

RESOLUTION NO. 54

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF
THE FORMER MILPITAS REDEVELOPMENT AGENCY APPROVING AN
AMENDED LONG RANGE PROPERTY MANAGEMENT PLAN**

WHEREAS, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

WHEREAS, the Dissolution Law requires the Successor Agency to submit a long-range property management plan ("LRPMP") to the Department of Finance for approval no later than six months following the issuance of a finding of completion; and

WHEREAS, the Milpitas Successor Agency received its finding of completion from the Department of Finance on June 27, 2014; and

WHEREAS, the settlement agreement resulting from the litigation between the County of Santa Clara, the County Office of Education, the State of California, the Milpitas Successor Agency, the City of Milpitas, and the Milpitas Economic Development Corporation ("Settlement Agreement") provides that a jointly prepared LRPMP shall be submitted to the Oversight Board no later than ninety (90) business days following the satisfaction of certain requirements in the Settlement Agreement; and

WHEREAS, pursuant to section 34191.5(b) of the Dissolution Law, and the Settlement Agreement, the Successor Agency has prepared a LRPMP to address the disposition and use of the real properties of the Successor Agency, and has submitted it to the Oversight Board; and

WHEREAS, on December 2, 2014, the Oversight Board approved Resolution No. 49 approving the LRPMP; and

WHEREAS, the Department of Finance has requested that the LRPMP be amended to add information regarding Estimated Current Value and Estimated Current Parcel Value for Items Nos. 1 through 5 as well as the annual estimated income/revenue and if income/revenues are restricted by a contract.

NOW, THEREFORE, the Oversight Board of the former Milpitas Redevelopment Agency resolves as follows:

Section 1. The recitals set forth above are true and correct and are incorporated herein by reference.

Section 2. The Oversight Board approves the Amended Long Range Property Management Plan which includes the amendments required by DOF and which is attached hereto and incorporated herein by this reference.

Section 3. The Oversight Board directs its staff to submit this resolution and the Amended LRPMP to DOF and to take such other administrative actions as may be needed to comply with applicable laws.

Section 4. The Oversight Board authorizes and directs Successor Agency staff to dispose of the real properties and related proceeds only as described in the Amended LRPMP, provided that the following actions shall require Successor Agency, Oversight Board, and DOF consideration and approval:

- a. Requests for Proposals for the disposition of real property to be disposed of by the Successor Agency; and
- b. Actions by the Successor Agency to dispose of real property; and
- c. Compensation Agreements pursuant to section 34180(f)(1) of the Dissolution Act.

PASSED AND ADOPTED this 10th day of February 2015, by the following vote:

AYES: Medina, McInerney, Mendizabal, Murdter, Williams

NOES: Karlen, Polanski

ABSENT:

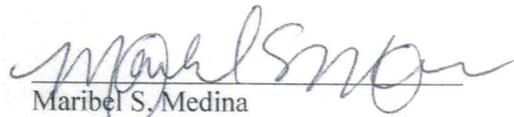
ABSTAIN:

ATTEST:

APPROVED:



Barbara Crump
Oversight Board Secretary



Maribel S. Medina
Oversight Board Chair

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF MILPITAS**

LONG RANGE PROPERTY MANAGEMENT PLAN

Health and Safety Code §34191.5

**Property #1
86 N. Main Street
(Vacant Land)**

1. **Date of acquisition, its value at that time and estimated current value.**
Date of acquisition: 12/20/2004
Value at that time: \$401,689.68
Estimated current value: \$401,689.68 – book value; appraisal is underway.
2. **Purpose for which property was acquired.**
Property was purchased for adjacent library acquisition and construction lay down site.
3. **Parcel data, including address, lot size, and current zoning.**
Address: 86 N. Main Street, Milpitas CA 95035
APN: 028-24-025
Size: 60.44' x 104.98'
Zoning: Mixed Use
4. **Estimate of current value of the parcel including any appraisal information.**
The book value of the Property is \$401,689.68. Appraisal of the Property is underway by the Oversight Board Task Force and will be used as a basis for the sales price
5. **Estimate of any lease, rental, or any other revenues generated by the property, and description of the contractual requirements for the disposition of those funds.**
Property is non-revenue generating, bare land with no current use.
6. **History of environmental contamination and any related studies or remediation efforts.**
Successor Agency (SA) is not aware of any environmental contamination of this site.
7. **Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.**
SA sees little potential for transit-oriented development of this site or how it might be utilized to advance the planning objectives of the SA because of its small size unless assembled with adjacent properties.
8. **A brief history of previous development proposals and activity, including the rental or lease of property.**

No known prior development proposals. Prior use as a lay-down site for Milpitas Library construction.

9. **Identify the use or disposition of the property.**
 - a. Retained for governmental use
 - b. Retained for future development
 - c. Retained to fulfill enforceable obligation
 - e. Sell the property

The property will be sold through the Oversight Board-approved Request for Proposals (RFP) process. The RFP shall be issued not later than ninety (90) days following approval of the Long Range Property Management Plan by the Department of Finance (DOF), with responses required not later than sixty (60) days following issuance of the RFP. Closing shall be on an all-cash basis, not later than ninety (90) days following approval of the Buyer's offer by the Oversight Board.

Each of the properties designated for sale in the Long Range Property management Plan shall be sold through a Request for Proposal (RFP) process that maximizes the financial returns to the affected taxing entities in accord with section 3e of the Settlement Agreement. An RFP specific to each property designated for sale shall be prepared by Successor Agency staff as directed by the Oversight Board (OB) for the OB's subsequent approval prior to release of the RFP. All responses to each RFP that are received by the Successor Agency shall be forwarded to the Oversight Board for its review and determination and subsequent approval of the offer which best maximizes the financial returns to the affected taxing entities. All sales shall be approved by the Oversight Board and all proceeds distributed to the taxing entities pursuant to Health and Safety Code Section 34191.5(c)(2)(B).

Property #2
Alder Drive and Barber Lane
(Vacant Land)

1. **Date of acquisition, its value at that time and estimated current value.**

Date of acquisition: 8/2000
Value at that time: \$6,988,800.00
Estimated current value: \$6,988,800.00 – book value; appraisal is underway.
2. **Purpose for which property was acquired.**

General economic development.
3. **Parcel data, including address, lot size, and current zoning.**

Address: Alder Drive and Barber Lane, Milpitas, CA 95035
APN: 086-02-086
Size: 3.34 Acres
Zoning: Industrial Park
4. **Estimate of current value of the parcel including any appraisal information.**

The book value of the Property is \$6,988,800.00. Appraisal of the Property is underway by the Oversight Board Task Force and will be used as a basis for the sales price.

5. **Estimate of any lease, rental, or any other revenues generated by the property, and description of the contractual requirements for the disposition of those funds.**
There is no lease or rental agreement encumbering this property which is non-revenue generating, bare land.

6. **History of environmental contamination and any remediation efforts.**
SA is not aware of any environmental contamination associated with this site.

7. **Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.**
The SA would like to develop the site into a hotel because of the very high demand for hotel occupancy at this time in the region. SA would like to enter into a Development Agreement with a specific hotel developer to build a high end hotel facility (A-Loft Hotel) including restaurant and banquet facility. It is anticipated that the property would be conveyed to the developer at fair market value under a development agreement. Fair market value will be determined by an appraisal commissioned by the Oversight Board. Proceeds of the sale will be distributed to the affected taxing entities. Increased assessed valuation from bare land to high end hotel could create future long term benefit to the affected taxing entities.

Valley Transportation Agency (VTA) has expressed interest in co-operating with the Successor Agency to make available the adjoining 3.4 acre parcel for a combined mixed use transit-oriented development (TOD). Since the two abutting properties are adjacent to a VTA light rail station, this would be a prime TOD location for a medium to high density mix of commercial/residential development.

The State of California's General Services Administration has also expressed interest in the site as the location of a new Highway Patrol facility, to be purchased at fair market value.

8. **A brief history of previous development proposals and activity, including the rental or lease of property.**
The property was originally purchased as a potential hotel site. At one point in 2008 there was a proposal to build a hospital on this site. It did not make it to the formal application stage. No prior knowledge of any use for this bare land site.

9. **Identify the use or disposition of the property.**

- a. Retained for governmental use
- b. Retained for future development
- c. Retained to fulfill enforceable obligation
- e. Sell the property

The property will be sold through the Oversight Board-approved Request for Proposals (RFP) process. The RFP shall be issued not later than 120 days following approval of the Long Range Property Management Plan by the Department of Finance (DOF), with responses required not later than ninety (90) days following issuance of the RFP. Closing

shall be on an all-cash basis, not later than one hundred eighty (180) days following approval of the Buyer's offer by the Oversight Board.

Each of the properties designated for sale in the Long Range Property management Plan shall be sold through a Request for Proposal (RFP) process that maximizes the financial returns to the affected taxing entities in accord with section 3e of the Settlement Agreement. An RFP specific to each property designated for sale shall be prepared by Successor Agency staff as directed by the Oversight Board (OB) for the OB's subsequent approval prior to release of the RFP. All responses to each RFP that are received by the Successor Agency shall be forwarded to the Oversight Board for its review and determination and subsequent approval of the offer which best maximizes the financial returns to the affected taxing entities. All sales shall be approved by the Oversight Board and all proceeds distributed to the taxing entities pursuant to Health and Safety Code Section 34191.5(c)(2)(B).

Property #3
230 N. Main Street
(Vacant Land)

1. **Date of acquisition, its value at that time and estimated current value.**
Date of acquisition: 8/20/2010
Value at that time: \$6,800,000.00
Estimated current value: \$6,800,000.00 – book value; appraisal is underway.
2. **Purpose for which property was acquired.**
Property was purchased for development into a public park and historical museum site.
3. **Parcel data, including address, lot size, and current zoning.**
Address: 230 North Main Street, Milpitas, CA 95035
APN: 028-34-001 through 028-34-094
Size: Collective size: 1.609 Acres
Zoning: Park and Open Space
4. **Estimate of current value of the parcel including any appraisal information.**
The book value of the Property is \$6,800,000.00. Appraisal of the Property is underway by the Oversight Board Task Force and will be used as a basis for the sale price.
5. **Estimate of any lease, rental, or any other revenues generated by the property, and description of the contractual requirements for the disposition of those funds.**
No current lease, rental or other revenue generated by this bare land site.
6. **History of environmental contamination and any remediation efforts.**
Historically the property was owned and operated by Standard Oil/Chevron as a bulk oil facility and fuel service station from at least 1920 to the mid 1970s, which had utilized underground and above ground storage tanks. A Soil Investigation Report dated 8/13/02 reported the Santa Clara Valley Water District had “closed” a former case of leaking underground storage tanks on 12/28/98 after remediation. A Phase I Environmental Assessment report dated 9/12/02 indicated prior remedial action had been taken and no

further remedial action was recommended. A further Phase I Environmental Assessment report dated 8/18/04 also did not recommend any remedial action. A Soil Quality Evaluation and Geophysical Survey Report dated 8/27/04 recommended remediation of arsenic impacted soil prior to site development.

7. **Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.**

There is the potential for transit oriented development at this site since it is adjacent to several bus lines, both on Main Street as well as Calaveras Blvd., which is nearby. The site is adjacent to the proposed BART line, although not near any proposed station. A public park or mixed use development of the site would be consistent with the planning objectives of the SA.

8. **A brief history of previous development proposals and activity, including the rental or lease of property.**

A private sector proposal to develop the property for Mixed use residential and neighborhood commercial was approved and map for Apton Plaza approved but project was never built as a result of financing difficulties incurred in the recession circa 2009. Thereafter, SA purchased the site for potential development of a Park and Historical Museum and incorporated such a proposal into its Park Master Plan and General Plan.

9. **Identify the use or disposition of the property.**

- a. Retained for governmental use
- b. Retained for future development
- c. Retained to fulfill enforceable obligation
- e. Sell the property

The property will be sold through the Oversight Board-approved Request for Proposals (RFP) process. The RFP shall be issued not later than 180 days following approval of the Long Range Property Management Plan by the Department of Finance (DOF), with responses required not later than ninety (90) days following issuance of the RFP. Closing shall be on an all-cash basis, not later than one hundred eighty (180) days following approval of the Buyer's offer by the Oversight Board.

Each of the properties designated for sale in the Long Range Property management Plan shall be sold through a Request for Proposal (RFP) process that maximizes the financial returns to the affected taxing entities in accord with section 3e of the Settlement Agreement. An RFP specific to each property designated for sale shall be prepared by Successor Agency staff as directed by the Oversight Board (OB) for the OB's subsequent approval prior to release of the RFP. All responses to each RFP that are received by the Successor Agency shall be forwarded to the Oversight Board for its review and determination and subsequent approval of the offer which best maximizes the financial returns to the affected taxing entities. All sales shall be approved by the Oversight Board and all proceeds distributed to the taxing entities pursuant to Health and Safety Code Section 34191.5(c)(2)(B).

Property #4
93 North Main Street
(County Health Center Parking Garage)

1. **Date of acquisition and its value at that time and estimated current value.**
Date of acquisition: 3/15/2005
Value at that time: \$3,798,883.75
Estimated current value: N/A - there is no current estimate of value.
2. **Purpose for which property was acquired.**
Acquired for economic development purposes and eventually to provide for general public parking and parking serving adjacent County Health Building.
3. **Parcel data, including address, lot size, and current zoning.**
Address: 93 North Main Street, Milpitas, CA 95035
APN: 022-08-003
Size: 1.005 Acres
Zoning: Institutional
4. **Estimate of current value of the parcel including any appraisal information.**
N/A – Property is retained for governmental use; there is no current estimate of value.
5. **Estimate of any lease, rental, or any other revenues generated by the property, and description of the contractual requirements for the disposition of those funds.**
See the attached Ground Lease agreement with the County of Santa Clara.
6. **History of environmental contamination and any remediation efforts.**
The property is part of the Santa Clara County Health Center project and subject to a Development and Disposition Agreement (DDA) dated 8/29/06 with the County. The DDA provides the parcel be leased to the County, which would construct the Health Center garage pursuant to the conditions set forth in that certain Ground Lease entered into between the parties. An Environmental Impact Report (EIR #2004082131) for the North Main Street Development project which includes this parcel was certified by the City Council on 1/4/05, and contains a Mitigation Monitoring and Reporting Program (MMRP). The Ground Lease provides that the County shall comply with all environmental mitigation, monitoring, and reporting requirements applicable to the Health Center Garage pursuant to the MMRP. Environmental contamination reporting and/or remediation efforts therefore have been the responsibility of the County of Santa Clara. The DDA, Ground Lease, EIR, and MMRP are voluminous and available for review upon request.
7. **Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.**
The property is currently contractually committed to a long-term use as a parking facility for the County's health clinic and other public use.

8. **A brief history of previous development proposals and activity, including the rental or lease of property.**

Property purchased for economic development purposes and ultimately utilized for the County Health Clinic and other public parking.

9. **Identify the use or disposition of the property.**

- a. Retained for governmental use
- b. Retained for future development
- c. Retained to fulfill enforceable obligation
- e. Sell the property

The property will be retained for governmental use and transferred to the County of Santa Clara not later than 60 days following approval of the Long Range Property Management Plan by the Department of Finance (DOF). The County is already the long-term master lessee of the property and is responsible for its operations and maintenance. Transfer shall take place subject to all the same conditions and covenants currently in the lease regarding public parking and environmental monitoring.

Property #5
540 South Abel Street
(Cracolice Building)

1. **Date of acquisition and its value at that time and estimated current value.**

Date of acquisition: 4/7/05

Value at that time: \$39,441.00

Estimated current value: \$39,441.00 – book value; appraisal is underway.

2. **Purpose for which property was acquired.**

Recreational purposes.

3. **Parcel data, including address, lot size, and current zoning.**

Address: 540 South Abel Street, Milpitas, CA 95035

APN: 086-10-025

Size: .71 Acres

Zoning: Mixed Use

4. **Estimate of current value of the parcel including any appraisal information.**

The book value of the Property is \$39,441.00. Appraisal of the Property is underway by the Oversight Board Task Force and will be used as a basis for the sale price.

5. **Estimate of any lease, rental, or any other revenues generated by the property, and description of the contractual requirements for the disposition of those funds.**

Property is used for recreational programs and generates fees through those programs and is also rented for private events, which also creates revenue. There are no revenues tied to the property. No rent revenue is received by the SA or the former redevelopment agency. All fees received go directly to the Milpitas Recreation Department for costs of the class, not for use of the property.

6. **History of environmental contamination and any remediation efforts.**
Unknown.

7. **Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.**

Located along Abel Street with bus lines operating regularly. This property could be utilized for transit-oriented development under the current mixed use zoning and is within the Midtown Specific Plan Area. However, the current use is as a community recreation facility. SA plans to continue this use but acknowledges that taxing entities may claim any “profit” from revenue sources should be distributed to the taxing entities. Revenues from the property do not exceed the cost of maintenance and utilities and SA will provide verification of this fact.

8. **A brief history of previous development proposals and activity, including the rental or lease of property.**

Property was used as a Senior Center and has been used for recreational purposes both through private provider (YMCA) and through current user and occupant, the City of Milpitas Recreation Department.

9. **Identify the use or disposition of the property.**

- a. Retained for governmental use
- b. Retained for future development
- c. Retained to fulfill enforceable obligation
- e. Sell the property

The property will be sold through the Oversight Board-approved Request for Proposals (RFP) process. The RFP shall be issued not later than 150 days following approval of the Long Range Property Management Plan by the Department of Finance (DOF), with responses required not later than ninety (90) days following issuance of the RFP. Closing shall be on an all-cash basis, not later than one hundred eighty (180) days following approval of the Buyer’s offer by the Oversight Board.

Each of the properties designated for sale in the Long Range Property management Plan shall be sold through a Request for Proposal (RFP) process that maximizes the financial returns to the affected taxing entities in accord with section 3e of the Settlement Agreement. An RFP specific to each property designated for sale shall be prepared by Successor Agency staff as directed by the Oversight Board (OB) for the OB’s subsequent approval prior to release of the RFP. All responses to each RFP that are received by the Successor Agency shall be forwarded to the Oversight Board for its review and determination and subsequent approval of the offer which best maximizes the financial returns to the affected taxing entities. All sales shall be approved by the Oversight Board and all proceeds distributed to the taxing entities pursuant to Health and Safety Code Section 34191.5(c)(2)(B).