

RESOLUTION OB 2012-06

A RESOLUTION OF THE OVERSIGHT BOARD OF SUCCESSOR AGENCY TO GLENDORA COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF GLENDORA, CALIFORNIA, APPROVING THE PROPERTY DISPOSAL PROCEDURES

**THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
City of Glendora, California**

THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE FORMER GLENDORA REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the Oversight Board for Successor Agency to Glendora Community Redevelopment Agency has met and will meet to consider the specific designation of various properties formerly held by the Glendora Community Redevelopment Agency into one of three categories of housing properties; governmental use and properties held for private reuse; and

WHEREAS, the properties formerly held by the Agency have been deleteriously affected by a national and regional real estate recession, which has had particularly negative effects with southern California. Given current market conditions, it is in the interest of taxing agencies including those represented on the Oversight Board, that properties be marketed in a judicious and careful fashion and not precipitously or in a hurried or random fashion; and

WHEREAS, the Oversight Board has reviewed property disposal procedures in the form submitted herewith as Exhibit "A" hereto; and

WHEREAS, the Oversight board has determined that the Property Disposal Procedures will promote the efficient marketing of properties held for private reuse and will tend to promote favorable outcomes in connection with the sale of such properties; and

WHEREAS, the Oversight Board desires to have the Successor Agency arrange for the disposal of properties held for private reuse in the manner set forth the Property Disposal Procedures.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE FORMER GLENDORA COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF GLENDORA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Oversight Board finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Oversight Board approves the Property Disposal Procedures contained within Exhibit "A" and directs the Successor Agency to implement the procedures as it relates to designated properties held for private reuse.

SECTION 3. The Agency Secretary shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and **PASSED** this 26th day of June, 2012

Oversight Board of Successor Agency
to the Glendora Redevelopment Agency

BY:


VALERIE ESCALANTE
Chair

APPROVED AS TO FORM:


MARK J. HUEBSCH
Successor Agency Attorney

I, Kathleen R. Sessman, City Clerk of the City of Glendora, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Glendora at a special meeting held on the 26th day of June, 2012, by the following vote:

AYES:	BOARD MEMBERS:	Chaldu, Escalante, Hamlow, and Rasmussen.
NOES:	BOARD MEMBERS:	None.
ABSENT:	BOARD MEMBERS:	Blaydow.
ABSTAIN:	BOARD MEMBERS:	Flores.

Dated: June 27, 2012


KATHLEEN R. SESSMAN
Board Secretary

REDEVELOPMENT PROPERTY DISPOSITION PROCEDURES

Oversight Board

for the Former Glendora Community Redevelopment Agency and the City of Glendora Solely in Its Capacity of and Serving, and Acting as Successor Agency of the Glendora Community Redevelopment Agency

May 22, 2012

I. (100) PURPOSE AND INTENT

On and as of February 1, 2012, pursuant to the Assembly Bill 1x 26 (Blumenfield), Division 24, Parts 1.8 and 1.85 of the California Health & Safety Code ("Dissolution Act"), the Glendora Community Redevelopment Agency ("Former Redevelopment Agency") was dissolved. In connection with the implementation of the Dissolution Act, the City of Glendora ("City") determined, consistent with the Dissolution Act, that the City would serve and act as the successor agency ("Successor Agency") to the Former Redevelopment Agency; in that capacity, the Successor Agency, as part of the wind-down of former redevelopment activities, will deal with the ongoing maintenance, marketing, and disposition of assets, including real and personal property, of the Former Redevelopment Agency other than housing assets (see Section 34177(e) of the Dissolution Act). Assets, including properties, that were, as of February 1, 2012, housing assets of the Former Redevelopment Agency are treated separate under the Dissolution Act. In the case of housing assets of the Former Redevelopment Agency, acting pursuant to the Dissolution Act, the City Council of the City selected the Housing Authority of the City of Glendora ("Housing Authority of the City of Glendora") to assume, and the Housing Authority of the City of Glendora did assume and receive all housing assets of the Former Redevelopment Agency. Because the administration, management and disposition of housing assets are treated differently under the Dissolution Act and such housing assets are not within the purview of this oversight board ("Oversight Board"), housing assets are excluded from the applicability of these Redevelopment Property Disposition Procedures ("Disposition Procedures"). According to Successor Agency records, the Former Redevelopment Agency held a total of 11 of non-housing properties ("Non-Housing Properties"), as enumerated on Exhibit A, attached hereto and incorporated by this reference, including without limitation properties that were held for private reuse (together, "Total Reuse Properties" and each a "Reuse Property"), which Total Reuse Properties are so delineated at Exhibit A. Of the Total Reuse Properties, 7 are the subject of agreements entered into between the Former Redevelopment Agency and a private party under a written agreement that obligated the Former Redevelopment Agency to convey one or more of such 7 properties ("Excluded Reuse Properties"); these are also so delineated on Exhibit A. Because of such prior obligations, the Excluded Reuse Properties are not subject to these Disposition Procedures, except as otherwise provided in Section 300 hereof. The Total Reuse Properties, other than the Excluded Reuse Properties, are referred to collectively herein as the "Reuse Properties" and each a "Reuse Property".

Under Section 34177(e) of the Dissolution Act, the Successor Agency is to dispose of assets and properties “expeditiously and in a manner aimed at maximizing value”. The Dissolution Act does not define or otherwise include procedures or policies as to how this maximization is to be achieved. The Oversight Board has determined that the interests common to affected taxing agencies (“Taxing Agencies”) that received property taxes from the project area or project areas subject to the redevelopment plan or redevelopment plans previously adopted by the City Council (“Project Areas”) will be best served by adopting these Disposition Procedures. Purposes and objectives of these Disposition Procedures include: (i) establishing a process that shall generally be applicable to the solicitation and submittal of offers and for the disposition of Reuse Properties will promote the orderly planning, marketing, and disposition of such Reuse Properties; (ii) establishing such a process will tend to promote efficiency and avoid duplicative efforts; (iii) establishing a process will promote the establishment of standards of the Oversight Board with respect to remarketing of, and solicitation and receiving offers relating to, the Reuse Properties; (iv) establishing a process to address Non-Housing Properties other than Reuse Properties (“Governmental Use Properties”) will promote the orderly and rational deployment of such Governmental Use Properties for the delivery and/or continued delivery of governmental services. The Oversight Board intends that these Disposition Procedures will provide an orderly process for disposition and provide to interested parties an opportunity to review and identify their interests, if any, in acquiring all or a part of Former Redevelopment Agency property(ies), to submit development proposals therefor, to receive good faith evaluation and consideration by the Successor Agency and Oversight Board of complete development proposals, and, as and if selected by the Successor Agency and Oversight Board, to acquire Reuse Assets previously held by the Former Redevelopment Agency. These Disposition Procedures also contain provisions concerning the disposition of Governmental Use Properties.

Pursuant the Section 34176(b) of the Dissolution Act, properties associated with the housing activities of the Former Redevelopment Agency were transferred by operation of law to the Housing Authority of the City of Glendora on February 1, 2012 for affordable housing purposes and are not subject to these Disposition Procedures.

II. (200) DISPOSITION PROCEDURES FOR REUSE PROPERTIES

A primary objective of these Disposition Procedures is that the Successor Agency and Oversight Board obtain clear information on the capability of bidders for Reuse Properties not only to acquire, but to develop expeditiously, for development(s) that maximize(s) the value of the property(ies) and benefits affected taxing agencies. The Successor Agency acknowledges an express policy hereunder is that land banking (acquisition with no plan for development in the foreseeable future) generally will not result in the maximization of value under the Dissolution Act. Therefore, interested parties who desired to acquire one or more Reuse Properties must follow the procedures that are set forth in this Section II.

(201) Request for Proposals

- A) Working cooperatively with the Oversight Board, the Successor Agency will identify or confirm those Former Redevelopment Agency assets that must be disposed of in accordance with Section 34181(a) of the Dissolution Act; it is anticipated that such assets will consist of the Reuse Properties.

B) For of the Reuse Properties that are made available for remarketing, a Request for Proposals (“RFP”) may be prepared by the Successor Agency (or by the Oversight Board) and posted to the Successor Agency’s website, mailed via first class mail to developers or parties that have requested such proposal in writing prior to the date of issuance, and other developers or parties at the Successor Agency’s discretion. For marketing purposes and in an effort to achieve an orderly process and to avoid concurrent exposure of a number of Reuse Properties that may confuse the marketplace or degrade marketability, the number of Reuse Properties as to which an RFP is requested is subject to the sound discretion of the Successor Agency (or the Oversight Board if it prepares the RFP.) Each RFP shall include the following information:

- i. A description of the property(ies), consisting of a map, references to applicable land use policies and development standards, and a description of the intended redevelopment purpose of the property(ies);
- ii. Contact information for questions pertaining to the property(ies) and underlying land use policies and development standards;
- iii. The terms and conditions of sale or other disposition;
- iv. A description of the form and content of complete responses to the RFP, including but not limited to:
 - a. The proposed total consideration for the property(ies) and information supporting the offer price and terms therefor;
 - b. Any proposed alterations to the terms and conditions of sale, including the timeframe for closing;
 - c. A development program of sufficient detail to assure the Successor Agency and Oversight Board as to how and when the bidder intends to fulfill the intended use of the property(ies) pursuant to Section 201(B)(i) above and the time line for completion of the project. See Section 202 for more information;
 - d. A fiscal impact analysis that, at a minimum, demonstrates the total value of the acquisition and subsequent development and the fiscal benefits of such value to the City, local education entities, County, special districts and other affected taxing agencies over five-year and ten-year periods beginning from the date of purchase;
 - e. A delineation of experience and plans by a proponent related to special features of property(ies), such as presence of hazardous materials, proximity to sensitive uses, or

environmental concerns that will require a substantial level of environmental review and/or mitigation or remediation;

f. (i) A statement that no financial assistance is being requested from any governmental agency in connection with the proposal, or (ii) A statement that financial assistance is being requested from a governmental agency in connection with the proposal, indicating with particularity the amount that will be requested, the anticipated timing for consideration of such request, and a description of any discretionary process required by the governmental agency from which assistance will be requested, together with an acknowledgment that that conditioning a proposal upon receipt of assistance from a governmental agency may result in the rejection of such proposal.

v. Other information as determined by the Successor Agency (or, as applicable, the Oversight Board).

(202) Submitting a Proposal

A) Parties interested in acquiring an identified asset or assets may submit a development proposal within sixty (60) days after the Successor Agency issues an RFP.

B) Proposals shall include the following:

i. The proposed total consideration for the property(ies) and information supporting the offer price;

ii. Any proposed alterations to the terms and conditions of sale, including the timeframe for closing;

iii. Construction and development pro forma, a detailed site plan, a business/operating plan, developer qualifications, experience and references, a narrative description of the market support for the proposed project, an operating pro forma, as applicable, and an explanation of the economic benefits of the proposed project to the City, other affected taxing agencies and the community;

iv. The proposed uses must conform to the requirements, intent, goals, and objectives of the City General Plan, zoning, other applicable development standards, and other applicable federal, state and local laws, codes and regulations.

C) Interested parties shall provide such additional information as may be reasonably requested by the City Staff, the Successor Agency, or the Oversight Board.

- D) Efforts to remarket Reuse Properties shall be conducted through the Successor Agency, as provided in these Disposition Procedures. In the event one or more affected taxing agencies has a potential prospect to submit a proposal for one or more of the Reuse Properties, any such proposal shall be subject to the submittal and other components of these Disposition Procedures.
- E) Costs incurred by the Successor Agency in the implementation of these Disposition Procedures shall be treated as project costs (not part of the administrative cost allowance) for purposes of the Recognized Obligation Payments Schedule ("ROPS") of the Successor Agency; the ROPS may be amended from time to time to incorporate such costs. Includable as costs are such items as: staff time in the performance of such duties; costs and fees of consultants, attorneys, appraisers, title insurers and escrow; costs and fees in connection with the Disposition of property(ies), such as unpaid and outstanding tax liens or judgments. Where such costs are incurred but the incidence of such costs is borne by the buyer of property(ies), such amounts will be allocable to the Successor Agency (subject to the obligations to third party service providers as alluded to in the preceding portion of this paragraph E.) A reasonable itemization of such costs will be presented by the Successor Agency from time to time to the Oversight Board and will be subject to concurrence by the Oversight Board. In addition, costs so incurred by the Successor Agency will be paid from the first proceeds from the remarketing of property(ies) as an above-the-line item before proceeds are spread among affected taxing agencies.
- F) The Successor Agency, through its staff, consultant(s) and counsel(s), will review proposals upon receipt thereof, and shall notify applicants whether the development proposals submitted comply with the requirements of these Disposition Procedures and have been determined to be complete or incomplete. In the event the Successor Agency staff notifies an applicant submitting a proposal that the proposal is incomplete or that additional information is required, such applicant may be allowed fifteen (15) days from such notification to complete and resubmit its proposal, or such greater period as the Successor Agency (or Oversight Board, as applicable) may determine in its reasonable discretion as may be appropriate for the gathering of necessary information. The failure to provide such additional information and resubmit the revised proposal in a timely manner shall automatically disqualify such proposal from any further consideration and shall be deemed a rejection by the Successor Agency of such proposal (or Oversight Board, as applicable). Notwithstanding the foregoing, initial proposal submissions that do not include or address all of the required items may, in the discretion of the Successor Agency staff (or Oversight Board, as applicable), be rejected without an opportunity for resubmission.

(203) Successor Agency Evaluation of Proposals

- A) The Successor Agency shall consider in good faith all proposals timely submitted by interested parties, and determined by Successor Agency staff to

be complete not later than sixty (30) days after the conclusion of the proposal submission period described in Section (202)(A) above. After consideration of the proposals, the Successor Agency may, in the exercise of its discretion pursuant to the Dissolution Act, accept, conditionally accept, or reject any or all proposals submitted, and/or may select, if at all, a proposal in accordance with this Section 203 and these Disposition Procedures; provided that actions concerning the disposition of any of the Reuse Properties shall be subject to the prior review and approval by the Oversight Board.

- B) In the exercise of its discretion, the Successor Agency acknowledges that its role in overseeing, subject to the Oversight Board, the wind down of all Former Redevelopment Agency activities and disposition of assets and properties.
- C) Proposals shall be evaluated by the Successor Agency with consideration of factors determined by the Successor Agency to maximize the value of the asset in question as well as further the objectives of the City General Plan, which may include, but are not limited to, some or all of the following factors (the following factors are not listed in any particular order of ranking):
 - i. Conformity of the proposal, including proposed uses, with the requirements, intent, goals, and objectives of the City General Plan, any specific plans, applicable redevelopment criteria specified by the Successor Agency in the RFP as provided in Section 201, zoning, other development standards, and other applicable federal, state and local laws, codes and regulations;
 - ii. Quality of design and project concept;
 - iii. The employment opportunities and economic benefits to the City that can be reasonably expected to result from the implementation of the proposal;
 - iv. The qualifications, experience and references of the applicant or its developer entity team proposed to develop the project described in the proposal, including financial capacity to undertake the project, specific prior experience with similar development, quality of prior development projects, degree of site control, ability to obtain financing both construction and permanent, ability to abide by City design and development standards and controls, and readiness to proceed;
 - v. The estimated cost, if any, of City financial involvement, including the provision of City public services, subsidies, or public improvements required if the proposal is accepted, and the availability of sufficient City funds to pay such costs;

- vi. The economic benefits to the City and the community, as determined by a cost/benefit analysis, if the proposal were to be approved and the proposed project is implemented;
- vii. The probability of successful implementation of the proposal;
- viii. The probability of realization of a substantial portion of the economic benefits attributable to a proposed project;
- ix. The time schedule for completion of the proposed project;
- x. The environmental benefits or impacts of the proposed development, and evaluation of the cost and method of mitigation of such impacts, if any;
- xi. Likelihood of closing the sale of the subject property(ies), including without limitation the scope of environmental review required, the cost to process such environmental review, the willingness (or not) of the proponent to pay for processing, and whether there are any further contingencies to closing contained in the proposal;
- xii. The impact of the proposal on existing buildings and improvements; and
- xiii. The merits of the proposal relative to the merits of other proposals for the same proposed development property(ies) or for other sites within the City.

- D)** The Successor Agency shall review proposals and its selected proposal, if any, with the Oversight Board prior to entering into any sales contract or negotiating agreement. The Oversight Board will act in good faith in connection with such task, as well as its other activities in connection with these Disposition Procedures.
- E)** In connection with a proposal in which certain benefits are associated with particular uses or achievement of employment thresholds, purchase and sale documentation will typically include covenants running with the land, enforceable by the City.
- F)** Nothing in the Disposition Procedures shall obligate the Successor Agency to select any proposal. All costs associated with submitting a proposal shall be borne solely by the applicant submitting such document(s).
- G)** The City shall have a right of first refusal in connection with the marketing of property. In the event a submittal is received, such right of first refusal may be exercised by means of the City: (i) notifying the Oversight Board and the party which made an offer (in either order) of the City's intention to acquire the property for monetary consideration in an amount equal to or greater than that offered by the offering party, and (ii) obtaining confirmation of such purchase by the Oversight Board.

(204) Negotiating Agreements

The Successor Agency shall use good faith efforts, subject to approval of the Oversight Board, to enter into an agreement to negotiate with a project proponent, which may at the reasonable discretion of Successor Agency be an agreement to negotiate exclusively with a particular proponent, or, if applicable, sales contract, with the selected applicant whose proposal has been selected or conditionally selected by the Successor Agency. The purpose of the Agreement is to establish a time period during which the chosen applicant shall have the right to negotiate with the Successor Agency the terms and conditions of a sales contract.

(205) Alternative Method for Disposition of Property

The City may, at its option, offer to purchase any property; such offer will be submitted to the Oversight Board for its approval. In the event the City submits an offer supported by an appraisal, which may be a letter of value, made by an independent, licensed appraiser retained by the City for such purpose (but not an employee of the City), the value as so determined shall be presumed to be reasonable and correct.

III. (300) SPECIAL CONSIDERATIONS CONCERNING EXCLUDED REUSE PROPERTIES

Excluded Reuse Properties are, pursuant to the Dissolution Act and due to matters of contract, governed by the corresponding contracts and are not subject to these Disposition Procedures. However, in the event an agreement that provides for the disposition of property(ies) that consist of Excluded Reuse Property (or Properties) is terminated, as of such termination, the corresponding property(ies) will become subject to these Dissolution Procedures and the corresponding property(ies) will thereupon be treated as Reuse Property.

IV. (400) DISPOSITION PROCEDURES FOR GOVERNMENTAL USE PROPERTIES

The Oversight Board is of the view that Governmental Use Properties are fundamentally different from Reuse Properties by virtue of their use in the ongoing provision of governmental services by the City or another governmental entity. A different process is appropriate to deal with the Disposition of the Governmental Use Properties, which recognizes such factors as: (i) the importance of the ongoing, uninterrupted provision of governmental services; (ii) the high cost of acquiring, constructing or replacing governmental facilities; (iii) the circumstance that Governmental Use Properties may be subject to encumbrances, including without limitation covenants in connection with public financings, which would significantly reduce the value of the Governmental Use Properties for other uses; and (iv) the circumstance that many facilities devoted to public use are special purpose facilities that would not, if remarketed to private investors, generate proceeds commensurate with the cost of such facilities. Accordingly, the disposition of Governmental Use Properties will be determined by vote, property by property, by the Oversight Board. The Successor Agency is expected to bring before the Oversight Board a reasonable number of Governmental Use Properties for consideration as to disposition without presenting an excessive number of such properties at any one time to assist the Oversight Board in having a reasonable time to review specific Governmental Use Properties, their use, the encumbrances upon such Governmental Use Properties, and whether the most appropriate manner and terms with which to deal with each of the Governmental Use Properties. The Oversight Board will

consider whether the Governmental Use Properties in question have ceased be used for governmental purposes (and not for the private reuse of land).

V. (500) VOTES TO OVERRIDE THE DISPOSITION PROCEDURES

Provisions of these Disposition Procedures may be overridden by a 2/3 vote of each of the seven (7) members of the Oversight Board.

VI. (600) PROCEDURE FOR AMENDING DISPOSITION PROCEDURES

The Oversight Board may amend these Disposition Procedures at a regular or special meeting upon the giving of at least thirty (30) days prior notice to all of the members of the Oversight Board.