

**SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY
OF THE CITY OF ROSEVILLE**

DATE: **October 5, 2013**

TO: **Oversight Board**

TITLE: **Long Range Property Management Plan**

CONTACT: **Bill Aiken, Development Analyst, 916-774-5271, baiken@roseville.ca.us**
 Melissa Hagan, Financial Analyst, 916-774-5476, mhagan@roseville.ca.us

Meeting Date: November 4, 2013

SUMMARY RECOMMENDATION

Approve the attached resolution adopting the Long Range Property Management Plan, direct staff to submit the plan to the State Department of Finance for final review and approval, and approve the exchange of debt for grant deeds to two properties.

BACKGROUND

Pursuant to Health & Safety Code §34191.5; within six months of receiving a "Finding of Completion" from the Department of Finance (DOF), the Successor Agency (Agency) must submit to the DOF a Long Range Property Management Plan (LRPMP) approved by the Oversight Board. The LRPMP shall provide an inventory of all real properties of the former redevelopment agency and address the use or disposition of these properties. In February of 2013, as a requirement of the LRPMP submittal process, the Successor Agency obtained appraisals for each of the properties by contracting with Seevers, Jordan, and Ziegenmeyer. The final appraisals were completed on 2/13/2013.

Table 1 summarizes The Long Range Property Management Plan (Attachment #1) and shows the six (6) properties, comprised of ten (10) separate parcels (See Maps: Attachments #2 and #3). Of the six properties, four were purchased with bond funds (2, 3, 5 and 6) are requested to be held for "government use" pursuant to Health and Safety Code §34181.

Table 1

#	Name	# Parcels	Purchase Price City Loans	Purchase Price 2006AT Bonds	Current Market Value	Source of Funds	HSC 34191.5 Use
1	Industrial/Galilee	4	\$3,747,668		\$1,500,000	City Loan	Government
2	Future Fire Station	1		\$1,229,040	\$180,000	2006AT Bonds	Government
3	110 Lincoln	1		\$251,783	\$90,000	2006AT Bonds	Government
4	USPS Site	1	\$2,004,354		\$425,000	City Loan	Government
5	Historic District Park	1		\$214,740	\$40,000	2006AT Bonds	Government
6	Historic District Access Road	2		\$206,996	\$50,000	2006AT Bonds	Government
Total		10	\$5,752,022	\$1,902,519	\$2,285,000		

As the table shows, all of the properties have lost considerable value since their original purchase. Consequently, staff believes the two properties that were acquired via loans from the City's Strategic Improvement Fund to the RDA (1 and 4) should be transferred to the City and held for government use. As an initial step, on May 15, 2013 the Roseville City Council approved cancelling the debt associated with the loans in exchange for grant deeds transferring title to the properties to the City.

Staff is requesting Oversight Board approval of this exchange as an alternative to selling the properties at a huge loss. This action also alleviates the Agency from the City loan repayments; resulting in a combined reduction of \$6.6 million in principal and deferred interest associated with loans due as an enforceable obligation on the Successor Agency's Recognized Obligation Payment Schedules (a significant benefit for taxing entities as property tax funds will not be needed to repay this debt). If the Oversight Board approves the LRPMP, the LRPMP will then be submitted to the DOF for final approval.

FISCAL IMPACT

Cancelling the debt for the two property loans (1 and 4) will reduce the Successor Agency's debt obligations by approximately \$6.6 million. If the Oversight Board or the Department of Finance requires the Successor Agency to sell the properties, the intended "government use" would be impacted and the Successor Agency might be required to sell to a third party and lose site control. This could put the ultimate use of those parcels as previously planned within the Downtown Specific Plan at risk. In addition, the \$6.6 million debt will remain a liability for the Successor Agency and be included on all subsequent Recognized Obligation Payment Schedules.

Respectfully Submitted,



Bill Aiken
Development Analyst



Melissa Hagan
Financial Analyst

APPROVED:



Chris Robles
Economic Development Director
Successor Agency/City of Roseville

Attachments:

- 1) Long Range Property Management Plan (LRPMP)
- 2) Map – Parcels #1
- 3) Map – Parcels #2-6
- 4) Resolution
- 5) Health & Safety Code §34191.5 and Health & Safety Code §34181