OVERSIGHT BOARD OF THE SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY
RESOLUTION NO. 2012-_7__

RESOLUTION OF THE OVERSIGHT BOARD OF THE SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY, ESTABLISHING POLICY AND PROCEDURES TO DISPOSE OF ASSETS IN ACCORDANCE WITH HEALTH & SAFETY CODE SECTION 34181

WHEREAS, ABX1 26 was adopted by the California Legislature on June 15, 2011 and signed by the Governor on June 28, 2011 which dissolved redevelopment agencies in California effective October 1, 2011; and

WHEREAS, the California Redevelopment Association and League of California Cities (among others) challenged the constitutionality of AB XI 26 and the California Supreme Court on December 29, 2011 upheld ABX1 26, and amended the legislation to dissolve all redevelopment agencies as of February 1, 2012; and

WHEREAS, ABX1 26 (Health & Safety Code section 34177(e)) requires Successor Agencies to dispose of assets and property of the former redevelopment agency as directed by the Oversight Board; provided, however, that the Oversight Board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Health & Safety Code section 34181; and

WHERAS, the disposal of assets is to be done expeditiously and in a manner aimed at maximizing value; and

WHEREAS, proceeds from assets sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the Oversight Board, shall be transferred to the County Auditor-Controller for distribution as property tax proceeds under Health & Safety Code section 34188; and

WHEREAS, the South Tahoe Redevelopment Successor Agency shall adopt the following policies and procedures to dispose of real property assets that were owned by the South Tahoe Redevelopment Agency; and

WHEREAS, the Oversight Board of the South Tahoe Redevelopment Successor Agency hereby approves of the following policy and procedures to dispose of real property assets.

NOW, THEREFORE, BE IT RESOLVED, the Oversight Board of the South Tahoe Redevelopment Successor Agency does hereby resolve, declare, determine and order as follows:

Background

The Successor Agency of the South Tahoe Redevelopment Agency was established pursuant to ABX1 26 to expeditiously wind down the affairs of the dissolved South Tahoe Redevelopment Agency in accordance with the direction of the Oversight Board.

The South Tahoe Redevelopment Agency was the owner of real property which was to be used for redevelopment purposes. AB X1 26 requires that the Successor Agency, subject to direction and approval of the Oversight Board, dispose of real property assets in an expeditiously and in a manner aimed at maximizing value.

Purpose

The purpose of this policy is to establish a procedure whereby real property owned by the South Tahoe Redevelopment Agency will be sold in a manner that expeditiously sells the real property that maximizes its value.

Policy

The Successor Agency shall optimize the sale price from South Tahoe Redevelopment Agency real estate based on relevant factors including (1) an appraisal or comparable transaction or documentation to validate purchase price of the property which is no more than one year old at the time the sales agreement is presented the Board of Directors of the Successor Agency; (2) prevailing economic conditions and recent applicable trends and sales of similar real estate in South Lake Tahoe; and any special benefits to accrue from the sale to Members of the Oversight Board.

Since it is generally not in the Successor Agency's or the Oversight Board's best interest tor a property transaction to be negotiated in open session, pursuant to Government Code section 54956.8 of the Brown Act, the Board of Directors of the Successor Agency and/or Oversight Board may discuss either approval, disapproval, or continuation for further negotiation or study any recommendation regarding the disposition of South Tahoe Redevelopment Agency real property in closed session. Any final action, however, shall occur in open session and shall disclose the sales price and the appraised value of the property involved.

PROCEDURE

Sale of Real Property The Successor Agency, subject to approval of the Oversight Board, shall seek to sell South Tahoe Redevelopment Agency real property by one of the following means to maximum value and to sell expeditiously.

1. **Negotiated Sales.**

    a. Marketing – Competitive offers for lease or sale may be solicited from the open market place. This may be accomplished through a number of marketing techniques such as requests for proposals (RFPs), a marketing

subscription system, direct advertising exposure through real estate services; posting the property and other means.

b. Direct Marketing – by seeking to sell the property through direct contacts under the following circumstances:

When other governmental, public and quasi-public agencies submit proposals to acquire Redevelopment Agency property, the Successor Agency shall consider such requests prior to making the land available to the general public. Such sales shall be at fair market value.

When a property has been offered by public auction and no acceptable bids have been received, it may be sold on a negotiated basis to any applicant submitting an acceptable offer within six months following the date of the auction. After one year, any offer must be based on an updated appraisal.

2. **Auction.** Land which is readily marketable and unrestricted in its sale potential may be sold to the highest bidder at public auction either by oral or sealed bid provided that the highest bid equals or exceeds the minimum unpublished price established by the Successor Agency (subject to the Oversight Board's approval) prior to bid opening, which price shall not be lower than the amount shown on the appraisal. Notice of the sale by did shall be published in a newspaper of general circulation at least ten days prior to bid opening. If sealed bids are requested, each bid must be accompanied by a deposit in the form of a certified or cashier's check made payable to the Successor Agency in an amount equal to at least 10 percent of the bid amount. After sealed bids are opened, oral bids are permitted form bidder who can meet the 10 percent deposit requirement. The initial oral bid must be at least five percent higher than the highest sealed bid. Subsequent oral bids must be in increments of not less than $100.00. If the person whose bid is accepted fails to pay the total bid price within 60 days from acceptance of bid, the bidder's deposit is forfeited and at the sole option of the Successor Agency (subject to approval of the Oversight Board), property may be offered for sale to the next highest bidder on the same terms as granted the high bidder. The Board of Directors of the Successor Agency and Oversight Board shall be notified of bids received, or if applicable, the fact that no bids had been received. The Board of director may reject any and all bids.

3. **Real Estate Listing**. When it is determined that any real property owned by the South Tahoe Redevelopment Agency is to be disposed by sale, the Board of Directors may authorize a written listing contract with a real estate broker licensed by the State of California. Absent such a contract, it will be the presumption that the Successor Agency

will act as its own agent and that any real estate agency or broker will represent the buyer.

Selecting a real estate broker to provide real estate service will be accomplished through a competitive recruitment process based on the type of property to be marketed, relevant experience, knowledge of the community, proposed commission, qualifications, necessary licenses in good standing, and demonstrated competence. It will be the policy of the Successor Agency to first solicit realtors in El Dorado County as long as there are not less than three qualified firms to interview. If there are not at least three eligible candidates, then the Board of Directors may authorize broader recruitment to ensure a competitive process, to demonstrate the best value to the public, or to reach a broader market.

Absent a real estate listing, the Board of Directors may designate certain property for sale for which the Successor Agency would pay a partial commission upon the successful conclusion of a sale. Basically, the agent or broker that procures a buyer to the Successor Agency would be eligible for a commission.

Payment for South Tahoe Redevelopment Agency Property

Sales of real property shall be on an all cash basis with the following exceptions:

Upon written recommendation and approval by the Board of Directors of the Successor Agency, a parcel of real property may be sold on such credit terms as are deemed to be necessary in each case. After the required down payment has been made, the balance of the purchase price shall be secured by a note and deed of trust. The credit payment period shall not exceed five years form the date of execution of the trust deed. Interest shall be determined by the Successor Agency (subject to approval of the Oversight Board) but in no instance shall be at a rate lower than the prevailing rate in the community.

Amendment to Policies and Procedures

This Resolution and the policy and procedures for the sale of the real property of the South Tahoe Redevelopment Agency may be amended from time to time by the Board of Directors of the Successor Agency of the South Tahoe Redevelopment Agency subject to the approval of the Oversight Board of the South Tahoe Redevelopment Agency.

PASSED AND ADOPTED by the Board of Directors of the Oversight Board to the Successor Agency of the South Tahoe Redevelopment Agency at a duly noticed meeting held on May 10, 2012, by the following vote:

AYES: Board Member (s): COLE, KNIGHT, BARBER, BAUGH, KERRY, MURILLO & VOGELESANG

NOES: Board Member(s): _____

ABSENT: Board Member(s): _____

ABSTAIN: Board Member(s): _____

ATTEST:

By: _____
Clerk of the Board

By: _____
Hal Cole, Chairperson