

## **RESOLUTION LSA2018-001**

### **RESOLUTION OF THE SAN PABLO LOCAL SUCCESSOR AGENCY APPROVING AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION PERTAINING TO THE MISSION PLAZA PROPERTY (APNS 413-352-017, 413-352-013 AND 413-352-012) FOR \$1,750,000 WITH \$400,000 PAID AT ESCROW AND A PROMISSORY NOTE FOR THE BALANCE**

WHEREAS, pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 *et seq.*; the “Dissolution Act”), on February 1, 2012, the San Pablo Local Successor Agency (the “LSA”) succeeded to all assets, properties, contracts, leases, books and records, buildings, and equipment (the “redevelopment assets”) of the former Redevelopment Agency of the City of San Pablo (the “former Redevelopment Agency”) and, except as repealed, restricted, or revised by the Dissolution Act, was vested with all authority, rights, powers, duties and obligations under the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the “CRL”) previously vested with the former RDA;

WHEREAS, in accordance with Section 34191.5 of the Dissolution Act, the LSA prepared a Long Range Property Management Plan, dated December 11, 2013 (the “LRPMP”) providing for the disposition of the remaining real properties owned by the LSA;

WHEREAS, the Mission Plaza property (also referred to herein as the “Site”) is one of the remaining properties owned by the LSA;

WHEREAS, the Mission Plaza property consists of three parcels, two of which are vacant, and one that is occupied by a small retail building containing four tenants. The property, containing approximately 36,787 square feet, is located at 14501, 14535 and 14555 San Pablo Avenue (APNs 413-352-017, 413-352-013 and 413-352-012);

WHEREAS, the LRPMP provides that the LSA will actively market the Mission Plaza property to the neighboring property owner, Contra Costa College and/or other private developer to build student housing or, if determined to be infeasible after three years of negotiation, to sell the property on the open market;

WHEREAS, the LSA has been unsuccessful marketing the Mission Plaza property for the student housing project originally contemplated and it has now been nearly five years since preparation of the LRPMP;

WHEREAS, the San Pablo Economic Development Corporation (the “EDC”) desires to purchase the Mission Plaza property, and a proposed Purchase and Sale Agreement (the “PSA”) has been prepared;

WHEREAS, the PSA provides that the EDC will purchase the Mission Plaza property (referred to in the PSA as the "Site") for the sum of \$1,750,000; as further provided in the PSA, the purchase price will be paid in the form of \$400,000 cash at close of escrow and a promissory note in the amount of \$1,350,000 with simple interest at the rate of 4% to be paid in full twelve years from the date of the note;

WHEREAS, the PSA also provides that a condition of the purchase by the EDC is that the LSA shall undertake and complete certain repairs estimated to cost \$150,000 or, in the alternative, to assign funds maintained by the property management firm, New Way Property Management, to the EDC for that purpose, as more particularly described in the staff report accompanying this resolution and in the proposed PSA;

WHEREAS, the proposed purchase price for the Mission Plaza property is based upon an opinion of value (the "BOV") prepared by Dakin & Dakin Commercial Real Estate Services ("Dakin");

WHEREAS, the BOV evaluates 4 sales comparables for 14501 San Pablo Avenue and 4 sales comparables for 14535 and 14555 San Pablo Avenue. None of the sales comparables are located in the City of San Pablo. For 14501 San Pablo Avenue, the BOV identifies a low value of \$1,476,225 and a high value of \$1,772,317. For the combined parcels 14535 and 14555 San Pablo Avenue, the BOV identifies a low value of \$177,689 and a high value of \$200,979;

WHEREAS, in October 2013, the LRPMP estimated a value of \$1,006,204 for all three parcels based on sales comparables at that time, including one in the City of San Pablo. All of the parcels were originally acquired in 2006 for a mixed-use project that required assembly with an adjacent privately-owned parcel. The parcels at 14535 and 14555 San Pablo Avenue are individually limited in size and would need to be combined for appropriate development. The property at 14501 San Pablo Avenue has been declining, has one vacancy now and two tenant leases expiring in the near future;

WHEREAS, the BOV recognizes that current ownership is not subject to Ad Valorem Taxes. A non-public agency buyer will be subject to Ad Valorem taxes at an estimated rate of 1.2616% of the Purchase Price which may impact the operating income of the Mission Plaza Property;

WHEREAS, given those conditions and the need to sell the property, staff established the purchase price for all three parcels at the low values set forth in the BOV, adjusted up slightly to \$1,750,000;

WHEREAS, pursuant to the Dissolution Act, approval of the PSA by the LSA is subject to approval by the Oversight Board;

WHEREAS, pursuant to the California Environmental Quality Act ("CEQA"), the proposed PSA is not a project requiring environmental review because it does not provide for any particular development of the Site, if an application for a development project or new use is submitted, then environmental review will be undertaken;

WHEREAS, Government Code Section 65402 provides that if a general plan has been adopted, no real property shall be disposed of until the location, purpose and extent of such disposition has been submitted to and reported upon by the Planning Commission as to conformity with the general plan;

WHEREAS, on May 29, 2018, the San Pablo Planning Commission adopted Resolution 18-07 finding that the disposition of Mission Plaza conforms to the City of San Pablo General Plan;

WHEREAS, the City Manager/Executive Director of the LSA serves as the uncompensated Executive Director for the EDC and City of San Pablo Mayor / Board Member Calloway serves as the uncompensated Board Member of the EDC. Those interests are publicly disclosed and in an abundance of caution, both the City Manager/Executive Director and Mayor have indicated that they are not participating in the transaction on behalf of the LSA.

NOW, THEREFORE, the San Pablo Local Successor Agency does hereby resolve as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

Section 2. Approval of PSA. The San Pablo Local Successor Agency hereby approves and authorizes the Assistant City Manager to execute the Purchase and Sale Agreement (the "PSA") with the EDC on behalf of the LSA, in the form attached to the staff report, on behalf of the LSA. The Assistant City Manager is further authorized to execute such other documents and take such other actions as are necessary to carry out and implement the obligations of the LSA under the PSA, and, with the consent of the City Attorney, to approve minor, non-monetary amendments to the PSA that are necessary and appropriate for the disposition of the Site as contemplated therein, including the undertaking and completion of the repairs or assignment of funds to the EDC therefor.

ADOPTED this 4th day of June, 2018, by the following vote:

AYES:	DIRECTORS:	Valdez, Cruz, Kinney, and Morris
NOES:	DIRECTORS:	None
ABSENT:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	Calloway

ATTEST:

APPROVED:

/s/ LaTanya Fisher, Executive Assistant for  
Elizabeth Pabon-Alvarado,  
Clerk of the Board

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Paul Morris, Vice Chair