

STAFF REPORT

*SUCCESSOR AGENCY
CITY OF OCEANSIDE*

DATE: February 26, 2013
TO: The Oversight Board of the City of Oceanside Successor Agency
FROM: Property Management
SUBJECT: **APPROVAL TO ADVERTISE THE SALE OF TWO PARCELS OF LAND LOCATED AT THE 900 BLOCK OF NORTH COAST HIGHWAY (APN 147-020-38) AND 801 NORTH COAST HIGHWAY (APN 143-201-03)**

SYNOPSIS

Approval of a resolution to advertise the sale of two parcels of land previously owned by the Oceanside Redevelopment Agency located at the 900 Block of North Coast Highway (APN 147-020-38) and 801 North Coast Highway (APN 143-201-03).

BACKGROUND

The State of California Assembly Bill X1 26, the "Dissolution Act", dissolved all redevelopment agencies in California, including the Oceanside Redevelopment Agency. As part of the dissolution of the Agency, on January 10, 2012, the City Council adopted a resolution electing to have the City of Oceanside serve as the successor agency to the Oceanside Redevelopment Agency ("Successor Agency").

Pursuant to the Dissolution Act, the Successor Agency, under the direction of an Oversight Board, is required to dispose of real property owned by the dissolved Oceanside Redevelopment Agency either for limited public uses and/or for disposition into the private market. Further, disposition proceeds, if any, need to ultimately be made available for distribution to the affected taxing agencies pursuant to California Health and Safety Code Section 34191.5 (c) (2) (A).

ANALYSIS

In accordance with the Dissolution Act, the Successor Agency wishes to advertise the sale of two parcels of land located at the 900 Block of North Coast Highway (APN 147-020-38) and 801 North Coast Highway (APN 143-201-03) that were acquired by the dissolved Oceanside Redevelopment Agency (collectively the "Subject Properties"). Further, the Successor Agency, as a requirement to dispose of the

assets of the dissolved Oceanside Redevelopment Agency, must do so expeditiously and in a manner to maximize value.

In an effort to obtain the highest value for the Subject Properties, staff has obtained independent appraisals for each of the Subject Properties. It is the staff's intention to advertise the sale of the Subject Properties to the person and/or entity providing the highest price above the appraised value for each of the Subject Properties.

The advertising of the Subject Properties for sale could include, but not be limited to posting on the City's website, advertised in local periodicals (e.g., the North County Times), and be listed with a licensed commercial real estate broker. The advertising of the Subject Properties will be for a minimum time frame of 45 calendar days.

FISCAL IMPACT

Each of the Subject Properties was purchased with bond funds and the sales proceeds will have to be used to retire a portion of the outstanding debt. A complete analysis will be made after any offers for the Subject Properties have been received and evaluated.

CITY ATTORNEY'S ANALYSIS

It is unclear whether the Oversight Board has the legal authority to sell the Subject Properties at this time. Under the Dissolution Act enacted by AB X1 26, the Successor Agency, under the direction of the Oversight Board, is obligated to dispose of real property it received from the dissolved Oceanside Redevelopment Agency either for limited public uses or for disposition in the private market expeditiously and with a requirement of maximizing value. AB X1 26 contemplates that the disposition proceeds are to be made available for distribution to the taxing agencies.

Assembly Bill 1484 provides greater flexibility for the Successor Agency that has received a Finding of Completion from the California Department of Finance ("DOF"). Once the Finding of Completion has been issued, the Successor Agency must within six months submit a long-range property management plan to the Department of Finance. That plan includes an inventory of each property and a designation of the permitted use. The permitted uses may include retention of the land for government use, retention for future development, sale of the property for a redevelopment project, or use of the land for enforceable obligations.

Each of the Subject Properties at issue in this Staff Report is proposed to be sold at market value. This is consistent with the overriding purpose of the Dissolution Act. The sales will be subject to the review by the Department of Finance. Staff sees no reason why the DOF would object to the sale of each of the Subject Properties at market value.

RECOMMENDATION

Approval of a resolution to advertise the sale of two parcels of land previously owned by the Oceanside Redevelopment Agency located at the 900 Block of North Coast Highway (APN 147-020-38) and 801 North Coast Highway (APN 143-201-03).

PREPARED BY:



Douglas E. Eddow
Real Estate Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

John Helmer, Downtown Development Manager

Teri Ferro, Director of Finance



Attachment: Resolution
Legal Description for the Two Parcels of Land and Plat Maps
Certificate of Exemption

1 RESOLUTION NO. 13-

2 A RESOLUTION OF THE OVERSIGHT BOARD FOR THE
3 SUCCESSOR AGENCY OF THE CITY OF OCEANSIDE
4 AUTHORIZING STAFF TO ADVERTISE THE SALE OF TWO
5 PARCELS OF LAND (PREVIOUSLY OWNED BY THE
6 REDEVELOPMENT AGENCY) LOCATED AT THE 900
7 BLOCK OF NORTH COAST HIGHWAY (APN 147-020-38)
8 AND 801 NORTH COAST HIGHWAY (APN 143-201-03)

9 WHEREAS, AB X1 26 (2011-2012 1st Ex. Sess., the “Dissolution Act”) was signed by
10 the Governor of California on June 28, 2011, making certain changes to the California
11 Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety “the
12 Redevelopment Law”) and the California Health and Safety Code including adding Part 1.8 and
13 Part 1.85 to Division 24 of the Health and Safety Code; and

14 WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision
15 in *California Redevelopment Association v. Matosantos*, finding the Dissolution Act largely
16 constitutional and reformed certain deadlines set forth in the Dissolution Act; and

17 WHEREAS, under the Dissolution Act and the California Supreme Court’s decision in
18 *California Redevelopment Association v. Matosantos*, all California redevelopment agencies
19 including the City of Oceanside Redevelopment Agency (the Former Agency) was dissolved on
20 February 1, 2012, and successor agencies were designated and vested with the responsibility of
21 paying, performing and enforcing the enforceable obligations of the former redevelopment
22 agencies and winding the down the business and fiscal affairs of the former redevelopment
23 agencies; and

24 WHEREAS, on January 10, 2012, the City Council of the City of Oceanside adopted
25 Resolution No. 12-R0058-1, accepting for the City the role of Successor Agency to the Former
26 Agency pursuant to Part 1.85 of the Dissolution Act; and

27 WHEREAS, the Dissolution Act was amended when the Governor signed Assembly Bill
28 1484 (AB 1484) on June 27, 2012, (reference hereinafter to the Dissolution Act means
Assembly Bill X1 26 as amended by AB 1484); and

WHEREAS, under the Dissolution Act, each Successor Agency shall have an Oversight
Board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities

1 that benefit from distributions of property taxes and other revenues pursuant to Health and
2 Safety Code Section 34188; and

3 WHEREAS, the Oversight Board has been established for the Successor Agency
4 (hereinafter referred to the as the "Oversight Board") and all seven (7) members have been
5 appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The
6 duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety
7 Code Sections 34179 through 34181 of the Dissolution Act; and

8 WHEREAS, Health and Safety Code Section 34177(h) provides, in pertinent part, that
9 the Successor Agency is required to expeditiously wind down the affairs of the Former Agency
10 pursuant to the Dissolution Act and in the accordance with the direction of the Oversight
11 Board; and

12 WHEREAS, Health and Safety code Section 34177(e) of the Dissolution Act provides
13 that the Successor Agency shall dispose of assets and property of the Former Agency as directed
14 by the Oversight Board, and

15 WHEREAS, Health and Safety Code Section 34181 (e) provides, in pertinent part, that
16 the Oversight Board has the authority to approve the proposed actions if it finds such actions in
17 the best interests of the taxing entities, and

18 WHEREAS, consistent with the Oversight Board's authority to oversee expeditious
19 wind down of the Former Agency's fiscal and business affairs and the expeditious disposition of
20 Former Agency assets and properties, the Oversight Board has the authority to approve the
21 proposed actions pursuant to Health and Safety Code Sections 34177(h) 34181(a) and 34181 (e)
22 of the Dissolution Act; and

23 WHEREAS, pursuant to the California Environmental Quality Act of 1970 (CEQA) and
24 the State Guidelines thereto as amended to date, the Resource officer of the City of Oceanside
25 determined that this project is exempt from CEQA under sections 15061 (b) (3) of the CEQA
26 Guidelines and has prepared a Notice of Exemption pursuant to section 15062 of the CEQA
27 Guidelines.

28 WHEREAS, pursuant to Health and Safety Code Section 34177 (e), the City of
Oceanside wishes to advertise the sale of two parcels of land (previously owned by the
Redevelopment Agency) in order to achieve the highest prices for the land. The land is located

1 at the 900 Block of North Coast Highway (APN 147-020-38) and 801 North Coast Highway
2 (APN 143-201-03) as legally described in Exhibit "A" ; and

3 NOW, THEREFORE, the Oversight Board to the Successor Agency of the City of
4 Oceanside does resolve as follows:

5 1. The foregoing Oversight Board recitals are true and correct and are a substantive
6 part of this Resolution.

7 2. The Oversight Board hereby approves the advertising of two parcels of land
8 (formerly owned by the Redevelopment Agency) located at the 900 Block of North Coast
9 Highway (APN 147-020-38) and 801 North Coast Highway (APN 143-201-03) as legally
10 described in exhibit "A" as part of winding down the Former Agency pursuant to Health and
11 Safety Code Section 34177(e).

12 BE IT FURTHER RESOLVED that, a copy of this resolution will be transmitted to the
13 California State Department of Finance.

14 PASSED AND ADOPTED by the Oversight Board to the Successor Agency of the City
15 of Oceanside _____ day of _____ by the following vote:

16 AYES:

17 NAYS:

18 ABSENT:

19 ABSTAIN:

20 _____
Chairman

21 ATTEST:
22 _____
23 Secretary

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EXHIBIT "A"

LEGAL DESCRIPTION

(APN: 143-201-03)

THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF OCEANSIDE, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, BEING LOTS 5 AND 6, IN BLOCK 24, OF A.J. MYERS ADDITION, ACCORDING TO MAP NO. 344, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON JULY 1, 1885. TOGETHER WITH THE EASTERLY 10 FEET OF THE ADJACENT CLOSED ALLEY ABUTTING THE WESTERLY LINE OF SAID LOTS 5 AND 6, AND ALL UNDERLYING FEE OWNERSHIP TO ANY ADJOINING PUBLIC STREETS AND/OR RIGHTS-OF-WAY ATTRIBUTED OR APPURTENANT TO SAID LOTS.

Exhibit "A"

All that certain real property situated in the County of San Diego, State of California, described as follows:

PARCEL 1:

That portion of Lots 8 and 9 of Hill Street Annex, in the City of Oceanside, County of San Diego, State of California, according to Map thereof No. 1296, filed in the Office of the County Recorder of San Diego County, October 20, 1910, described as follows:

Commencing at the Southwesterly corner of Lot 5 of said Map No. 1296; thence Northerly along the West line of said Lots 5 through 8, North $00^{\circ}40'15''$ East, 320.00 feet to the True Point of Beginning; thence continuing along said West line North $00^{\circ}40'15''$ East 69.2 feet; thence leaving said West line, North $72^{\circ}28'46''$ East, 61.97 feet to the Westerly right of way of State Highway II SD-5-53, 2; thence Southeasterly along said right of way line South $17^{\circ}31'14''$ East, 93.23 feet; thence leaving said Westerly right of way line North $89^{\circ}21'30''$ West, 87.92 feet to the True Point of Beginning.

PARCEL 2:

That portion of Hill Street (80.00 feet wide) of Hill Street Annex, in the City of Oceanside, County of San Diego, State of California, according to Map thereof No. 1296, filed in the Office of the County Recorder of San Diego County, October 20, 1910, described as follows:

Beginning at a point in the East line of said Hill Street distant thereon South $00^{\circ}40'15''$ West (Record - South) 88.86 feet from the Northwest corner of Lot 4 of said Map No. 1296; thence North $00^{\circ}50'20''$ West, 411.73 feet to the beginning of a tangent curve concave Westerly having a radius of 1030.00 feet; thence Northerly along said curve through a central angle of $03^{\circ}26'43''$ an arc length of 61.94 feet to an intersection with the Southwesterly prolongation of that certain course in the Southeasterly boundary of land described in Relinquishment Number 19047-19 to City of Oceanside, recorded January 31, 1973 as File No. 23798 of Official Records, having a bearing and length of South $72^{\circ}28'46''$ West, 61.97 feet; thence along said prolongation North $72^{\circ}28'46''$ East, 15.09 feet to a point in the East line of said Hill Street; thence along said East line South $00^{\circ}40'15''$ West (Record - South) 478.13 feet to the Point of Beginning.

EXCEPTING THEREFROM that portion lying Southerly of a line bearing North $89^{\circ}21'30''$ West from the Southwest corner of Parcel 1, hereinabove described.

Assessor's Parcel Number: **147-020-38**



NOTICE OF EXEMPTION

TO: RECORDER/COUNTY CLERK
COUNTY OF SAN DIEGO
P.O. BOX 1750
SAN DIEGO, CA 92112-4147

PROJECT TITLE AND FILE NUMBER:
NOT APPLICABLE.

PROJECT LOCATION - SPECIFIC:
900 Block of North Coast Highway
801 North Coast Highway

PROJECT LOCATION - GENERAL:
North Coast Hwy and Hwy 76.

DESCRIPTION OF NATURE, PURPOSE AND BENEFICIARIES OF PROJECT:

Approval to go out to bid on two parcels of land (previously owned by the Redevelopment Agency) located at the 900 Block of North Coast Highway and 801 North Coast Highway.

NAME OF PUBLIC AGENCY APPROVING PROJECT:

City of Oceanside

NAME OF PERSON(S) OR AGENCY CARRYING OUT PROJECT:

City of Oceanside
300 North Coast Hwy.
Oceanside, CA 92054
(760) 435-3540

Exempt Status per the Guidelines to Implement the California Environmental Quality Act (CEQA)
(Public Resources Code Section 21000 et. al.):

NOT SUBJECT TO CEQA PER THE GENERAL RULE, SECTION 15061(B)(3)

STATUTORY EXEMPTION PER ARTICLE 18, SECTION(S)

CATEGORICAL EXEMPTION PER ARTICLE 19, SECTION 15061 (b) 3.

REASONS WHY PROJECT IS EXEMPT:

The proposed project is approval to go out to bid on two parcels of land formerly owned by the Redevelopment Agency. Going out to bid on the potential sale of vacant land does not constitute a development project, therefore, it is exempt from environmental review.

Contact Person: Shan Babick, Associate Planner

SIGNATURE

December 19, 2012

DATE

For: Shan M. Babick, Associate Planner

CITY HALL, 300 NORTH COAST HIGHWAY, OCEANSIDE CA 92054, TELEPHONE (760) 435-3354

