

**STAFF REPORT
OF
Oversight Board to the Successor Agency of the
South Tahoe Redevelopment Agency
Meeting July 25, 2014**

TO: Honorable Chair and Members of the Oversight Board to the Successor Agency to the South Tahoe Redevelopment Agency

FROM: Thomas Watson, Legal Counsel for Successor Agency

RE: Resolution of the Oversight Board of the South Tahoe Redevelopment Successor Agency Approving Transfer of Public Property from the Successor Agency to the South Tahoe Redevelopment Agency to the City of South Lake Tahoe, for the Public Parcel within Heavenly Village in the City of South Lake Tahoe in Accordance with the Long Range Property Management Plan

RECOMMENDATION:

Adopt Resolution (Attachment 1), directing the Successor Agency to the South Tahoe Redevelopment Agency to transfer the public parcels in the Heavenly Village Project to the City of South Lake Tahoe.

BACKGROUND:

ABX1 26 requires that the Successor Agency to dispose of assets of the former South Tahoe Redevelopment Agency in accordance with an approved Long Range Property Management Plan. On June 18, 2014, the DOF approved the LRPMP (Attachment 2), which directed public assets (sidewalks and public spaces) be transferred to the City.

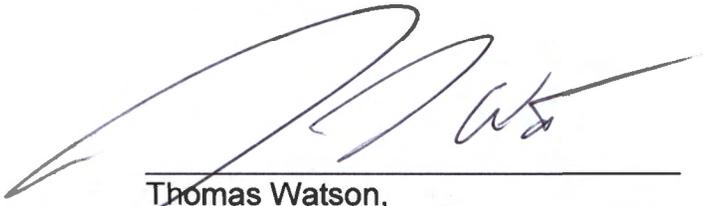
ISSUE AND DISCUSSION:

This item is before the Oversight Board to direct the transfer of the public property consisting of pedestrian infrastructure within the Heavenly Village Development to the City of South Lake Tahoe. The LRPMP directs this particular property (Item #1 in the LRMPM) will be *"transferred to the City of South Lake Tahoe as a government use property."* Essentially, the property consists of the sidewalks in and around Heavenly Village (see Attachment 3, relevant sections from the LRPMP). Public sidewalks and pedestrian infrastructure generally have significant public benefit, but are an expense for the agency, not an asset. A public agency would be the only entity willing to take on this liability and preserve it for the public's benefit.

FINANCE / POLICY IMPLICATIONS:

As determined in the LRPMP, the value of this asset of the Successor Agency is \$0. The City will acquire the property at no acquisition cost. However, the property requires annual maintenance and operations and therefore, there are attendant liabilities for maintenance of the facility.

SIGNATURES:

A handwritten signature in blue ink, appearing to read 'T. Watson', is written over a horizontal line.

Thomas Watson,
Legal Counsel for Successor Agency
of the Former Redevelopment Agency

Attachments:

1. Resolution to be adopted
2. DOF letter dated June 18, 2014 approving LRPMP
3. Attachment #9 of the LRPMP; legal description of the public parcel

Attachment 1

RESOLUTION
for Adoption

RESOLUTION NO. _____

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE SOUTH TAHOE REDEVELOPMENT AGENCY APPROVING TRANSFER OF PUBLIC PROPERTY FROM THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY TO THE CITY OF SOUTH LAKE TAHOE, FOR THE PUBLIC PARCEL WITHIN HEAVENLY VILLAGE IN THE CITY OF SOUTH LAKE TAHOE IN ACCORDANCE WITH THE LONG RANGE PROPERTY MANAGEMENT PLAN

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 X1 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 in accordance with an approved Long Range Property Management Plan; and

WHEREAS, on June 18, 2014, the Department of Finance issued its approval of the Long Range Property Management Plan for the Successor Agency to the South Tahoe Redevelopment Agency, in which the transfer of the public assets of the Heavenly Village were included; and

WHEREAS, under the authority of the Health & Safety Code section 34181, the Successor Agency is directed to transfer ownership of public assets that were constructed and used for a governmental purpose to the appropriate public jurisdiction.

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

1. Hereby directs the Successor Agency to the South Tahoe Redevelopment Agency to execute any and all necessary documents to transfer the public parcels within the Heavenly Village to the City of South Lake Tahoe for zero (0) dollars as described in the approved Long Range Property Management Plan.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the South Tahoe Redevelopment Agency at a duly noticed meeting held on July 25, 2014 by the following vote:

AYES: Councilmember(s): _____

NOES: Councilmember(s): _____

ABSENT: Councilmember(s): _____

ABSTAIN: Councilmember(s): _____

ATTEST:

By: _____
Ellen Palazzo, Secretary

By: _____
Hal Cole, Chair

Attachment 2

Department of Finance
June 18, 2014
Approving LRPMP



June 18, 2014

Ms. Debbie McIntyre, Accounting Manager
City of South Lake Tahoe
1901 Airport Road
South Lake Tahoe, CA 96150

Dear Ms. McIntyre:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of South Lake Tahoe Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on April 21, 2014. The Agency subsequently submitted a revised LRPMP to Finance on June 2, 2014. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on February 6, 2014. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

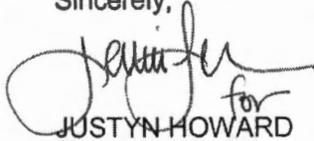
Agency actions taken pursuant to a Finance approved LRPMP which requires the Agency to enter into a new agreement are subject to oversight board (OB) approval per HSC section 34181 (f). Any OB action approving a new agreement in connection with the LRPMP should be submitted to Finance for approval.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority. Should the Controller claw back real property assets not contemplated in the existing approved LRPMP, the LRPMP must be revised to include these additional assets. The revised LRPMP must be approved by the OB and Finance before the disposition of these clawed back assets can occur.

Ms. McIntyre
June 18, 2014
Page 2

Please direct inquiries to Beliz Chappuie, Supervisor, or Susana Medina-Jackson, Lead Analyst
at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Justyn Howard', with a large loop at the beginning and a flourish at the end. The signature is written over the printed name 'JUSTYN HOWARD'.

JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Nancy Kerry, City Manager, City of South Lake Tahoe
Ms. Sally Zutter, Property Tax Division Manager, El Dorado County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California
State Controller's Office
California State Controller's Office

Attachment 3

Attachment #9 of the Long Range
Property Management Plan

(legal description of the public parcels)

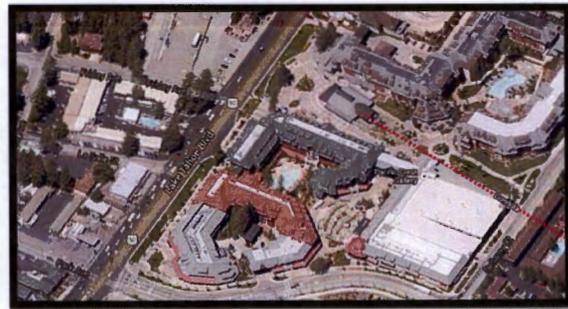
I. Public Parcel within Heavenly Village

The property contains the public improvements and public use areas incorporated into Heavenly Village, a project of the former redevelopment agency which includes shopping, lodging, and a gondola to the ski slopes. Public use areas include sidewalks, plazas, landscaped areas and other public space incorporated as part of Heavenly Village. Public improvements on the parcel were completed in conjunction with the overall development of Heavenly Village. There are access easements across the public parcel to the adjacent retail and lodging facilities. The public parcel will be transferred to the City of South Lake Tahoe as a governmental use property.

Item	Summary
Disposition	Transfer to City for Governmental Use
Prior Use	The Heavenly Village project replaced older motel and retail uses.
Existing Conditions	Public sidewalks, plazas, landscaped areas within Heavenly Village
Development Plans	None
Current Value of Property	\$0 (public facilities / infrastructure)
Environmental Contamination	No known contamination
Assessor Parcel Numbers:	029-470-16-10
Acreage	1.91 acres (+/-)
Date Acquired	4/26/2000
DOF Property Inventory Form (Attachment 1)	Item No. 15



Partial view from Lake Tahoe Boulevard and Park Avenue. Property includes the public sidewalks and other public spaces around Heavenly Village. Source: Google Maps



Arial View of Property. Property is sidewalks and public areas around Heavenly Village. Source: Google Maps

1. Parcel Data [H&S 34191.5(c) (1) (C)]

The property consists of one 1.91 acre parcel⁶ (APN 029-470-16-10). Assessor’s records do not identify an address. The property is designated as Tourist Center Core (TSC) under the Tourist Core Area Plan. See Attachment 2 for a matrix of permitted uses. See Attachment 9 for

⁶ Acreage based on current Assessor’s records although attached parcels maps identify the parcel as slightly larger.

subdivision and assessor parcel maps for Heavenly Village identifying the subject property as a public use parcel.



APN: 029-470-16
Size: 1.91 Acres

Arial View of Parcel.
Source: Realquest

2. Agreements Governing Use and Disposition

The Declaration of Covenants, Conditions, and Restrictions for the Park Avenue Development Project (also known as Heavenly Village) identify the subject parcel as a public use parcel, provides for the funding of maintenance costs for the public improvements, a share of which is borne by the City, grants easements across the parcel to surrounding uses, and provides that the parcel shall be available for use and benefit of the adjacent property owners, visitors and customers, and the general public.

Public improvements constructed on the Heavenly Village parcel were funded with the proceeds of tax-exempt bonds which remain outstanding. Bond documents include an Agency covenant to take necessary actions to maintain the tax-exempt status of the bonds. As a result of these covenants, STRSA is contractually obligated to ensure the property and public improvements constructed thereon remain in public ownership so as to preserve the tax-exempt status of the bonds.

3. Development Plans [H&S 34191.5(c) (1) (G)]

The existing public improvements on the property will remain.

4. History and Purpose for Which the Property Was Acquired [H&S 34191.5(c) (1) (B)]

The property was acquired in conjunction with development of the overall Heavenly Village project. The property contains public improvements that were constructed in support of the Heavenly Village project.

5. Value of Property: At Acquisition and Currently [H&S 34191.5(c) (1) (A) and (D)]

Value at Acquisition: Estimated at \$0. The public parcel was created for purposes of the public improvements dedicated in relation to the Heavenly Village project and is assumed to have had no market value at the time of acquisition based on the requirement that the property be used for and maintained as public improvements.

Current Value: \$0 (governmental use).

6. Income and Contractual Requirements for Use [H&S 34191.5(c) (1) (E)]

None.

7. History of Environmental Contamination [H&S 34191.5(c) (1) (F)]

No known environmental contamination.

8. Transit Oriented Development and Planning Objectives [H&S 34191.5(c) (1) (G)]

Transit Oriented Development Potential: The property includes existing sidewalks and pedestrian-oriented public use areas adjacent to the mixed-use Heavenly Village which is served by a gondola to the ski slopes, local transit, and Amtrak buses.

Advancement of Planning Objectives of the Successor Agency: The Heavenly Village project was one of the major projects successfully completed by the former redevelopment agency which is described as the center of one of two major commercial / tourist areas in the City. Maintaining the public improvements on the parcel would be consistent with a number of the Guiding Principles in the Tourist Core Area Plan including the following:

- Surround the resort center with visual open space.
- Establish a physical environment that creates a distinct sense of place.
- Establish an animated street for retail, dining, entertainment and events.
- Accomplish urban place making through the creation of interesting public gathering places.

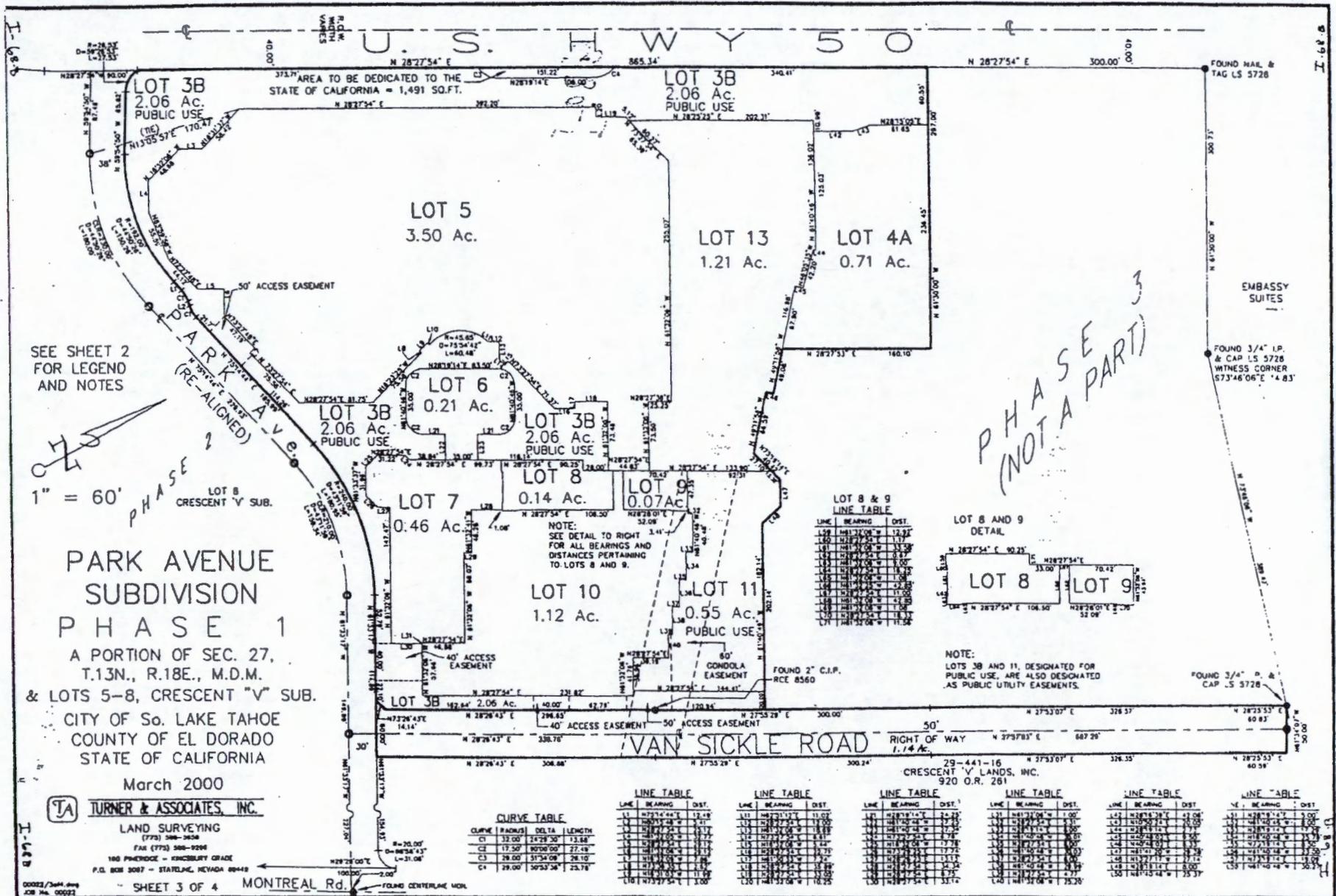
9. Previous Development Proposals [H&S 34191.5(c) (1) (H)]

None.

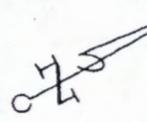
ATTACHMENT 9

*- of Long Range Property
Management
Plan*

Parcel Map for Heavenly Village Public Parcel



SEE SHEET 2 FOR LEGEND AND NOTES



1" = 60'

PARK AVENUE SUBDIVISION PHASE 1

A PORTION OF SEC. 27, T.13N., R.18E., M.D.M. & LOTS 5-8, CRESCENT "V" SUB. CITY OF So. LAKE TAHOE COUNTY OF EL DORADO STATE OF CALIFORNIA

March 2000

TA TURNER & ASSOCIATES, INC.

LAND SURVEYING
 (775) 388-3638
 FAX (775) 388-3998
 100 PINEHURST - CONQUEST GRAD
 P.O. BOX 3087 - STATERAKE, NEVADA 89449

SHEET 3 OF 4

MONTREAL Rd.

CURVE TABLE

CURVE	RADIUS	DELTA	LENGTH
C1	32.00'	34°29'30"	73.68'
C2	17.50'	80°00'00"	27.49'
C3	28.00'	57°54'09"	28.19'
C4	29.00'	50°53'58"	22.78'

LINE TABLE

LINE	BEARING	DIST.
L1	N 28°27'54" E	17.28'
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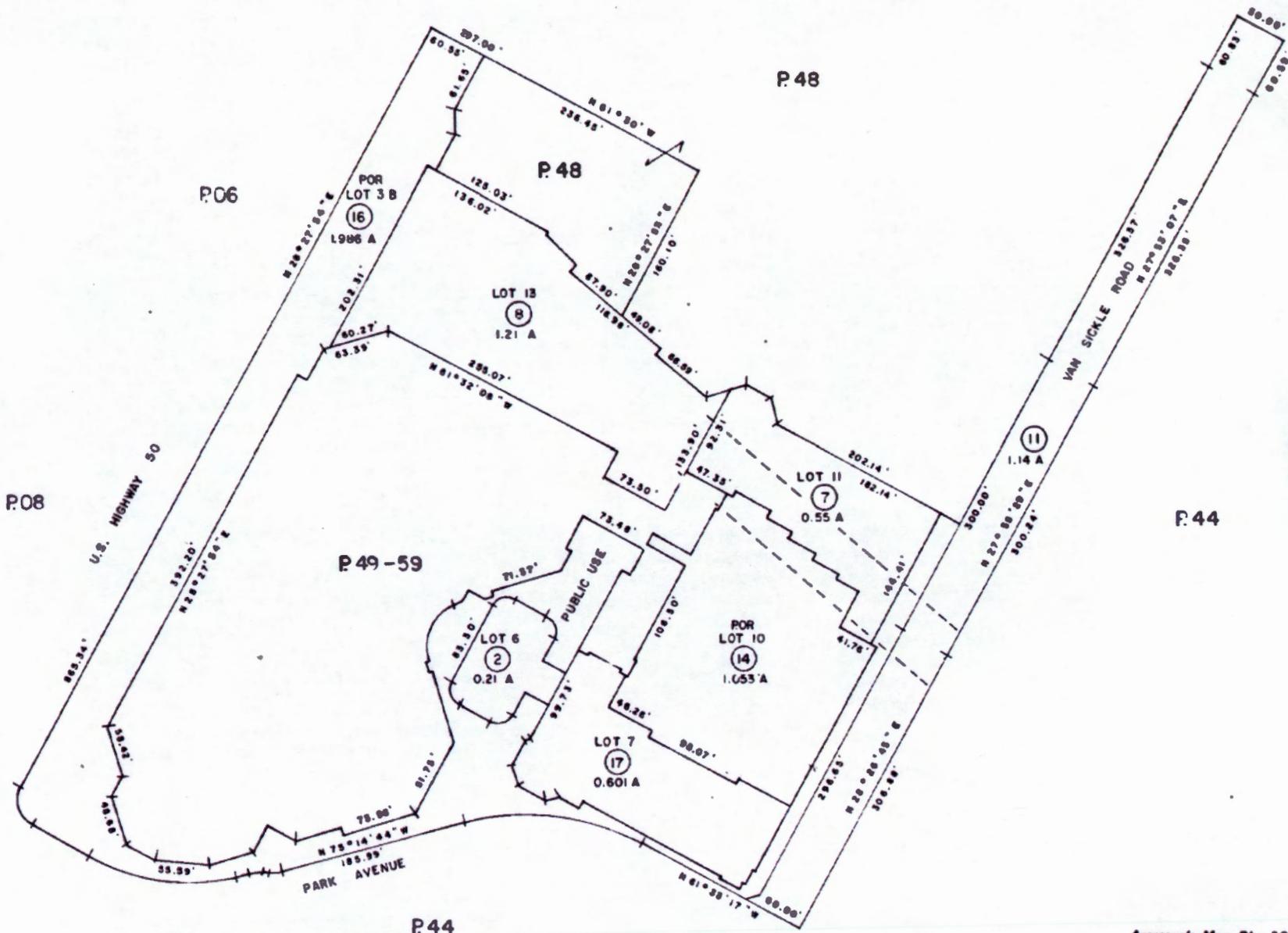
LOT 8 & 9 LINE TABLE

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NOTE: LOTS 3B AND 11, DESIGNATED FOR PUBLIC USE, ARE ALSO DESIGNATED AS PUBLIC UTILITY EASEMENTS.

965470

POR. SEC. 27, T.13N., R.18E., M.D.M.
 PARK AVENUE SUBDIVISION
 I-68



THIS MAP IS NOT A SURVEY, It is prepared by the El Dorado Co. Assessor's office for assessment purposes only.

NOTE - Assessor's Block Numbers Shown in Ellipses
 Assessor's Parcel Numbers Shown in Circles