

RESOLUTION NO. 15-05

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED BUELLTON REDEVELOPMENT AGENCY ADOPTING AND APPROVING THE SUCCESSOR AGENCY'S LONG-RANGE PROPERTY MANAGEMENT PLAN

WHEREAS, Health and Safety Code section 34191.5 (c) (1) requires each Successor Agency to prepare a Long-Range Property Management Plan that details each property that was owned by the former Redevelopment Agency when it was eliminated; and

WHEREAS, the Long-Range Property Management Plan must be reviewed and approved by the State Department of Finance before any potential real estate transaction can occur; and

WHEREAS, the Buellton Redevelopment Agency owned one property when redevelopment was eliminated, and said property is in the control of the Successor Agency, which has prepared the Long-Range Property Management Plan; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City; and

WHEREAS, pursuant to Health and Safety Code Section 34179.7, the Department of Finance issued a finding of completion to the Successor Agency on November 23, 2015; and

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the dissolved Buellton Redevelopment Agency does hereby resolve as follows:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.

SECTION 2. The approval of the Long-Range Property Management Plan through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirement of the California Environmental Quality Act.

SECTION 3. The Oversight Board hereby approves and adopts the Long-Range Property Management Plan, in substantially the form attached to this Resolution as Attachment 1, pursuant to Health and Safety Code section 34191.5 (c) (1).

SECTION 4. The Oversight Board hereby directs staff to submit a copy of the Long-Range Property Management Plan to the Department of Finance for approval.

SECTION 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or application of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board hereby directs staff to submit a copy of the Long-Range Property Management Plan to the State of California Department of Finance after the effective date of this Resolution.

SECTION 6. Pursuant to Health and Safety code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California State Department of Finance and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 9th day of December 2015.


Richard Carmody
Chair

ATTEST:


Linda Reid
Oversight Board Secretary



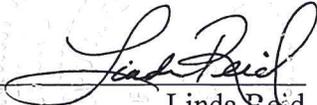
I, Linda Reid, Oversight Board Secretary for the Buellton Successor Agency, do hereby certify that the foregoing Oversight Board Resolution No. 15-05 was duly adopted by the Oversight Board for the City of Buellton at the regular meeting held on the 9th day of December 2015 by the following vote:

AYES: 7 Board Members Kyle Abello, Tom Alvarez, Marc Bierdzinski, Carolyn Galloway-Cooper, Mark Paul, Vice Chair Dan Secord, and Chair Richard Carmody

NOES: 0

ABSENT: 0

ABSTAIN: 0



Linda Reid
Oversight Board Secretary





**LONG-RANGE PROPERTY
MANAGEMENT PLAN**

Prepared By
City of Buellton Successor Agency

November 2015

City of Buellton Successor Agency
Long Range Property Management Plan

Background and Purpose

Health and Safety code Section 34191.5, added by AB 1484 (signed into law on June 27, 2012), requires each Successor Agency to prepare and approve a Long-Range Property Management Plan (LRPMP) that addresses the disposition and use of the properties of the former Redevelopment Agency of the City of Buellton. Properties held by a Successor Agency cannot be disposed of until the State Department of Finance (DOF) has approved the LRPMP. The LRPMP must be submitted to the Oversight Board and DOF for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion (FOC). Health and Safety Code Section 34191.3 (a) requires the DOF to approve the LRPMP by January 1, 2016. This document is the LRPMP for the Successor Agency to the former City of Buellton Redevelopment Agency. The Successor Agency FOC was issued by DOF on November 23, 2015.

The LRPMP addresses the disposition and use of the real properties of the former Agency and must include an inventory of all properties. The inventory shall consist of:

- The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.
- The purpose for which the property was acquired.
- Parcel data, including address, lot size and current zoning in the former agency redevelopment plan or specific community or general plan.
- An estimate of the current value of the parcel including any appraisal information if available.
- An estimate of any lease, rental or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.
- The history of environmental contamination, any related environmental studies, and history of any remediation efforts.
- The property's potential for transit-oriented development and the advancement of planning objectives of the Successor Agency.
- A brief history of previous development proposals and activity, including the rental or lease of property.
- Address the use or disposition of all the properties, such as the retention of property for governmental use, or the use of property to fulfill an enforceable obligation. If the plan directs the use or disposition of the property for a project identified in an approved redevelopment plan, the property shall transfer to the City.

There is one (1) property owned and controlled by the Successor Agency. It is listed as follows:

Site 1: 597 Avenue of Flags, Buellton, CA - Unit 101; APN 099-840-007

This commercial condominium unit is located along Avenue of the Flags within the City of Buellton. The unit is part of a mixed use private development known as Vintage Walk. The development consists of 9 commercial condominiums, 11 residential condominiums and 6 affordable apartments. Commercial unit 101 contains approximately 956 square feet.

Acquisition Date/Acquisition Property Value/Current Value Estimate/Acquisition Purpose/Parcel Data:

- Acquisition Date: July 2, 2009
- Purchase Price: \$345,683 (Paid in full at acquisition – Cash Sale)
- Current Value Estimate: \$172,000 (Per appraisal 1/3/2013 – See Attached)
- Purpose Acquired: Economic Development
- Parcel Data: Lot 2, Unit C7, Vintage Walk
Assessor Parcel Number: 099-840-007
29,083 square feet (unit size: 956 square feet)
- Zoning: General Commercial (CR)

History of Environmental Contamination/Remediation Efforts:

- There is no history of environmental contamination on this site.

Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency:

- The use of this property for transit oriented development does not fit the planning objectives of the Successor Agency. The commercial condominium is part of a mixed use development and is not zoned to allow high-density residential or other types of transit-oriented development. The zoning provides areas to serve community retail business and commercial needs including stores, shops and offices on individual lots and in shopping centers, supplying commodities or performing services for the residents of the entire community. The CR zoning district is consistent with the general commercial designation of the Buellton General Plan.

A brief history of the previous development proposals and activities, including the rental or lease of property:

- The property was acquired in an effort to redevelop and revitalize the Redevelopment Agency project area in the City of Buellton.
- A lease between the Buellton Visitors Bureau/Chamber of Commerce and the former Buellton Redevelopment Agency/Successor Agency has been in existence since the purchase of the property in July 2009. The property was purchased for this specific purpose. The current market value of the rent is listed in the lease document at \$1,350

per month; forgivable rent in exchange for economic development services. There have been no development proposals and/or activities presented.

- The Successor Agency pays utilities, insurance, repairs, maintenance and improvements related to the property.

USE OF DISPOSITION OF PROPERTIES:

Section 34191.5 (c) (2) of the Health and Safety Code requires that Successor Agencies address the use of disposition of all properties. The properties can be retained for governmental use, retained for future development, sold or used to fulfill an enforceable obligation. The legislation goes on to state the following:

- *The plan should separately identify and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.*
- *Property intended to be used for a project identified in an approved redevelopment plan will be transferred to the host city or county.*
- *If the successor agency plans to liquidate the property or use the revenues from the property for any purpose other than fulfilling an enforceable obligation or for a contemplated redevelopment project, the proceeds for the sale shall be distributed as property tax to the taxing entities.*

The Buellton Successor Agency wishes to utilize the parcel as follows:

Site 1: 597 Avenue of Flags, Buellton, CA - Unit 101; APN 099-840-007

The Buellton Successor Agency wishes to retain the property for purposes of economic development as outlined in the approved Buellton Redevelopment Plan. The Successor Agency desires to continue leasing the commercial unit for the original purpose intended.

Finding of Completion

Dated 11/23/2015



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

November 23, 2015

Ms. Carolyn Galloway-Cooper, Finance Director
City of Buellton
107 West Hwy 246
P.O. Box 1819
Buellton, CA 93427

Dear Ms. Galloway-Cooper:

Subject: Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Buellton Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

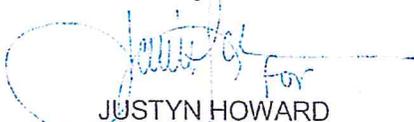
This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Derk Symons, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Program Budget Manager

cc: Mr. Marc P. Bierzinski, City Manager, City of Buellton
Mr. Ed Price, Division Chief Property Tax Division, Santa Barbara County

**Photographs and Map data for
Site 1 – 597 Avenue of Flags**

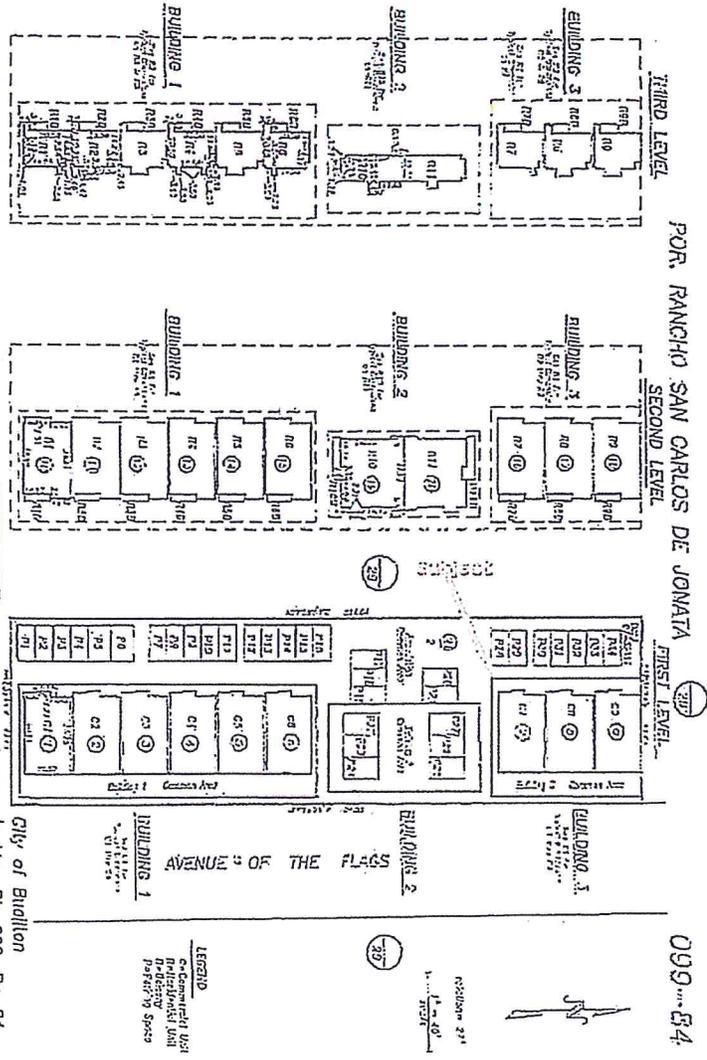
(Only property controlled by the Successor Agency)

09/02/07 Draft 2007-032854 Condominium Plan for Lot 2, Parcel Map No. 31,017, Vintage Walk

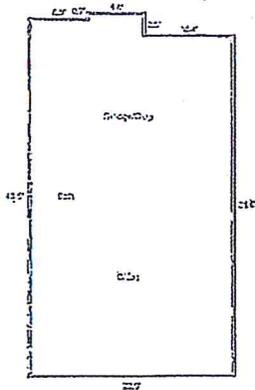
N O T I C E
 Assessor Parcel Map for the purposes of
 General Assessment and for the purposes of
 General Assessment only.

City of Bingham
 Assessor's Map No. 099-Pg. 84
 County of Santa Barbara, Calif.

07/09 2007-032854-11



Assessor Parcel Map



Comments

Scale: 1"=10'

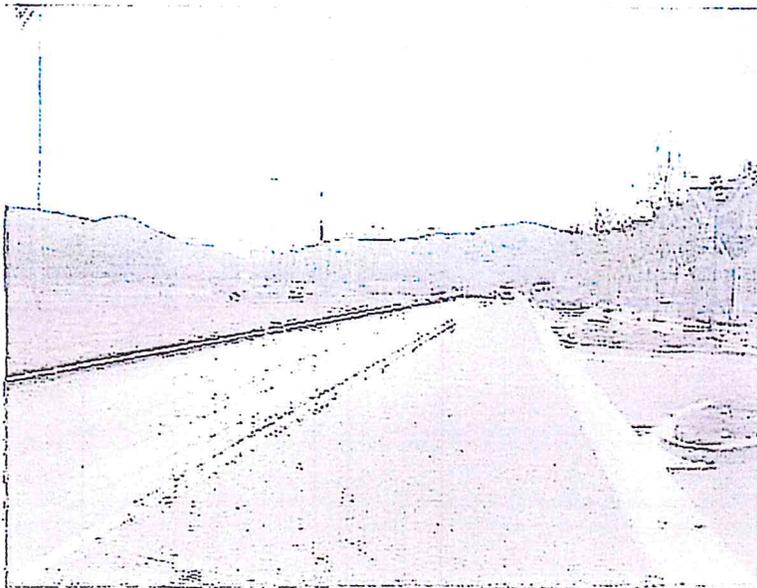
AREA CALCULATIONS SUMMARY			
Code	Description	Size	Total
		955.77	955.77
TOTAL LIVABLE (rounded)			955

LIVING AREA BREAKDOWN		
Area	Dimensions	Subtotal
	12.3 x 30.3	372.00
	1.4 x 13.3	18.62
	11.1 x 0.6	6.66
3 Areas Total (rounded)		397.28

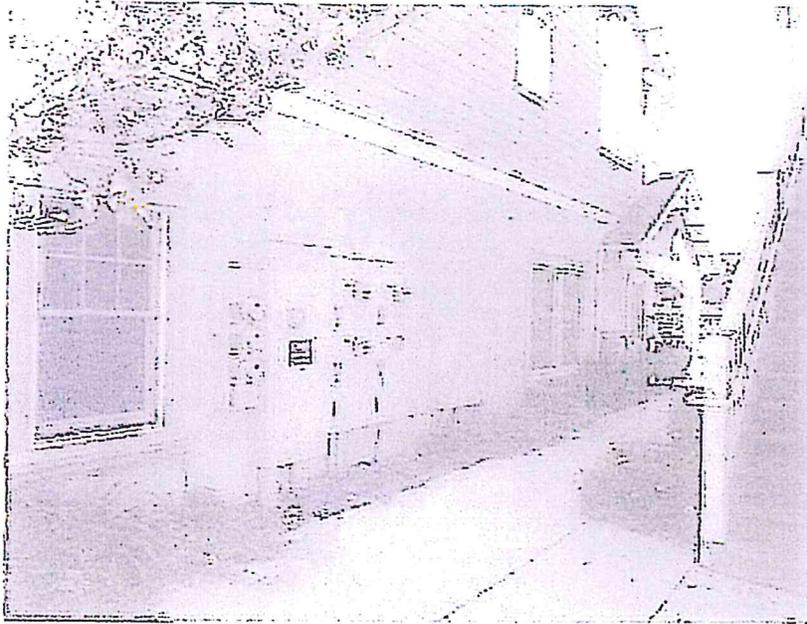
Building Sketch



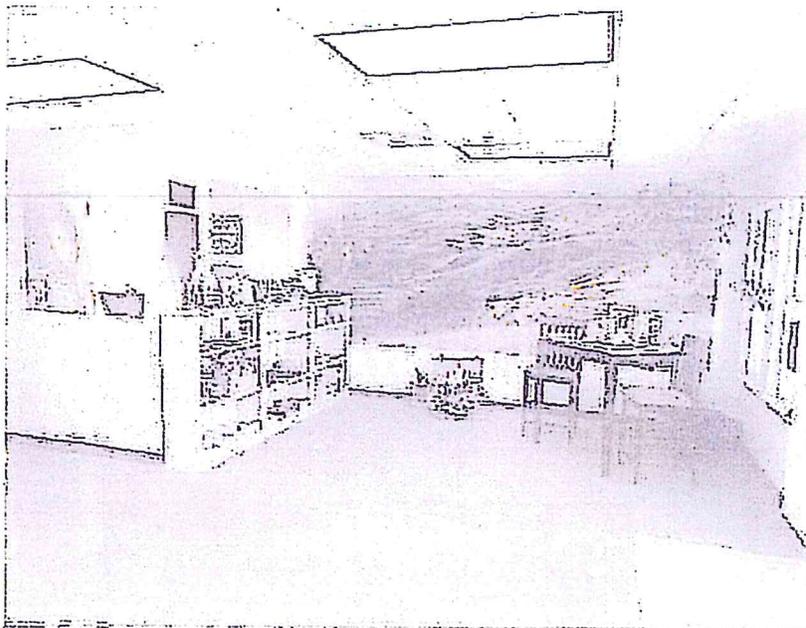
Front of property



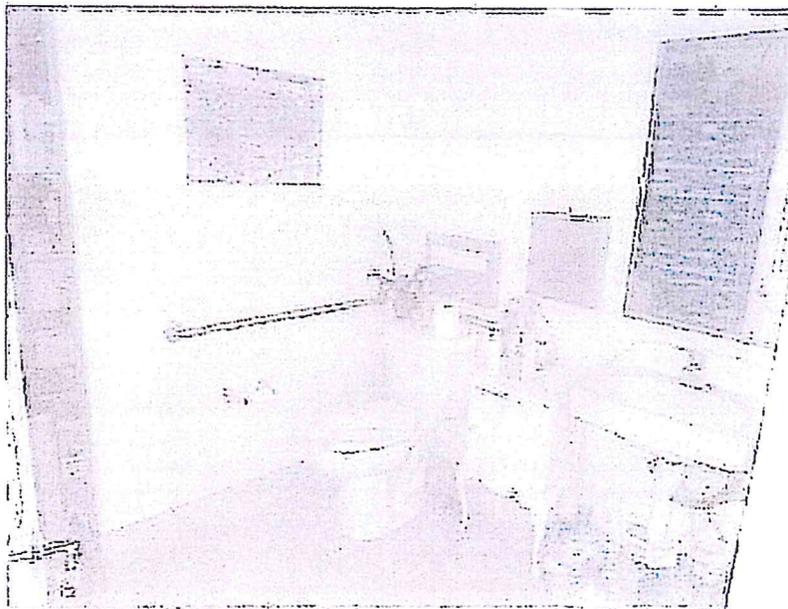
Avenue of the Flags



Side of building



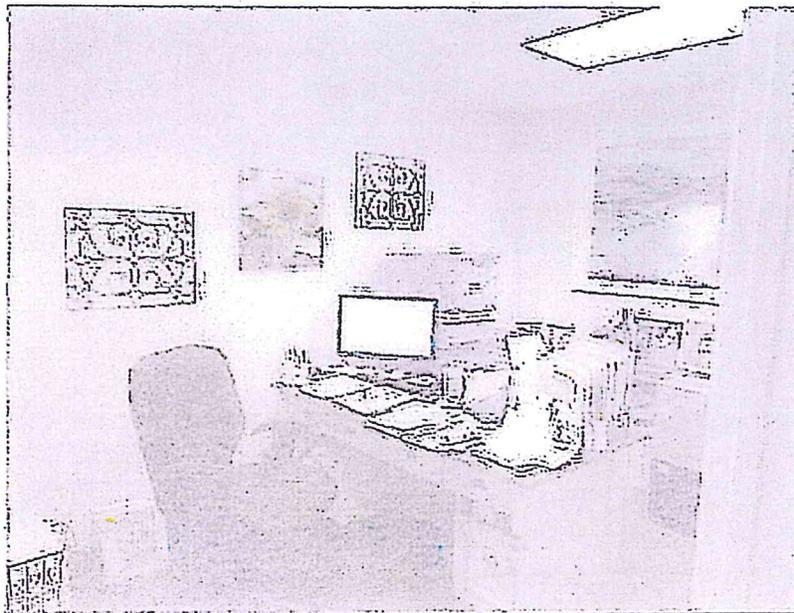
Reception area



Bathroom



Break room/conference



Office

APPRAISAL DOCUMENTATION

COMMENTS ON COMPARABLES

All sales with the exception of Sale 3 are finished units. Sale 3 is shell space.

Sale 1 is the only recent sale of a commercial condominium in the Santa Ynez Valley. Location in Solvang is superior due to higher overall property values. Unit is older, however interior is finished. Adjustments were necessary for location (-10%) and age (+10%). Indicated price per square foot for shell space would be \$183.63

Sale 2 is a larger unit in San Luis Obispo. Interior is extensively finished as this is a medical condominium. Even though the subject unit is finished the finish items are very basic and inferior to this unit. A 20% finish adjustment was necessary. Indicated price would be \$216.32. No age adjustment necessary as effective age is similar.

Sale 3 is a small basic shell unit in San Luis Obispo. A 10% finish adjustment was made indicating as price per square foot of \$167.64.

Sale 4 is a larger unit with extensive interior finish in the City of Santa Maria. A 20% finish adjustment was necessary. Santa Maria is a slightly inferior location, hence a 10% location adjustment was necessary. Indicated price per square foot is \$219.70. No age adjustment was necessary as effective age is similar.

Sale 5 is a larger unit located in Arroyo Grande. Unit is slightly older, however effective age is similar. This is also a medical however interior finish is considered similar to the subject. Indicated price per square foot is \$180.61

Sale 6 is located in Templeton which is considered an inferior location and was adjusted 25%. This is a medical condominium, however interior finish is similar to the subject. Indicated price per square foot is \$156.15.

Sale 7 is located in the same development as Sale 6. Once again this is a medical condominium with basic interior finish. A 25% location adjustment was necessary indicating a price per square foot of \$143.71

Indicated adjusted value range for is approximately \$144 to \$220. At the lower end of the range are the units in Templeton which is an inferior location. At the upper end of the range are the highly improved medical units in San Luis Obispo and Santa Maria. The indicated range is fairly large. Sales 1, 3, 6 and 7 are felt to be the best indicators as these units are most similar in terms of size. These 4 sales indicate a range of \$144 to \$184 (rounded) Given the size, age, finish, location and condition of the subject unit I believe a price per square foot of \$180 to be reasonable.

VALUE INDICATED BY THE SALES COMPARISON APPROACH

956 square feet x \$180 = \$172,080

Say \$172,000

SALES COMPARISON APPROACH

The market approach involves locating sales of properties considered similar to the subject in terms of location and size, condition, number of units, quality etc. It is based on the principle of substitution which states that an informed purchaser will not pay more for a property than he would pay for another property offering equivalent utility. The success of this approach depends on the availability of sufficient market information which can be adjusted for such variables as conditions of sale, financing terms, marketing conditions, location and other physical conditions.

The most typical units of comparison in this approach is the price square foot. A search was made for sales of commercial condominiums in the Santa Ynez Valley. Only 1 commercial condominium sale could be found, hence it was necessary to expand my search to other areas. I also searched Santa Maria, San Luis Obispo, Paso Robles, Templeton, Atascadero and Arroyo Grande. 2 sales were found in San Luis Obispo, 1 in Santa Maria, 1 in Arroyo Grande and 2 in Templeton. These areas have similar property values and are considered a good alternative for the Santa Ynez Valley. Following is a summary of the sales found.

Sale	Address	Date	Size	Price	\$/SF
1	680 Alamo Pintado Solvang 93463	04/11	1307 sf	\$240,000	\$183.63
2	1551 Bishop #310 San Luis Obispo 93401	10/12	2145 sf	\$580,000	\$270.40
3	3591 Sacramento #100 San Luis Obispo 93401	05/12	689 sf	\$105,000	\$152.40
4	2151 S College #203 Santa Maria 93455	10/12	1741 sf	\$425,000	\$244.11
5	310 S Halcyon #102-3 Arroyo Grande 93420	11/12	3322 sf	\$600,000	\$180.61
6	1050 Las Tablas #4 Templeton 93465	Escrow	1200 sf	\$149,900	\$124.92
7	1050 Las Tablas #1 Templeton 93465	08/12	1196 sf	\$137,500	\$114.97

RECONCILIATION AND FINAL VALUE ESTIMATE

Reconciliation is the process by which the values indicated by the three approaches to value are reconciled into a final value estimate. As discussed earlier the Cost Approach was not considered due to the difficulty in allocating common area costs and the fact buyers and sellers do not consider this approach for condominium units. The Income Approach would normally be considered for a commercial property, however these small condominium units are typically bought and sold by owner/users and not by investors. This is supported by the fact that 5 of the 7 comparable in the Sales Comparison Approach were purchased by owner/users. Additional support is provided by the fact that of the units sold in the subject development all are owner occupied. The 2 leased units are still owned by the developer. For this reason the Income Approach was not used. Only the Sales Comparison Approach was used in this report. 7 sales were found of both shell units and finished units. The sales found produced a fairly narrow value range and the appraised value of the units is well supported.

Value Indicated:

It is my opinion that the market value of the fee simple interest in the subject property, as January 3, 2013 was: \$172,000.