



CITY OF SANTA BARBARA

SUCCESSOR AGENCY AGENDA REPORT

AGENDA DATE: December 15, 2015

TO: Mayor and Councilmembers

FROM: Successor Agency Staff

SUBJECT: Successor Agency Real Estate And Business Items

RECOMMENDATION: That the Successor Agency:

- A. Execute a Professional Services Agreement with Radius Group, for real estate services regarding 125 Calle Cesar Chavez; and
- B. Approve a \$15,000 increase in the contract, for a total contract of \$90,000, for legal services with Price, Postel, and Parma to the Oversight Board.

DISCUSSION:

Real Estate Consultant

On May 15, 2015, the State of California's Department of Finance ordered the Successor Agency to the Redevelopment Agency of the City of Santa Barbara to sell the property known as 125 Calle Cesar Chavez. In accordance with the direction given by the Department of Finance to the Successor Agency, the property will be sold through an auction process. Staff intends to retain the services of a real estate professional to assist staff with this process. On September 18, 2015, the Oversight Board approved the release of a Request for Proposals for real estate services.

The primary functions of the real estate professional will be four-fold: 1) Use their experience and expertise to extensively market the four parcels of real property through multiple channels including the multiple listing service and online resources to reach the widest audience possible; 2) handle general inquires about the property including possible "Open House" activities; 3) assist Successor Agency staff in determining the minimum reserve sale price based on the professional appraisal, property condition and encumbrances, current market conditions and demands; and 4) conduct the auction for sale to the highest bidder. The specific parcels and basic information about the parcels that comprise 125 Calle Cesar Chavez are set forth in the table below.

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

Three proposals were received by the November 6 deadline. The proposals were evaluated on a number of criteria including, but not limited to, experience, project timeline, proposed cost, and the project work plan. All three proposals were professionally completed and represented a comprehensive cross-section of the best commercial real estate companies/brokers on the South Coast. Successor Agency staff reviewed all proposals, and after much discussion and careful consideration, selected Radius Group as the best overall proposal.

At their December 7 meeting, the Oversight Board recommended that the Successor Agency enter into a Professional Services Agreement with Radius Group. The Professional Services Agreement includes detailed project requirements and responsibilities of the real estate professional, provides a work program and timeline for completion, as well as compensation for the services. Compensation for these services will be paid from property sales proceeds and does not impact the Successor Agency's administrative budget.

Proposed Increase to Price, Postel, and Parma Legal Services Agreement

The Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Santa Barbara was formed in the spring of 2012. The purpose of the Oversight Board is to oversee the dissolution of former Redevelopment Agency. As part of the dissolution process, the Oversight Board has retained legal counsel to assist it in its duties. The local law firm of Price, Postel, and Parma has been providing legal counsel to the Oversight Board since the summer of 2012. The proposed \$15,000 increase will allow Price, Postel, and Parma to continue their work with the Oversight Board.

The funds are paid from the Successor Agency's statutorily-determined administrative budget.

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



WATERFRONT DEPARTMENT

SUCCESSOR AGENCY BUSINESS ITEMS

City Council Meeting December 15, 2015



Real Estate Consultant

- May 15, 2015 the Successor Agency directed to sell Calle Cesar Chavez properties through auction process
- Properties consist of four parcels that equal 2.4 acres
- Zoned M-1 / SD-3
- Purchased by RDA in 2001 for \$2.872M

Aerial View of Calle Cesar Chavez





RFP for Real Estate Services

- Released in late September
- Primary functions of consultant will be:
 - Extensively market property
 - Handle general inquiries, Open House
 - Assist staff in determining minimum reserve sale price
 - Conduct the auction sale to the highest bidder



RFP for Real Estate Services: cont'd.

- Received three proposals by 11/6 deadline
- Evaluated on: experience, project timeline, project work plan, and proposed cost
- Staff selected Radius Group as the best overall proposal and Oversight Board agreed
- No direct cost to Successor Agency as cost will come from sale price



RFP for Real Estate Services cont'd.

- Estimated Timeline:
 - Property out to market late-January
 - On market for 2-4 months
 - Sale complete by end of 2016 or sooner



Oversight Board Legal Services

- Price, Postel, and Parma were retained in 2012 by Oversight Board
- Proposed \$15,000 increase allows counsel to continue work with Oversight Board
- Funds come from the Successor Agency's statutorily-determined administrative budget