

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**To:** Honorable City Council

**From:** Jessica Sandifer, Program Manager 

**Date:** August 29, 2016 (City Council Meeting of 09/07/16)

**Subject:** Consider Resolution Authorizing the Acceptance of Properties from the Successor Agency; and Resolution Amending Fiscal Year 2016/17 Budget to Fund the Purchase of the Properties

**BACKGROUND & DISCUSSION**

On July 6, 2011, the Redevelopment Agency of the City of Moorpark ("Redevelopment Agency") transferred certain parcels of real property (collectively, "Properties") to the City of the Moorpark ("City") in an effort to preserve the assets of the Redevelopment Agency.

AB X1 26 (the "Dissolution Act"), as upheld and modified by the Supreme Court in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), thereby, dissolving the Redevelopment Agency as of February 1, 2012 and creating the Successor Agency to the Redevelopment Agency of the City of Moorpark ("Successor Agency"). All properties transferred to the City of Moorpark after January 1, 2011, were considered illegal property transfers. These transfers create clouds on the titles to the various properties. In order to clean up the title to the properties, it was necessary to transfer the properties back to the Successor Agency. On June 15, 2016 the City transferred the properties back to the Successor Agency, as required under the Dissolution Act, and the Successor Agency accepted the transfer of the properties.

**DISCUSSION**

The Long Range Property Management Plan (LRPMP) provides that the properties identified in the LRPMP as Property No.1 -500 Los Angeles Avenue (APN 506-0-050-080), Property No. 2 – 347 Moorpark Avenue (APN 511-0-101-350) and Property No. 3 – 467 High Street (APN 512-0-081-110) (the "Properties") will be retained by the City of Moorpark (the "City"), provided that the City pays compensation (the "Compensation") to the taxing entities. While, the LRPMP contemplated that, in conjunction with the transfer of the Property to the City, the City would enter into compensation agreements with affected taxing entities, the State Department of Finance (DOF) has pronounced that no such compensation agreement is necessary if the City pays fair market value for the

Property and remits the Compensation to the Auditor-Controller of the County of Ventura (the "County Auditor-Controller") for distribution to the affected taxing entities.

At its next meeting, the Oversight Board will consider the adoption of a resolution approving the sale of the Properties by the Successor Agency to the City of Moorpark. Once the resolution is adopted by the Oversight Board, the resolution will be sent to the DOF for review. The DOF can choose to approve or review the action or can determine that no DOF review is needed. If DOF decides to review the action, they can take up to 40-days to do so. This means that the property transfer cannot occur until after a response is received from DOF on their review.

An appraisal was conducted by a California certified general real estate appraiser, indicating that the fair market value of the Properties as follows:

|   |             |
|---|-------------|
| Property No. 1 - 500 Los Angeles Avenue | \$1,810,000 |
| Property No. 2 - 347 Moorpark Avenue    | \$255,000   |
| Property No. 3 - 467 High Street        | \$305,000   |

It is important to note that Property No. 1 – 500 Los Angeles Avenue, was purchased with Redevelopment Agency Tax Allocation Bond funds. The bond covenants require that any proceeds of the sale of assets purchased with bond funds be returned to the bond fund to pay down the bonds or be used in accordance with the bond covenants. The Successor Agency will receive \$1,810,000 for Property No. 1, which will be deposited in the bond fund and will not be distributed to the taxing entities. A letter from the Successor Agency's Bond Counsel regarding the bond requirements is included as an attachment to this report.

The City of Moorpark wants to purchase these Properties to control the development of the land through a Disposition and Development Agreement (DDA) in order to discourage land speculation on the site. It is the City's intent to re-sell the Properties to interested developers for the same cost the City purchased the property.

### **FISCAL IMPACT**

There is not sufficient funding in the FY 2016/17 budget to purchase the Properties from the Successor Agency. Staff is requesting a budget amendment in the amount of \$2,370,000 from the Endowment Fund (Fund 2800) for the purchase of the properties. The current fund balance in the Endowment Fund is \$14,837,110.

Once the properties are re-sold through the DDA process, the Endowment Fund will be reimbursed with the proceeds of the property sales.

**STAFF RECOMMENDATION (ROLL CALL VOTE)**

1. Adopt Resolution No. 2016-\_\_\_\_\_ approving the purchase of and authorizing the acceptance of Property No.1 -500 Los Angeles Avenue (APN 506-0-050-080), Property No. 2 – 347 Moorpark Avenue (APN 511-0-101-350) and Property No. 3 – 467 High Street (APN 512-0-081-110) from the Successor Agency; and
2. Adopt Resolution No. 2016-\_\_\_\_\_ amending the FY 2016/17 budget to fund the purchase of the Properties.

Attachment:

1. Resolution No. 2016-\_\_\_\_\_
2. Resolution No. 2016-\_\_\_\_\_

# ATTACHMENT 1

## RESOLUTION NO. 2016-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION WITH THE TRANSFER OF PROPERTY NO.1 -500 LOS ANGELES AVENUE (APN 506-0-050-080), PROPERTY NO. 2 – 347 MOORPARK AVENUE (APN 511-0-101-350) AND PROPERTY NO. 3 – 467 HIGH STREET (APN 512-0-081-110) ON THE LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP) BY THE SUCCESSOR AGENCY TO THE CITY OF MOORPARK, APPROVING A PAYMENT THEREFORE AND TAKING OTHER RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Redevelopment Agency of the City of Moorpark (the "Former Agency") was dissolved as of February 1, 2012, and the Successor Agency was established, and the Oversight Board to the Successor Agency (the "Oversight Board") was constituted; and

WHEREAS, AB X1 26 added Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the Health and Safety Code ("HSC"); and such Parts 1.8 and 1.85, together with any amendments and supplements thereto enacted from time to time, are collectively referred to herein as the "Dissolution Act"; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency is tasked with winding down the affairs of the Former Agency;

WHEREAS, pursuant to HSC Section 34175(b), all real properties of the Former Agency transferred to the control of the Successor Agency by operation of law; and

WHEREAS, on July 15, 2014, the Oversight Board adopted Resolution No. OB-2014-64, approving a long-range property management plan (the "LRPMP") which addresses the disposition of the real properties owned by the Successor Agency; and

WHEREAS, the State Department of Finance (the "DOF") issued an approval letter on February 12, 2015, indicating the DOF's approval of the LRPMP; and

WHEREAS, pursuant to HSC Section 34191.3, the DOF-approved LRPMP shall govern, and supersede all other provisions of the Dissolution Act relating to, the disposition and use of the real property assets of the Former Agency; and

WHEREAS, the LRPMP provides that a properties identified in the LRPMP as Property No.1 -500 Los Angeles Avenue (APN 506-0-050-080), Property No. 2 – 347

Moorpark Avenue (APN 511-0-101-350) and Property No. 3 – 467 High Street (APN 512-0-081-110) (the “Properties”) – will be retained by the City of Moorpark (the “City”), provided that the City shall pay compensation (the “Compensation”) to the taxing entities; and

WHEREAS, while it was contemplated that, in conjunction with the transfer of the Property of the City, the City would enter into compensation agreements with affected taxing entities, the DOF has pronounced that no such compensation agreement is necessary if the City pays fair market value for the Property for the Compensation and remits the Compensation to the Auditor-Controller of the County of Ventura (the “County Auditor-Controller”) for distribution to the affected taxing entities; and

WHEREAS, the proceeds of the sales of Property No. 2 and Property No. 3 will be transmitted to the County Auditor-Controller with the exception of Property No. 1, which was purchased with Redevelopment Agency Tax Allocation Bonds and as such, the bond covenants require that any proceeds of the sale of assets purchased with bond funds be returned to the bond fund to pay down the bonds or be used in accordance with the bond covenants; and

WHEREAS, there has been presented to the City three appraisals conducted by a California certified general real estate appraiser, indicating that the fair market value of the Properties is: Property No.1 \$1,810,000, Property No. 2 \$255,000, and Property No. 3 \$305,000; and

WHEREAS, on this date, the Board of Directors of the Successor Agency will consider the adoption of two resolutions (the “Successor Agency Board Resolution”) approving the transfer of the Properties to the City and authorizing the execution and delivery of a grant deed (the “Deed”) for such transfer and an assignment agreement (the “Lease Assignment Agreement”) relating to the Lease;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The City’s payment of \$560,000 as Compensation for Property No. 2 and Property No.3 is hereby authorized. The City Manager and the City Finance Director/Treasurer are hereby authorized to take such actions as they deem necessary or appropriate to cause the remittance of the sale proceeds to the County Auditor-Controller and obtaining from the County Auditor-Controller a receipt, substantially in the form attached to the Successor Agency Board Resolution.

SECTION 3. The City’s payment of \$1,810,000 is hereby authorized as compensation for Property No. 1 and will be transmitted to the bond fund to be used in accordance with the bond covenants.

SECTION 4. The City shall accept the conveyance of the Property, upon the remittance of the Compensation to the County Auditor-Controller or Bond Fund, as appropriate, and the Successor Agency's execution and delivery of the Deed. The City Clerk is hereby authorized and directed to execute and deliver, for and in the name of the City, a certificate of acceptance with respect to the Deed and cause the Deed, and the accompanying certificate of acceptance, to be recorded in the Official Records of the Ventura County Recorder's Office.

SECTION 5. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act, set forth in Public Resources Code Section 21000 et seq. ("CEQA"). Pursuant to the State CEQA Guidelines set forth in 14 Cal Code Regs 15000 et seq. (the "Guidelines"), in light of the "as-is" nature of the transfer of the Property, the City Council has determined that the actions taken under this Resolution are not a project pursuant to CEQA and is exempt therefrom because it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment (Guidelines Section 15378(b)(5)). Members of the City's Staff is hereby directed to prepare and post a notice of exemption pursuant to Guidelines Section 15062.

SECTION 6. The officers and staff of the City are hereby authorized and directed, jointly and severally, to execute such documents and do any and all things, which they may deem necessary or advisable to complete the transfer of the Property to the City, and to effectuate the purposes of this Resolution, the Deed and the Lease Assignment Agreement and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

SECTION 7. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 7th day of September, 2016.

\_\_\_\_\_  
Janice S. Parvin, Mayor

ATTEST:

\_\_\_\_\_  
Maureen Benson, City Clerk

## ATTACHMENT 2

RESOLUTION NO. 2016-\_\_\_\_\_

A RESOLUTION OF CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, AMENDING THE FISCAL YEAR 2015/2016 BUDGET BY APPROPRIATING \$2,370,000.00 FROM THE ENDOWMENT FUND (2800) FOR THE PURCHASE OF PROPERTY NO. 1 - 500 LOS ANGELES AVENUE (APN 506-0-050-080), PROPERTY NO. 2 – 347 MOORPARK AVENUE (APN 511-0-101-350) AND PROPERTY NO. 3 – 467 HIGH STREET (APN 512-0-081-110) ON THE LONG RANGE PROPERTY MANAGEMENT PLAN

WHEREAS, on June 15, 2016, the City of Moorpark adopted the Operating and Capital Improvement Projects budget for Fiscal Year (FY) 2016/17; and

WHEREAS, a staff report and resolution have been presented to the City Council requesting authorization to accept the purchase and transfer of Property No. 1 – 500 Los Angeles Avenue (APN 506-0-050-080), Property No. 2– 347 Moorpark Avenue (APN 511-0-101-350) and Property No. 3 – 467 High Street (APN 512-0-081-110) (“the Properties”) for a total cost of \$2,370,000 from the Successor Agency to the Redevelopment Agency of the City of Moorpark; and

WHEREAS, a budget amendment of \$2,370,000 is requested from the Endowment Fund (2800) to fully fund the purchase of the Properties; and

WHEREAS, Exhibit “A”, attached hereto and made a part hereof, describes said budget amendment and the resultant impact to the budget line items.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The budget amendment of \$2,370,000 from the Endowment Fund, as more particularly described in Exhibit “A”, attached hereto, is hereby approved.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 7th day of September, 2016.

\_\_\_\_\_  
Janice S. Parvin, Mayor

ATTEST:

\_\_\_\_\_  
Maureen Benson, City Clerk

Exhibit A – Budget Amendment

**EXHIBIT A**

**BUDGET AMENDMENT FOR**

Endowment Fund (2800) for Purchase of 500 Los Angeles Avenue (APN 506-0-050-080), 347 Moorpark Avenue (APN 511-0-101-350) and 467 High Street (APN 512-0-081-110) from the Successor Agency to the Redevelopment Agency of the City of Moorpark per the LRPMP

**2016/17**

**FUND ALLOCATION FROM:**

| Fund           | Account Number | Amount                 |
|----------------|----------------|------------------------|
| Endowment Fund | 2800-5500      | \$ 2,370,000.00        |
|                |                | \$ -                   |
| <b>Total</b>   |                | <b>\$ 2,370,000.00</b> |

**DISTRIBUTION OF APPROPRIATION TO EXPENSE ACCOUNTS:**

| Account Number      | Current Budget | Revision               | Amended Budget         |
|---------------------|----------------|------------------------|------------------------|
| 2800.7625.5063.9610 | \$ 0.00        | \$ 1,810,000.00        | \$ 1,810,000.00        |
| 2800.7625.5064.9610 | \$ 0.00        | \$ 305,000.00          | \$ 305,000.00          |
| 2800.7625.5073.9610 | \$ 0.00        | \$ 255,000.00          | \$ 255,000.00          |
| <b>Total</b>        | <b>\$ 0.00</b> | <b>\$ 2,370,000.00</b> | <b>\$ 2,370,000.00</b> |

Finance Approval           *Dzf*