

STAFF REPORT
Lancaster Successor Agency

SA NB 2
10/13/15
MVB

Date: October 13, 2015

To: Chairman Parris and Agency Directors

From: Vern Lawson, Economic Development Director

Subject: **Amendment to the Long Range Property Management Plan**

Recommendation:

Adopt **Resolution No. SA 09-15**, approving an Amendment to the Long Range Property Management Plan.

Fiscal Impact:

There is minimal fiscal impact to the city associated with the adoption of the amendment to the Long Range Property Management Plan. Once the amendment is approved by the Successor Agency Oversight Board and California Department of Finance, any property designated as “For Sale” will result in the sale proceeds being distributed to the affected taxing entities, net of the related costs associated with the sales transaction.

Background:

As the proposed Amendment to the Long Range Property Management Plan encompasses two components, it will accomplish two goals. First, it will empower the Successor Agency to engage prospective buyers of former redevelopment agency property designated as For Sale in order to expedite any future discussions and/or negotiations and fulfill the intent of AB 1484 as well as short and long-term economic development goals and objectives of the City and Successor Agency. Second, it will employ the recently enacted SB 107 to reclassify public parking lots currently designated as Retained for Development to Government Use, thus preserving these parking lots for public use in accordance with their original and ongoing purpose.

Within six months after receiving a Finding of Completion from the DOF, all successor agencies for former redevelopment agencies that owned property as of the time of redevelopment dissolution in 2011 are required to prepare a Long Range Property Management Plan (“PMP”). The PMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements contained in the law. The Successor Agency to the former Lancaster Redevelopment Agency (“Successor Agency” or “SA”) received approval of its PMP on February 21, 2014 from the Department of Finance (“DOF”).

Since receiving approval of its PMP, the SA has begun the process of its internal due diligence and implementation activities to facilitate the future disposition of certain identified properties designated under the Retain for Future Development permissible use category. As a part of that due diligence, the Successor Agency's efforts have been met with challenges in the future disposition of the properties as a result of the requirement to enter compensation agreements with all the affected taxing entities prior to a sale.

While the compensation agreement requirement is a best case scenario, in practice, it has proven impossible. At this time, the SA believes its best course of action going forward is to not only fulfill the City/SA's short and long-term economic development goals and objectives, but fulfill the intent of AB 1484 and ABx1 26 and dispose of the property in an "expeditious" manner and "in a manner aimed at maximizing value." To that end, the SA is recommending approval of an amendment to the PMP ("Amended PMP") to change the permissible use category for all properties currently under the Retain for Future Development category. The Amended PMP would a) reclassify public parking lots as Government Use to preserve their use by the public, and b) change all remaining properties currently classified as Retain for Future Development to the For Sale category. These actions are in accordance with SB 107 and AB 1484.

The sale and ultimate disposition of the assets identified for sale within this Amended PMP will be initiated upon approval by the Oversight Board and subsequently DOF. As part of their ultimate disposition, the properties reclassified as For Sale may be assembled and/or individually marketed for development opportunities to provide the maximum benefits of future jobs, increased economic activity as well as public services to the city and community.

It is respectfully requested that the Successor Agency approve and adopt the resolution, as submitted hereto as Attachment A, approving the Amendment to the Long Range Property Management Plan and authorizing its transmittal to the Oversight Board and Department of Finance for their approval.

Attachments:

Resolution No. SA 09-15