



# CITY OF SANTA BARBARA

## SUCCESSORY AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA AGENDA REPORT

**AGENDA DATE:** May 7, 2013

**TO:** Successor Agency Members

**FROM:** Administration, Community Development Department

**SUBJECT:** Proposed Approval Of Long-Range Property Management Plan

### **RECOMMENDATION:**

That the Successor Agency to the Redevelopment Agency of the City of Santa Barbara approve the Long-Range Property Management Plan for the Calle Cesar Chavez, Bath Street, Paseo Nuevo, Children's Museum and Railroad Depot properties and request review and approval by the Oversight Board.

### **BACKGROUND:**

As part of the State mandated process to dissolve the Redevelopment Agency, on September 20, 2012, the Oversight Board to the Santa Barbara Redevelopment Agency approved the transfer of all but two properties owned by the former Redevelopment Agency to the City of Santa Barbara. The two properties not approved for transfer were the Agency's landlord reversionary interest in Paseo Nuevo leasehold and the Calle Cesar Chavez properties. The appropriate documentation was forwarded to the State Department of Finance (DOF) for its consideration. On November 16, 2012, the DOF issued its decision to approve transfer of the Chase Palm Park and Ortega Water Treatment Plant properties to the City of Santa Barbara as "Governmental Purpose" properties and rejected the transfer of the parking lots, the Railroad Depot campus and the Bath Street properties stating that these transfers did not qualify as "Governmental Purpose".

The Successor Agency subsequently filed a request with the DOF for reconsideration of its decision. On December 19, 2012, Assemblyman Das Williams, Mayor Helene Schneider, the City Administrator, City Attorney, and Assistant City Administrator met with representatives of the DOF to discuss the November 16, 2012 decision. On January 22, 2013, the DOF consented to the transfer of the parking lots to the City but continued to reject transfer of the Railroad Depot campus and the Bath Street properties to the City. The parking lots, along with the Chase Palm Park property and the Ortega Treatment Plant parcel were subsequently transferred to the City of Santa Barbara.

The four remaining groups of properties (Paseo Nuevo, Railroad Depot campus, Calle Cesar Chavez, and Bath Street) must be included in the Successor Agency's Long Range Property Management Plan.

#### **DISCUSSION:**

The dissolution of redevelopment agencies in California is governed by Assembly Bill X1 26 and Assembly Bill 1484. The statute provides that once a successor agency is issued a "Finding of Completion", all real property owned by the former redevelopment agency is transferred into the Community Redevelopment Property Trust Fund. The Successor agency must then prepare a Long Range Property Management Plan (LRPMP) addressing the disposition of all such property. The LRPMP must be approved by the Oversight Board and the DOF. Once approved, the property must be disposed of according to the approved LRPMP.

The Successor Agency to the Redevelopment Agency of the City of Santa Barbara received a Finding of Completion on April 26, 2013. In anticipation of receiving the Finding of Completion, Staff has prepared a Long Range Property Management Plan in accordance with the requirements of law. The LRPMP provides data relating to each of the properties including, among other things, the date of the acquisition, market value at the time of purchase, purpose of the acquisition of the property, and current market value of the property. Finally, the LRPMP must identify the use or disposition of each of the properties. Permissible uses of property include 1) the retention of the property by the Trust for subsequent transfer to the public entity for "Governmental Purpose", 2) the retention of the property by the Trust for subsequent transfer for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

The LRPMP prepared by staff recommends that the following properties be transferred to the City of Santa Barbara as "Governmental Purpose" properties: (i) the landlord's reversionary interest in the Paseo Nuevo leasehold, (ii) the Railroad Depot (including the Children's Museum), and (iii) the Bath Street properties. Staff recommends that the Calle Cesar Chavez property be disposed of through sale.

Due to the large volume of the Long Range Property Management Plan and appendices, the reports have been placed online for review. The Long Range Property Management Plan and attachments can be found at:

[http://www.santabarbaraca.gov/Government/Boards\\_and\\_Commissions\\_N-Z/Oversight\\_Board/Agendas.htm](http://www.santabarbaraca.gov/Government/Boards_and_Commissions_N-Z/Oversight_Board/Agendas.htm)

Hard copies of the Long Range Property Management Plan (without Attachments) can be reviewed by Councilmembers in the Council reading file and by the public at the City Clerk's Office in City Hall (735 Anacapa Street) and the Community Development Department offices (630 Garden Street).

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**APPROVED BY:** City Administrator's Office