

AGENDA

Meeting of the
**Oversight Board for the
Successor Agency of the
Scotts Valley Redevelopment Agency**
1 Civic Center Drive
Scotts Valley, CA 95066
(831) 440-5600

Date: September 29, 2016
Time: 2:00 p.m.

MEETING LOCATION Scotts Valley City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 - and - via teleconference from Palo Alto City Hall, 250 Hamilton Avenue, Palo Alto, CA 94301	POSTING The agenda was posted 9-26-16 at City Hall, Scotts Valley Senior Center, Scotts Valley Library and on the Internet at www.scottsvalley.org .
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OVERSIGHT BOARD MEMBERS Dene Bustichi, Scotts Valley City Council Jack Dilles, Scotts Valley Community Member Taylor Bateman, City of Scotts Valley, Acting Community Development Director Bruce McPherson, Santa Cruz County Board of Supervisors Rudolph Ramirez, Scotts Valley Unified School District Art Smith, Scotts Valley Fire Protection District Donna Ziel, Cabrillo Community College Governing Board	SUCCESSOR AGENCY STAFF Jenny Haruyama, Executive Director Tracy Ferrara, Secretary Kirsten Powell, Counsel Scott Hamby, Public Works Director Michelle Fodge, Senior Planner
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Agenda and Agenda Packet Materials: The Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency agenda and the complete agenda packet are available for review by 5:00 pm, 72 hours prior to the meeting, on the Internet at the City's website: www.scottsvalley.org and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA. Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvalley.org .

CALL TO ORDER 2:00 p.m.

ROLL CALL

PUBLIC COMMENT TIME

(This is the opportunity for individuals to make and/or submit written or oral comments to the Board on any items within the purview of the Board, which are **NOT** part of the Agenda. No action on the item may be taken, but the Board may request the matter be placed on a future agenda.)

ALTERATIONS TO CONSENT AGENDA

(Board can remove or add items to the Consent Agenda.)

CONSENT AGENDA

(The Consent Agenda is comprised of items which appear to be non-controversial. Persons wishing to speak on any item may do so by raising their hand to be recognized by the Chair.)

- A. Approve Oversight Board meeting minutes of 5-18-16

ALTERATIONS TO REGULAR AGENDA

(Board can remove or add items to the Regular Agenda.)

REGULAR AGENDA

(Persons wishing to speak on any item may do so by raising their hand to be recognized by the Chair.)

1. Consider the approval of Resolution No. OB-32, a resolution of the Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency authorizing the Executive Director of the Successor Agency of the Scotts Valley Redevelopment Agency to sign that certain sale and purchase agreement between the Successor Agency of the Scotts Valley Redevelopment Agency and Corbett Wright for the sale of certain real property located at 260 Mt. Hermon Road, Scotts Valley, APN 022-231-03
(AgencyCounsel/Powell)
2. Future Board agenda items
(This portion of the Regular Agenda allows the Successor Agency to determine items to be placed on a future agenda and to choose a date, if so desired.)

ADJOURNMENT

The Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency does not discriminate against persons with disabilities. The Scotts Valley City Council Chambers is an accessible facility. If you wish to attend a Board meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the Secretary's office at (831) 440-5602 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a Board meeting be available in an alternative format consistent with a specific disability, please call the Secretary's Office. The California State Relay Service (TDD to voice: 1-800-735-2929, voice to TDD: 1-800-735-2922), provides Telecommunications Devices for the Deaf and will provide a link between the TDD caller and users of telephone equipment.

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE BOARD SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE BOARD SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE BOARD SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.



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MINUTES

Meeting of the Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency

Date: May 18, 2016

POSTING:

The agenda was posted on 5-13-16 at City Hall, the SV Senior Center, and the SV Library, by the City Clerk.

CALL TO ORDER 4:05 p.m.

ROLL CALL

Board Members:

Present:

Dene Bustichi, Scotts Valley City Council
Jack Dilles, Scotts Valley Community Member
Taylor Bateman, City of Scotts Valley, Acting Community Development Director
Art Smith, Scotts Valley Fire Protection District
Donna Ziel, Cabrillo Community College Governing Board

Absent:

Bruce McPherson, Santa Cruz County Board of Supervisors
Scotts Valley Unified School District

Successor Agency Staff:

Chuck Comstock, Interim Executive Director
Tracy Ferrara, Secretary
Kirsten Powell, Counsel
Scott Hamby, Public Works Director

**ALTERATIONS TO
CONSENT AGENDA**

M/S: Ziel/Dilles

To approve the Consent Agenda.

Carried 7/0 (AYES: Bustichi, Dilles, Bateman, Ziel; ABSENT: McPherson, Smith, SVUSD)

Consent Agenda:

- A. Approve Oversight Board meeting minutes of 1-27-16
- B. Approve Resolution No. OB-31, a resolution of the Oversight Board of the Successor Agency of the Scotts Valley Redevelopment Agency authorizing the transfer of the former Redevelopment Agency's partial interest in the Transit Center property located at 246 Kings Village Road, Scotts Valley, APN 022-212-16

ADJOURNMENT

The meeting adjourned at 4:12 p.m.

Approved: _____
Dene Bustichi, Chair

Attest: _____
Tracy A. Ferrara, Secretary

**Oversight Board for the Successor Agency of the
Scotts Valley Redevelopment Agency
STAFF REPORT**

DATE: September 29, 2016

TO: Honorable Chair and Board Members

FROM: Kirsten M. Powell, Agency Counsel

SUBJECT: **Consideration of Purchase Agreement with Corbett Wright for the former Suburban Propane Property, 260 Mt. Hermon Road, Scotts Valley, APN 022-231-03**

SUMMARY OF ISSUE

In 2008, the Scotts Valley City Council approved the Scotts Valley Town Center Specific Plan (TCSP), which encompasses approximately 58 acres from Mt. Hermon Road northward to Blue Bonnet Lane, and between Kings Village Road and Skypark Drive. The TCSP is a document designed to guide mixed-use development that will become the focal point of the City, establishing a unique, cohesive identity. In 2011, the former Scotts Valley Redevelopment Agency acquired the Suburban Propane property (located at 260 Mt. Hermon Road) to facilitate the advancement of the Town Center and ensure that future development was consistent with the TCSP.

Requirements for Sale of the Property:

The Scotts Valley Successor Agency is considering the sale of property that was purchased by the former Redevelopment Agency. This property, also known as the Suburban Propane site, is owned by the Successor Agency and must be sold in accordance with the attached Successor Agency Long Range Property Management Plan (LRPMP). The LRPMP, which was required and approved by the State of California, directs the Successor Agency to sell the property for development as part of the Town Center. The Property is to be sold "either to the current developer, or other future developer, at a price established by an appraisal by a certified real estate appraiser." At the time the LRPMP was submitted, the estimated value of the Property was \$1,125,000.00. Upon sale of the property, proceeds from the sale are disbursed to the appropriate taxing entities.

Proposed Sale and Purchase Terms:

Corbett Wright, a local developer, requested that the City consider enter into an agreement to purchase the property. In accordance with the LRPMP, City staff hired Ron Zeller, a certified real estate appraiser, to appraise the Property. After taking into

AGENDA ITEM 1

DATE: 9-29-16

consideration current land market value and environmental factors, Mr. Zeller determined that the value of the land “as is” was \$1,000,000. He also concluded that if the property was entitled in accordance with the TCSP, the value would increase to \$1,650,000. Property purchased “as is” is valued lower due because of the risk assumed when purchasing property without the approvals necessary to develop the property or obtain authorization for a particular use for the property. On the other hand, when purchasing entitled property, there is less risk because approvals for development or certain uses have already been granted. However, it is important to note that regardless of the purchase terms, all applications must be considered through an open and public process to allow for community input.

On September 21, 2016, the Successor Agency of the Scotts Valley Redevelopment Agency approved the Purchase Agreement between the Successor Agency of the Scotts Valley Redevelopment Agency and Corbett Wright for the sale of 260 Mt. Hermon Road, APN 022-231-03, for the unentitled price of \$1,000,000.

Under the proposed purchase agreement, Mr. Wright is purchasing the property “as is” without the necessary entitlements in the amount of \$1,000,000. Escrow will close in approximately 80 days. Once escrow closes, Mr. Wright is free to submit an application to develop the property.

Mr. Wright has expressed an interest in developing a restaurant and tap room. Under the TCSP, Mr. Wright is required to obtain discretionary approvals from the City. These approvals will require a public hearing, at which time the public can comment on the appropriateness of that use. The City Council will determine whether or not to approve the use based on the evidence presented.

FISCAL IMPACT

The property will be sold for \$1,000,000. That amount will be transferred to the County of Santa Cruz for disbursement to the appropriate taxing entities. There is no fiscal impact on the Successor Agency associated with entering into this agreement.

STAFF RECOMMENDATION

Staff recommends the Board approve the attached purchase agreement with Corbett Wright and authorize the Executive Director of the Successor Agency of the Scotts Valley Redevelopment Agency to execute the agreement.

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RESOLUTION NO. OB-32

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTIVE DIRECTOR OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY TO SIGN THAT CERTAIN SALE AND PURCHASE AGREEMENT BETWEEN THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY AND CORBETT WRIGHT AND/OR HIS ASSIGNS FOR THE SALE OF CERTAIN REAL PROPERTY LOCATED AT 260 MT. HERMON ROAD (APN NO. 022-231-03)

WHEREAS, the City of Scotts Valley (the "City") adopted its General Plan in 1994 which provided for the development of a Town Center on property located between Mt. Hermon Road and Kings Village Road; and

WHEREAS, the City approved a Town Center Specific Plan in December 2008, which further refined the design and plans for the Town Center; and

WHEREAS, the former Redevelopment Agency of the City of Scotts Valley acquired a certain property located within the Town Center Specific Plan Area to facilitate the development of the Town Center; and

WHEREAS, the formed Redevelopment Agency of the City of Scotts Valley was eliminated and the Successor Agency of the Scotts Valley Redevelopment Agency is now charged with winding down the obligations of the former Redevelopment Agency; and

WHEREAS, part of the winding down process requires the sale of certain parcels of land owned by the former Redevelopment Agency, including that certain parcel identified as Assessor Parcel No. 022-231-03 located at 260 Mt. Hermon Road in the City of Scotts Valley (the "Property"); and

WHEREAS, on July 15, 2014, the California Department of Finance recently approved the Agency's Long Range Property Management Plan which provided for the sale of the Property for the appraised value; and

WHEREAS, on June 1, 2016, Ron Zeller, certified appraiser, prepared an appraisal of the Property and determined the Property was worth \$1,000,000.00 if sold without entitlements or \$1,650,000.00 if sold with entitlements; and

WHEREAS, Corbett Wright ("Wright"), is interested in acquiring the Property prior to obtaining the necessary approvals to develop the Property; and

WHEREAS, although the Property must be developed consistent with the General Plan and the Town Center Specific Plan, there is no guarantee that Wright's proposed use will be approved by the City; and

WHEREAS, because Wright will purchase the Property without the entitlements necessary to develop such property, which creates a significant risk, it is appropriate to sell the Property to him for the unentitled price, \$1,000,000.00, as outlined in the Appraisal; and

WHEREAS, on September 21, 2016, the Successor Agency of the Scotts Valley Redevelopment Agency approved the Purchase Agreement between the Successor Agency of the Scotts Valley Redevelopment Agency and Corbett Wright for the sale of 260 Mt. Hermon Road, APN 022-231-03, for the unentitled price of \$1,000,000.00; and

WHEREAS, such sale is consistent with the Long Range Property Management Plan; and

WHEREAS, the City Council previously approved an Environmental Impact Report for the Town Center Specific Plan and any development of the Property must be consistent with the Town Center Specific Plan.

NOW THEREFORE, the Board of the Successor Agency of the Scotts Valley Redevelopment Agency, hereby resolves as follows:

1. That the aforementioned findings are approved.
2. That the sale of the Property is consistent with the Long Range Property Management Plan.
3. That the property is being sold for the appraised value.
4. That the Executive Director is authorized to execute that certain purchase agreement for the sale of the Property.

PASSED, APPROVED, AND ADOPTED this 29th day of September, 2016, by the following vote:

AYES:	BUSTICHI, BATEMAN, DILLES, MCPHERSON, RAMIREZ, SMITH
NOES:	NONE
ABSENT:	ZIEL
ABSTAIN:	NONE

Dene Bustichi, Chair

ATTEST:

Tracy A. Ferrara, Board Secretary

RESOLUTION NO. SA-30

A RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTIVE DIRECTOR OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY TO SIGN THAT CERTAIN SALE AND PURCHASE AGREEMENT BETWEEN THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY AND CORBETT WRIGHT AND/OR ASSIGNS FOR THE SALE OF CERTAIN REAL PROPERTY LOCATED AT 260 MT. HERMON ROAD (APN NO. 022-231-03)

WHEREAS, the City of Scotts Valley (the "City") adopted its General Plan in 1994 which provided for the development of a Town Center on property located between Mt. Hermon Road and Kings Village Road; and

WHEREAS, the City approved a Town Center Specific Plan in December 2008, which further refined the design and plans for the Town Center; and

WHEREAS, the former Redevelopment Agency of the City of Scotts Valley acquired a certain property located within the Town Center Specific Plan Area to facilitate the development of the Town Center; and

WHEREAS, the former Redevelopment Agency of the City of Scotts Valley was eliminated and the Successor Agency of the Scotts Valley Redevelopment Agency is now charged with winding down the obligations of the former Redevelopment Agency; and

WHEREAS, part of the winding down process requires the sale of certain parcels of land owned by the former Redevelopment Agency, including that certain parcel identified as Assessor Parcel No. 022-231-03 located at 260 Mt. Hermon Road in the City of Scotts Valley (the "Property"); and

WHEREAS, on July 15, 2014, the California Department of Finance recently approved the Agency's Long Range Property Management Plan which provided for the sale of the Property for the appraised value; and

WHEREAS, on June 1, 2016, Ron Zeller, certified appraiser, prepared an appraisal of the Property and determined the Property was worth \$1,000,000.00 if sold without entitlements or \$1,650,000.00 if sold with entitlements; and

WHEREAS, Corbett Wright ("Wright"), is interested in acquiring the Property prior to obtaining the necessary approvals to develop the Property; and

WHEREAS, although the Property must be developed consistent with the General Plan and the Town Center Specific Plan, there is no guarantee that Wright's proposed use will be approved by the City; and

WHEREAS, because Wright will purchase the Property without the entitlements necessary to develop such property which creates a significant risk, it is appropriate to sell the Property to him for the unentitled price, \$1,000,000.00, as outlined in the Appraisal; and

WHEREAS, such sale is consistent with the Long Range Property Management Plan; and

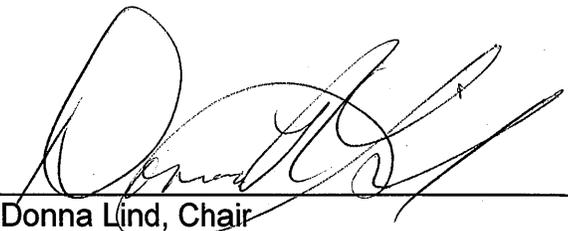
WHEREAS, the City Council previously approved an Environmental Impact Report for the Town Center Specific Plan and any development of the Property must be consistent with the Town Center Specific Plan.

NOW THEREFORE, the Board of the Successor Agency of the Scotts Valley Redevelopment Agency, hereby resolves as follows:

1. That the aforementioned findings are approved.
2. That the sale of the Property is consistent with the Long Range Property Management Plan.
3. That the property is being sold for the appraised value.
4. That the Executive Director is authorized to execute that certain purchase agreement for the sale of the Property.

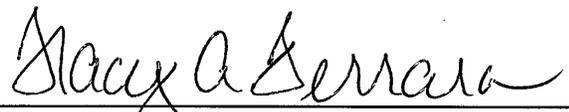
PASSED, APPROVED, AND ADOPTED this 21st day of September, 2016, by the following vote:

AYES:	AGUILAR, BUSTICHI, JOHNSON, LIND
NOES:	NONE
ABSENT:	REED
ABSTAIN:	NONE



Donna Lind, Chair

ATTEST:



Tracy A. Ferrara, Agency Secretary

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made this 14th day of September, 2016 ("Agreement") by and between the Successor Agency of the former Scotts Valley Redevelopment Agency (hereinafter "Seller"), and Corbett Wright and/or approved assigns (hereinafter "Buyer") (collectively "the Parties").

Whereas, Seller is the owner of that certain property located at 260 Mount Hermon Road, Scotts Valley, APN 022-231-03 (the "Property"), which is located within the Scotts Valley Town Center Specific Plan Area;

Whereas, the Scotts Valley Town Center Specific Plan ("Specific Plan") envisions a mixed use project which will create a destination for retail, civic and residential uses;

Whereas, Seller desires to sell the Property for development in accordance with the Specific Plan;

aw Whereas, on _____ the California Department of Finance approved the Long Range Property Management Plan for the assets of the former Scotts Valley Redevelopment Agency;

Whereas, the Long Range Property Management Plan calls for the sale of the Property for the development of the Town Center project at the appraised value;

Whereas, Buyer desires to buy the Property at the appraised value and to develop the Property as a restaurant and bar with related supportive and ancillary amenities;

Whereas, Seller has provided to Buyer a copy of the appraisal prior to the execution of this Agreement upon which Seller relies to establish the appraised value of the Property;

Whereas, the Specific Plan allows restaurants and bars to be developed in the Scotts Valley Town Center Specific Plan Area;

Whereas, the Seller desires to sell the Property to Buyer and Buyer desires to purchase the Property subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, Buyer and Seller agree as follows:

1. **Effective Date.** This Agreement shall be effective upon the approval of this Agreement by both the Successor Agency of the Scotts Valley Redevelopment

Agency ("Successor Agency") and the Oversight Board for the Successor Agency ("Effective Date").

2. **Purchase Price.**

The Purchase Price for the Property to be paid by Buyer to Seller for the Property shall be One Million Dollars (\$1,000,000.00), which shall be payable in cash at the Closing (as defined below).

3. **Deposits.**

Within three (3) business days after full execution of this Agreement, Buyer shall deposit in escrow with First American Title Company located at 330 Soquel Avenue, Santa Clara California 95062 Attention Sharon Oster (831) 460-3265, (408) 488-0736 (fax), soster@firstam.com (the "Title Company") the sum of Five Thousand Dollars (\$5,000) (the "Initial Deposit"). Within one (1) business day after Buyer notifies Seller that it has waived the Due Diligence Conditions (as defined below), Buyer shall deposit with Title Company an additional Twenty Thousand Dollars (\$20,000) (the "Second Deposit") The Initial and Second Deposits shall collectively be referred to as the "Deposits" in this Agreement. The Deposits shall be applied to the Purchase Price at Closing. In the event this transaction fails to close due to Buyer's breach or default, Seller shall be entitled to retain all of the Deposits as liquidated damages.

4. **Escrow.**

(a) Within three (3) business days of the execution of this Agreement, the Parties will open an escrow account with the Title Company, to consummate the purchase and sale of the Property in accordance with the terms and conditions of this Agreement. Buyer shall be promptly provided a preliminary title report, the review of which will be handled as a Due Diligence Condition. This Agreement shall constitute the escrow instructions, provided, however, Buyer and Seller agree to execute and not to unreasonably withhold their consent to any additional provisions required by the Escrow Holder as a condition to conducting the escrow. Each party shall pay one half (½) of the escrow fee and escrow costs shall be paid by the parties as is customary in Santa Cruz County. Taxes, bonds, assessments, rents and insurance, if any, shall be prorated by the Escrow Holder to the date of COE, with Buyer assuming any non-delinquent bonds or assessments. As a condition to COE, Buyer shall be provided with a CLTA extended coverage owner's policy of title insurance in an amount equal to the Purchase Price, to be issued by the Escrow Holder, showing fee title to the Property vested in Buyer, or nominee, and subject only to

such liens and encumbrances as are accepted and agreed to, in writing, by Buyer, at Closing pursuant to Section 6 as a Due Diligence Condition. The premium for the title insurance policy shall be divided on a 50%-50% basis between Seller and Buyer. Seller shall pay the cost of any city or county transfer taxes. Said CLTA title policy shall contain, at Buyer's option, endorsements insuring that the Property abuts upon, and has access to, all adjoining streets and rights of way. Should Buyer require an ALTA Owner's policy, any excess premium and the cost of an ALTA Survey shall be paid by Buyer.

(b) Upon COE, Buyer shall be provided with a grant deed conveying good and marketable fee title to the Property, and all rights associate therewith.

(c) The form of the grant deed shall be subject to the approval of Buyer. The grant deed shall convey all of Seller's right, title and interest in and to all mineral rights, oil and/or gas in, on and below the Property and all rights of surface entry thereto for access to said mineral and oil and/or gas located in on or below the Property. The Escrow Holder shall be instructed not to indicate the documentary transfer tax on the grant deed.

5. **Buyer's Due Diligence.**

Within five (5) business days of the Effective Date, Seller shall provide Buyer with a copy of all documents in Seller's possession or control regarding the Property ("Seller's Materials") Seller shall within five (5) business days of the Effective Date submit the necessary documentation to the California State Department of Finance ("DOF") to approve the sale of the Property to Buyer and to authorize Seller to proceed with the sale. Upon approval of the sale by DOF and the expiration of any applicable appeal period, Seller shall notify Buyer of the date for the commencement of the Due Diligence Period. Buyer shall have Sixty (60) days from Seller's notice (the "Due Diligence Period") to complete the review of Seller's Materials, review the condition of title of the Property, inspect the Property, and investigate the suitability of all aspects of the Property to Buyer's satisfaction, in Buyer's sole and absolute discretion, including without limitation, zoning, hazardous materials, economic viability, feasibility for Buyer's intended purpose, and the verification of the Seller's ability to deliver the Property as Successor Agency to the Redevelopment Agency (the "Due Diligence Conditions").

Immediately upon full execution of this Agreement, Buyer and its agents shall have the right to enter upon the Property for the purpose of doing any tests, surveys, inspections, or related work required by Buyer

for the inspection and development of the Property. Buyer shall provide Seller with 24-hour notice prior to entry on the Property. Buyer, at its sole cost and expense, shall restore the Property to a condition at least equal to the condition existing immediately prior to the commencement of any testing, surveying, inspecting or related work. The Buyer shall not permit to be placed against the Property, or any part thereof, any liens with regard to Buyer's actions upon the Property. The Buyer agrees to hold the Seller harmless for any loss or expense, including reasonable attorney's fees and costs, arising from any such liens which might be filed against the Property. Buyer agrees to indemnify, defend and hold harmless Seller and its officers, employees, agents and representatives from all actions, claims, suits, penalties, obligations, liabilities, damages to the Property, environmental claims or injuries to persons, which may be caused by Buyer's activities pursuant to this section except that Buyer will have no responsibility to Seller for the remediation of Hazardous Materials (as defined in paragraph 9) discovered to be present in, on, or under the Property as a result of tests, inspections or studies performed by Buyer including any residual contamination determined to be present by the prior existence of underground tanks on the Property.. Buyer shall require that any contractors working on the Property maintain general liability insurance with limits of at least \$1,000,000. Said insurance shall name Seller as an additional insured. Prior to the last day of the Due Diligence period, Buyer shall notify Seller of any conditions of the Property which are unacceptable to Buyer. At that time, the Seller may agree to remedy said conditions or may refuse to remedy said conditions. In the event the City refuses the remedy said conditions, Buyer may elect to waive any objections and proceed with the purchase of the Property or terminate this agreement. Buyer shall notify Seller in writing on or before the last day of the Due Diligence Period if the Due Diligence Conditions are satisfied or waived. If Buyer fails to notify Seller in writing that the Due Diligence Conditions have been waived or satisfied on or before the last day of the Due Diligence Period, the Due Diligence Conditions shall be deemed not satisfied, Buyer shall be entitled to the return of the First Deposit and this Agreement shall be of no further force and effect.

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6. **Closing.**

The closing of this transaction ("Closing") shall occur upon the delivery of written notice from Seller to Buyer (the "Notice to Close") on or before the date that is fifteen (15) days after the Buyer has delivered to the Seller the written notice of the satisfaction, exception or waiver of the Due Diligence Conditions, Seller shall pay all transfer taxes and the cost of the CLTA policy of title insurance. All other closing costs shall be divided between Buyer and Seller pursuant to the local closing practices. At

Closing, Buyer shall deliver the amount of the Purchase Price less the Deposits and Seller shall deliver a grant deed for the Property and such other usual and customary instruments as Buyer may reasonably request. Property taxes and other income and expenses shall be prorated as of Closing on the basis of actual days elapsed and a 360-day year.

7. **Extension to Closing.**

If in the event Buyer wishes to extend the close of escrow to facilitate the Buyer's contemplated 1031 exchange or any other reason in Buyer's sole discretion, then Buyer may elect to extend the Close of Escrow for an additional thirty (30) days, (the "Closing Extension Period").

8. **Seller's Representations and Warranties.**

Seller represents, warrants and covenants to Buyer the following as of the time of the Effective Date and date of Closing: (a) that Seller is the owner, in fee, of the Property and that the person(s) executing this Agreement on behalf of Seller have the full authority to execute this Agreement and will have received the necessary consents from the Successor Agency to the Redevelopment Agency and State Department of Finance; (b) no leases, rental agreements and/or service contracts are in effect with respect to the Property; (c) Seller has no knowledge of nor has Seller received notice of any pending or contemplated litigation affecting the Property; (d) as of the date hereof, Seller has not received nor is Seller aware of any notification from any building, safety or health department or any other governmental agency of any existing violation of any applicable law, ordinance, rule or regulation over which such department has or claims jurisdiction and which requires any work to be done with respect thereto affecting the Property; (e) the Property is not, and shall not become, subject to the provisions of the Land Conservation Contract pursuant to the Williamson Act; (f) to Seller's best knowledge and except as disclosed to Buyer in writing, no Hazardous Materials as defined below regulated under any federal, state, or local law or regulations, as amended from time to time, as toxic, hazardous, contaminated, or similarly harmful or dangerous material or substance (including without limitation, petroleum products, solvents, asbestos, and radon) are or were located on, in or under the Property or have affected the Property or waters on or under the Property at any time; (g) to Seller's best knowledge, the Property contains no cemetery or burial site or a site of historical significance; (h) to Seller's best knowledge, the Property is not occupied or used by and does not constitute the habitat of an endangered or threatened species; (i) to Seller's best knowledge, the Property has

never been used for garbage or land fill; (j) to Seller's best knowledge, there are adequate City services to allow for development of the property; and (k) to Seller's best knowledge, Seller has no actual knowledge of any liens, easements, licenses or other rights not disclosed by the public record. These warranties shall survive COE and delivery of the grant deed to Buyer. Seller hereby represents that underground fuel tanks were previously located on the Property, but to the best of Seller's actual knowledge, such tanks have been removed in their entirety from the Property. In addition, Seller hereby represents that levels of arsenic have been located on the Property.

9. **Hazardous Materials. Definition.**

The term "**Hazardous Materials**" means and refers to any "hazardous waste" or "hazardous substance," as such terms are set forth in, under or pursuant to the Environmental Laws and Regulations, oil or petroleum products or their derivatives, polychlorinated biphenyls, asbestos, arsenic, radioactive materials or waste, and any other toxic, ignitable, reactive, corrosive, explosive, contaminating or polluting materials which are now or in the future subject to governmental regulation. "**Environmental Laws and Regulations**" means any federal, state or local laws now or hereafter in effect relating to pollution or protection of the environment or emissions, discharges, spills, releases or threatened releases of any Hazardous Substance into the environment (including without limitation indoor air, ambient air, surface water, ground water or land), including without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*, as amended, the Comprehensive Environmental Response, Compensation and Liability Act ("**CERCLA**"), 42 U.S.C. §§ 9601 *et seq.*, as amended, the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.*, as amended, the Clean Water Act, 33 U.S.C. §§ 1251 *et seq.*, as amended, the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*, as amended, the Toxic Substance Control Act, 15 U.S.C. §§ 2601 *et seq.*, as amended, and any rules and regulations now or hereafter promulgated under any of such acts. **Brokers.**

Each of the Parties hereto represents to the other that it has dealt with no broker in connection with the transaction contemplated herein and that the parties shall not be required to pay any commission whatsoever with regard to the transaction contemplated herein resulting from the actions of the party making such representations.

10. Time is of the Essence.

Time is EXPRESSLY of the essence of every provision of this Letter of Intent.

11. Assignment.

Buyer, without the consent of Seller, may freely assign this Agreement to a partnership or affiliate or development entity created by Buyer for the purpose of Buyer's developing, holding or leasing the Property as contemplated hereunder without regard to the Right of First Refusal set forth in paragraph 12. Should Buyer desire to assign the Agreement to a non Buyer affiliated third party, Buyer shall obtain the consent of Seller, which shall not be unreasonably withheld or delayed.

12. Right of First Refusal.

In the event Buyer desires to sell the Property prior to development of the restaurant and bar with related ancillary amenities , before it may sell the Property to a third party, Buyer shall first offer in writing, the Property to Seller for the Purchase Price under this Agreement plus development and entitlement costs incurred by Buyer, then to date. Seller shall have 30 days from the receipt of such notice in which to accept said offer. If Seller does not accept said offer within said period, Buyer shall be free to sell the Property to a third party on terms no less favorable than the terms offered to Seller.

13. Cross Easements.

Seller shall work with Buyer and adjacent property owners to provide for the grant of mutual and reciprocal cross easements for ingress and egress and parking for the Property and adjacent properties in order to facilitate the orderly development of the Town Center project. However the placement of any such reciprocal easements for ingress and egress and parking shall not compromise the access to the Property or parking requirements such that Buyer's project or any future adjacent project must rely upon shared rather than on-site parking for approval.

14. Oral and Written Agreements.

This Agreement represents the entire agreement between the Parties hereto and supersedes all prior negotiations, representations, agreements, brochures and understandings, whether written or oral, with respect to the

subject matter hereof and none shall be used to interpret or construe this Agreement. Any changes to this Agreement shall be in writing and shall be executed by both Buyer and Seller.

15. Binding Effect.

This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the Parties hereto.

16. Notices.

All notices and other communications under this Agreement shall be in writing, addressed to the Parties at the addresses set forth below, and delivered by personal service, or by Federal Express or other overnight delivery service, or by facsimile transmission, or by registered or certified mail, postage prepaid, return receipt requested:

BUYER:
Corbett Wright
174 West Cliff Drive
Santa Cruz CA 95060

SELLER:
SUCCESSOR AGENCY OF THE SCOTTS
VALLEY REDEVELOPMENT AGENCY
One Civic Center Drive
Scotts Valley, CA 95066

Attn. Executive Director

With copy to:
William B. Clayton, Jr.
Clayton & McEvoy P.C.
333 W Santa Clara Street #950
San Jose CA 95113

With a copy to:
Kirsten M. Powell
City Attorney
One Civic Center Drive
Scotts Valley, CA 95066

Any such notice shall be deemed delivered as follows: (a) if personally delivered, the date of delivery to the address of the person to receive such notice; (b) if sent by Federal Express or other courier service, the date of delivery to the address of the person to receive such notice; (c) if sent by facsimile transmission, the date transmitted to the person to receive such notice if sent by 5:00p.m. (San Francisco time) and the next business day if sent after 5:00pm (San Francisco time); (d) if mailed, three (3) calendar days after depositing same in the mail. Any notice sent by facsimile transmission must be confirmed by personally delivering or mailing a copy of the notice sent by facsimile transmission. Any party may change its address for notice by written notice given to the other at least five (5) calendar days before the effective date of such change in the manner provided in this Section.

17. Attorneys' Fees.

In the event of any controversy, claim, or dispute between the Parties hereto, including arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to recover, in addition to all other remedies at law or in equity, costs of any proceeding relating to such controversy, including expert witness fees and reasonable attorneys' fees.

18. Possession.

Buyer shall take possession of the Property as of the Close of Escrow.

19. Interpretation.

Words in the singular shall be deemed to include the plural and vice-versa and words in a particular gender shall be deemed to include each other gender. The captions and headings of the Sections of this Agreement are for convenience of reference only and shall not be deemed to define or limit the provisions hereof. Time shall be of the essence of every provision of this Agreement.

20. Governing Law.

This Agreement shall be governed by and construed in accordance with the internal laws, without regard to the conflicts of law provisions of such laws, of the State of California applicable to agreements made and to be performed in such state.

21. Counterparts.

This Agreement may be executed in one or more counterparts by the parties hereto. All counterparts shall be construed together and shall constitute one agreement.

[signature page follows]

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date indicated above.

BUYER:
Corbett Wright



SELLER:
Successor Agency of the Scotts Valley
Redevelopment Agency



July 15, 2014

Mr. Stephen Ando, Executive Director
City of Scotts Valley
1 Civic Center Drive
Scotts Valley, CA 95066

Dear Mr. Ando:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Scotts Valley Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on September 23, 2013. The Agency subsequently submitted a revised LRPMP to Finance on March 20, 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 April 3, 2013. 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.

However, the following were noted during our review, but do not require a revised plan to be submitted in compliance with the requirements specified on HSC section 34191.5:

Property Nos. 1 through 3 – The Agency reported "N/A" or "blank" for the requirements specified on HSC section 34191.5 (c) (1) (E) through (G) pertaining to contractual requirements, history of environmental contamination, and property's potential for transit oriented development and advancements. As clarified by the Agency, the "N/A" should state "No".

For the requirement specified on HSC section 34191.5 (c) (1) (H) pertaining to the history of previous development proposals, as clarified by the Agency, this should state "Yes".

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.

Please direct inquiries to Wendy Griffe, Supervisor, or Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Justyn Howard', with a horizontal line extending to the right. The word 'for' is written in smaller letters below the signature.

JUSTYN HOWARD
Assistant Program Budget Manager

- cc: Mr. Corrie Kates, Community Development Director/Deputy City Manager,
City of Scotts Valley
Ms. Mary Jo Walker, Auditor-Controller, Santa Cruz County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State
Controller's Office
California State Controller's Office

RESOLUTION NO. OB-19

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PREPARED BY THE SUCCESSOR AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5, DETERMINING THAT APPROVAL OF THE LONG-RANGE PROPERTY MANAGEMENT PLAN IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Scotts Valley Redevelopment Agency (the "Agency") transferred to the control of the Successor Agency to the Agency (the "Successor Agency") by operation of law.

B. Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency must prepare a long-range property management plan which addresses the disposition and use of the real properties of the former Agency, and which must be submitted to the Oversight Board of the Successor Agency (the "Oversight Board") and the Department of Finance (the "DOF") for approval no later than six months following the issuance by DOF to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7.

C. Pursuant to Health and Safety Code Section 34179.7, DOF issued a finding of completion to the Successor Agency on April 3, 2013.

D. The Successor Agency has prepared and submitted to the Oversight Board the long-range property management plan attached hereto as Exhibit A (the "LRPMP"), which LRPMP addresses the disposition and use of the real properties of the former Agency and includes the information required pursuant to Health and Safety Code Section 34191.5(c).

E. Pursuant to Health and Safety Code Section 34180(j), at the same time the Successor Agency submitted the LRPMP to the Oversight Board, the Successor Agency submitted the LRPMP to the County Administrative Officer, the County Auditor-Controller, and DOF.

F. Pursuant to Health and Safety Code Section 34181(f), the public was provided notice of the date of the meeting at which the Oversight Board proposes to consider approval of the LRPMP.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SCOTTS VALLEY REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

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

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34191.5.

Section 3. The Oversight Board hereby approves the LRPMP as presented by the Successor Agency and attached hereto as Exhibit A.

Section 4. The staff of the Successor Agency is hereby directed to transmit to DOF this Resolution together with written notice and information regarding the action taken by this Resolution. Such notice to DOF shall be provided by electronic means and in a manner of DOF's choosing.

Section 5. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

Section 6. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) ("CEQA"). Pursuant to the State CEQA Guidelines (14 Cal Code Regs 15000 *et seq.*)(the "Guidelines"), the Oversight Board has determined that the approval of the LRPMP is 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)). Further, it can be seen with certainty that there is no possibility that approval of the LRPMP may have a significant effect on the environment, and thus the action is exempt from CEQA (Guidelines Section 15061(b)(3)). Staff of the Successor Agency is hereby directed to prepare and post a notice of exemption pursuant to Guidelines Section 15062.

PASSED AND ADOPTED this 20th day of March 2014.

AYES: Bustichi, Clark, Dilles, Kates, McPherson, Ziel
NOES: None
ABSTAIN: None
ABSENT: Cabigas


Dene Bustichi, Chair

ATTEST:


Tracy Ferrara, Secretary



LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

Instructions: Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

Redevelopment_Administration@dof.ca.gov

The subject line should state “[Agency Name] Long-Range Property Management Plan”. The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

GENERAL INFORMATION:

Agency Name: **Scotts Valley Redevelopment Successor Agency**

Date Finding of Completion Received: April 3, 2013

Date Oversight Board Approved LRPMP: March 19, 2014

Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

Yes No

For each property the plan includes the purpose for which the property was acquired.

Yes No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

Yes No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

Yes No

For each property the plan includes 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.

x Yes No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

x Yes No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

x Yes No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

x Yes No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

x Yes No

The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

x Yes No

ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.

This is a revised Long-Range Property Management Plan (LRPMP). The original LRPMP was approved September 11, 2013. It needed to be revised to eliminate three properties that were actually under the Successor Housing Agency, not the Successor Agency. Those properties have been removed from this revised plan. In addition, the estimated current value has been included with this revised LRPMP. Those are the only two changes made to the revised LRPMP.

Agency Contact Information

Name: Stephen Ando
Title: Executive Director
Phone: 831.440.5606
Email: sando@scottsvalley.org
Date: March 19, 2014

Name: Corrie Kates
Title: Deputy Executive Director
Phone: 831.440.5631
Email: ckates@scottsvalley.org
Date: March 19, 2014

Department of Finance Local Government Unit Use Only

DETERMINATION ON LRPMP: APPROVED DENIED

APPROVED/DENIED BY: _____ DATE: _____

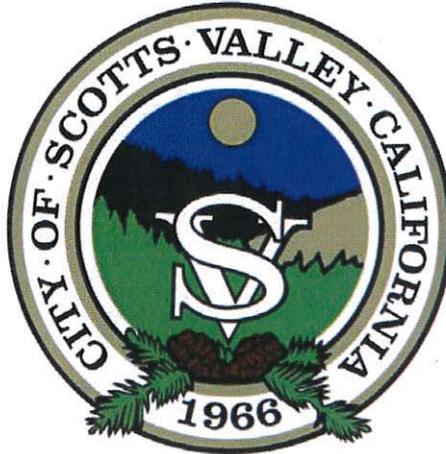
APPROVAL OR DENIAL LETTER PROVIDED: YES DATE AGENCY NOTIFIED: _____

Form DF-LRPMP (11/15/12)

EXHIBIT A
Long-Range Property Management Plan

SCOTTS VALLEY REDEVELOPMENT SUCCESSOR AGENCY

LONG RANGE PROPERTY MANAGEMENT PLAN



Successor Agency
of the Scotts Valley
Redevelopment Agency

Board of Directors

Chair Jim Reed

Vice-Chair Dene Bustichi

Board Member Stephany E. Aguilar

Board Member Randy Johnson

Board Member Donna Lind

March 19, 2014

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Scotts Valley Redevelopment Successor Agency Long-Range Property Management Plan

This Long-Range Property Management Plan (the "Plan") has been prepared and will be processed by the Scotts Valley Redevelopment Successor Agency (the "Successor Agency") for the Redevelopment Agency of the City of Scotts Valley (the "Former Redevelopment Agency") in accordance with Health and Safety Code Section 34191.5.

The Former Redevelopment Agency was dissolved on February 1, 2012. The Successor Agency is now responsible for disposition of the Property in accordance with the procedures and requirements of ABx1 26 and AB 1484 (the "Redevelopment Dissolution Statutes"), the statutes that govern the dissolution of the Former Redevelopment Agency and the liquidation of its former property.

On April 3, 2013, the Successor Agency was issued its Notice of Completion. Therefore, the remaining actions needed for this Plan to become effective are the approvals of the Oversight Board and the State Department of Finance.

Attached is a separate page for each of the six properties discussed in this Plan. These pages include the information required by Health and Safety Code Section 34191.5. After each of these pages is a County Assessor's parcel map of the property. At the end of this Plan are aerial maps of the properties.

The properties include in this Plan are:

<u>Property #</u>	<u>Description</u>	<u>Location</u>
1	Vacant Land	260 Mt. Hermon Road
2	Developed City Park	361 Kings Village Road
3	Library/Performing Arts Theater	251 Kings Village Road

Further background information for Property 1 is provided on the next page.

Background Information Regarding Property 1:

This property is a part of what is known as the Scotts Valley Town Center Project (Project). The Project encompasses nine parcels totaling 15 acres of currently undeveloped land and was originally proposed in the Redevelopment Plan in 1991 and as part of the Skypark Specific Plan which was originally approved in September 1992. Earlier, the Town Center project area was known as Skypark. The Specific Plan was later amended in November 1994, November 1996, March 1998 and finally in November 2008 when it became the Scotts Valley Town Center Specific Plan.

The need for the preparation of a Specific Plan for Skypark was identified during the process of preparing the 1986 General Plan for the City of Scotts Valley. The General Plan emphasizes the need for a commercial development and housing within the city's commercial core area. The Skypark area was identified in the General Plan as a preferred commercial infill site.

The Project has had several developers analyze it over the years. However, a major step forward for this Project came in August of 2007 when the former Scotts Valley Redevelopment Agency (RDA) entered into an agreement with RRM Design Group to prepare a more detailed specific plan that would provide the blueprint for the Project and detailed design principles and guidelines, land use, circulation, landscape/streetscape guidelines, infrastructure and implementation. The Town Center Specific Plan and associated Environmental Impact Report were completed and approved in October 2008. The Specific Plan allows for 180,000 square feet of retail and 250 residential units on the 15 acres.

One of the major impediments to the Project was the location of two propane companies adjacent to the Project area. In January 2010 the RDA entered into a purchase agreement with one of the companies to purchase its property and assist with relocation costs. In May 2011 the City adopted an ordinance prohibiting propane facilities within the City after a period of years. That company has now relocated outside the Scotts Valley city limits. The elimination of the propane facilities in the Project Area was the second major step for the Project.

Since that time, the former RDA entered into exclusive negotiating agreements with 3 different developers. Each time the developers were unable to complete the Project due to the project costs. To assist with the development of the Project, the RDA purchased Property 1 in February 2011, with the intent of selling them to the developer of the Project.

In December 2012, the City entered into an Exclusive Negotiating Agreement with Property Development Centers, LLC (PDC) for the development of the Project. This Long-Range Property Management Plan calls for the sale of this property to a developer of this Project. With an executed development agreement, this property would be sold at the appraised value determined by a certified real estate appraiser to PDC. PDC has already entered into other property purchase agreements for properties other than the one identified in this Plan.

**Scotts Valley Redevelopment Successor Agency
Long-Range Property Management Plan
Property 1**

Property Address: 260 Mt. Hermon Road, Scotts Valley, CA 95066
APN #: 022-231-03
Lot Size: 66,178 sq ft
Zoning: Commercial-Service

Date of Acquisition: February 18, 2011
Purchase Price: \$2,410,509
Estimated Current Value: \$1,125,000

Environmental Contamination: No

Transit-Oriented Development: See "Use or Disposition" below.

History of Development Proposals: See "Use or Disposition" below.

Lease/Rental Income Estimate: None.

Use or Disposition:

(See additional background information for this property on page 2)

This property was purchased by the former Scotts Valley Redevelopment Agency in connection with the mixed-use development of a Town Center in Scotts Valley. The City has already approved a Specific Plan for this development and approved the related Environmental Impact Report. The City has entered into an Exclusive Negotiating Agreement (Agreement) with a developer for the Town Center project. This Plan hereby directs that this property be held by the Scotts Valley Redevelopment Successor Agency for this future development. The property will be sold either to the current developer under Agreement, or other future developer, at a price established by an appraisal by a certified real estate appraiser. The proceeds will be transmitted to the County of Santa Cruz where they will be distributed to the taxing entities.

**Scotts Valley Redevelopment Successor Agency
Long-Range Property Management Plan
Property 2**

Property Address: 361 Kings Village Road, Scotts Valley, CA 95066
APN #: 022-721-02
Lot Size: 678,096 sq ft
Zoning: Public / Quasi Public

Date of Acquisition:
Purchase Price: \$3,840,348
Estimated Current Value: \$3,840,348

Environmental Contamination: No

Transit-Oriented Development: No

History of Development Proposals: See "Use or Disposition" below.

Lease/Rental Income Estimate: None.

Use or Disposition:

This property was purchased by the former Scotts Valley Redevelopment Agency and developed into a City park including soccer fields, playground, bocce ball court, and skateboard facility. This Plan hereby directs that this property be transferred to the City of Scotts Valley to continue to be maintained and used as a City park.

**Scotts Valley Redevelopment Successor Agency
Long-Range Property Management Plan
Property 3**

Property Address: 251 Kings Village Road, Scotts Valley, CA 95066
APN #: 022-211-80 & 31
Lot Size: 88,336 & 965 sq ft
Zoning: Commercial – Shopping Center

Date of Acquisition: July 17, 2009
Purchase Price: \$8,401,783 (including improvements)
Estimated Current Value: \$8,401,783

Environmental Contamination: No

Transit-Oriented Development: No

History of Development Proposals: See "Use or Disposition" below.

Lease/Rental Income Estimate: One dollar per year for library.

Use or Disposition:

This property includes an approximately 22,250 square foot building that contained a roller skating rink. After the former Scotts Valley Redevelopment Agency purchased the building, approximately 13,150 square feet of the building was renovated into the Scotts Valley Branch Library as part of the County library system. This satisfied an agreement with the County of Santa Cruz when the Redevelopment Agency was formed. The remaining approximately 9,100 square feet of the building is being considered for a City performing arts theater.

The City has paid for architectural renderings to renovate the current vacant side of the building into a performing arts theater. The City has entered into an Exclusive Negotiating Agreement with the Scotts Valley Community Theater Guild (Guild), a 501 (c) (3) organization, to provide them a set time to secure funding for renovations and operations of a performing arts theater at this location.

This Plan hereby directs that the property be transferred to and be retained by the City and continue to lease the library area to the Santa Cruz County Library system to be operated as a library. Further, the City will continue to work with the Guild to renovate the vacant side of the building to be used as a City performing arts theater. If the funding for a performing arts theater does not materialize, then the Successor Agency will review and recommend another civic use compatible with that location.

**Scotts Valley Redevelopment Successor Agency
Long Range Property Management Plan**



Blue Bonnet Lane

#3
APNs 022-211-80
& 022-211-31

Kings Village Road

#2
APN 022-721-02

#1
APN 022-231-03

Mount Hermon Road

SkyPark Drive

033

[Click here to view Appraisal](#)