canon Perdido/Chapala

Lot 11 – Anacapa and Haley

Garden Street Lot at Cabrillo

Carrillo Street Commuter Lot

Mason Street Lot

Properties To Be Included in a Property Management Plan

- ◆ Railroad Depot Area, including:
 - Children's Museum Parcels
 - Railroad Depot and surrounding Parking Lots
 - Fish Enterprise Lot

Properties To Be Included in a Property Management Plan Cont'd

- ◆ Bath Street
- ◆ Calle Cesar Chavez
- ◆ Paseo Nuevo



Questions?

