



AGENDA

Meeting of the Successor Agency of the Scotts Valley Redevelopment Agency

Date: April 5, 2017

Time: 6:00 p.m.

<p>SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5602</p>	<p>MEETING LOCATION Scotts Valley City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066</p>
<p>OFFICIALS Randy Johnson, Chair Jim Reed, Vice Chair Stephany E. Aguilar, Board Member Jack Dilles, Board Member Donna Lind, Board Member</p>	<p>POSTING The agenda was posted 3-31-17 at City Hall, Scotts Valley Senior Center, Scotts Valley Library and on the Internet at www.scottsvalley.org.</p>

Notice regarding Successor Agency of the Scotts Valley Redevelopment Agency Meetings:

The Successor Agency Board of Directors of the Scotts Valley Redevelopment Agency meets regularly on the 1st and 3rd Wednesday of each month, immediately following the Scotts Valley City Council meeting, which begins at 6:00 pm in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066.

Agenda and Agenda Packet Materials:

The Successor Agency of the Scotts Valley Redevelopment Agency agenda and the complete agenda packet are available for review by 5:00 pm the Friday before the Wednesday 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.

Televised Meetings:

The Successor Agency of the Scotts Valley Redevelopment Agency Board meetings are cablecast "Live" on Community Television of Santa Cruz County on Comcast Channel 25.

CALL TO ORDER 6:00 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 Successor Agency Board meeting minutes of 3-15-17

REGULAR AGENDA

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

- 1. Consideration approve of Resolution No. SA-30.1 approving an Amendment to the Purchase Agreement with Corbett Wright for the former Suburban Propane property, 260 Mt. Hermon Road, Scotts Valley, APN 22-231-03 (Executive Director Haruyama)
- 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 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 Successor Agency of the Scotts Valley Redevelopment Agency

Date: March 15, 2017

POSTING:

The agenda was posted on 3-15-17
at City Hall, the SV Senior Center, and
the SV Library, by the City Clerk.

CALL TO ORDER 6:56 p.m.

ROLL CALL

Present: Randy Johnson, Chair
 Jim Reed, Vice Chair
 Stephany E. Aguilar, Board Member
 Jack Dilles, Board Member
 Donna Lind, Board Member
 Jenny D. Haruyama, Executive Director
 Tracy A. Ferrara, Secretary
 Kirsten Powell, Agency Counsel
 Taylor Bateman, Acting Community Development Director

PUBLIC COMMENT

No one came forward.

ALTERATIONS TO CONSENT AGENDA

M/S: Aguilar/Lind
To approve the Consent Agenda.
Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

CONSENT AGENDA

A. Approve Successor Agency Board meeting minutes of 1-18-17

ALTERATIONS TO REGULAR AGENDA

M/S: Lind/Reed
To approve the Regular Agenda.
Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

REGULAR AGENDA

1. **Consider approval of Resolution No. SA-40 a resolution of the Board of the Successor Agency of the Scotts Valley Redevelopment Agency confirming the issuance of refunding bonds, approving preliminary and official statements, and providing for other matters properly related thereto**

CM Haruyama presented the written staff report and responded to questions from Council.

M/S: Aguilar/Dilles

To approve Resolution No. SA-40, a resolution of the Board of the Successor Agency of the Scotts Valley Redevelopment Agency confirming the issuance of refunding bonds, approving preliminary and official statements, and providing for other matters properly related thereto. Carried 5/0 (AYES: Aguilar, Dilles, Johnson, Lind, Reed)

2. **Future Board agenda items**

None.

ADJOURNMENT The meeting adjourned at 7:03 p.m.

Approved: _____
Randy Johnson, Chair

Attest: _____
Tracy A. Ferrara, Secretary

Successor Agency of the Scotts Valley Redevelopment Agency

DATE: April 5, 2017

TO: Honorable Chair and Board Members

FROM: Kirsten M. Powell, Agency Counsel

SUBJECT: **CONSIDERATION OF AMENDMENT TO PURCHASE AGREEMENT WITH CORBETT WRIGHT FOR THE FORMER SUBURBAN PROPANE PROPERTY**

SUMMARY OF ISSUE

In September 2016, the Successor Agency entered into an agreement with Corbett Wright, a local developer to purchase former Redevelopment Agency property, known as the “Suburban Propane” site. In accordance with the Long Range Property Management Plan (LRPMP), City staff hired Ron Zeller, a certified real estate appraiser to appraise the property. After taking into consideration current land market value and assumed environmental factors, Mr. Zeller determined that the value of the land “as is” was \$1,000,000. The appraisal based this value, in part, on an assumed amount to remedy known environmental factors on the property, \$225,000. The appraisal also stated that if the remediation costs were higher than the assumed amount, the fair market value of the property would be reduced.

During the due diligence period, it was determined that the appraisal did not take into account nor have access to all of the information and reports that noted environmental conditions and the assumed costs associated with soils remediation, building demolition, and paving and decommissioning of a well were much lower than the actual costs. As a result, the appraisal was revised to reflect assumed actual costs of approximately \$700,000.

After taking into consideration these additional environmental factors, the final revised appraised value was approximately \$520,000. Given this, the purchase agreement has been amended to reflect the new appraised value.

Upon approval of the amendment, the Oversight Board would be required to also consider the revised agreement. The amendment would not need to be approved by the Department of Finance (DOF) because the sale of the property is consistent with the terms of the LRPMP.

FISCAL IMPACT

The property will be sold for \$520,000. That amount will be transferred to the County of Santa Cruz for disbursement to the appropriate taxing entities.

STAFF RECOMMENDATION

It is recommended that the Successor Agency Board consider the attached amendment to the purchase agreement with Corbett Wright.

TABLE OF CONTENTS

	<u>PAGE</u>
Resolution No. SA-30.1 approving First Amendment to Purchase Agreement.....	2

RESOLUTION NO. SA-30.1

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 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, the Appraisal was based upon certain qualifications and assumptions stated in the document including remediation costs (@page 6 and 62) noting that if costs exceed assumptions the appraised value would be reduced; and

WHEREAS, on September 21, 2016, the Successor Agency entered into a purchase agreement with Corbett Wright ("Wright") to purchase the Property "as is" for \$1,000,000; and

WHEREAS, during the due diligence period, Wright and the Successor Agency determined that the Appraisal did not take into account nor did the appraiser have access to complete copies of some or all of the three Bureau Veritas North America Inc. ("Bureau Veritas") Reports dated March 27, 2014, May 30, 2014 and September 30, 2014 ("Reports"); the Reports noted conditions and costs associated with soils remediation, demolition of building and paving and decommissioning of the well not previously considered nor fully investigated in determining the Fair Market Value ("FMV") of the Property;

WHEREAS, the appraiser has revalued the Property based on the costs of remediation;

WHEREAS, the Buyer and Seller desire to amend the purchase agreement to reflect to corrected fair market value as determined by the revised appraisal.

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 5th day of April, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: _____
Randy Johnson, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

FIRST AMENDMENT TO PURCHASE AGREEMENT

This FIRST AMENDMENT TO PURCHASE AGREEMENT ("FAAgreement") is made this 5th day of April, 2017 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, Buyer and Seller entered into a Purchase Agreement dated September 14, 2016 for the Property;

WHEREAS, the Buyer and Seller intended to buy and sell the Property at the appraised value of the property as determined by Ronald S. Zeller, MAI, RM of Zeller Appraisal Services, Inc. dated June 1, 2016 ("Appraisal");

WHEREAS, the Appraisal was based upon certain qualifications and assumptions stated in the document including remediation costs (@page 6 and 62) noting that if costs exceed assumptions the appraised value would be reduced;

WHEREAS, the Parties have determined that the Appraisal did not take into account nor did the appraiser have access to complete copies of some or all of the three Bureau Veritas North America Inc. ("Bureau Veritas") Reports dated March 27, 2014, May 30, 2014 and September 30, 2014 ("Reports"); the Reports noted conditions and costs associated with soils remediation, demolition of building and paving and decommissioning of the well not previously considered nor fully investigated in determining the Fair Market Value ("FMV") of the Property;

WHEREAS, the appraiser has revalued the Property based on the costs of remediation;

WHEREAS, the Seller reaffirms the desire to sell the Property to Buyer and Buyer desires to purchase the Property at the newly appraised value subject to the terms of this First Amendment to Purchase Agreement.

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

1. **Purchase Price.** Section 2 of the Purchase Agreement is hereby amended to read as follows:

“Purchase Price. The Purchase Price for the Property to be paid by Buyer to Seller for the Property shall be Five Hundred Twenty Thousand Dollars (\$520,000.00), which shall be payable in cash at the Closing (as defined below).”

2. **Buyer’s Further Due Diligence.**

The Due Diligence Period outlined in Section 5 of the Agreement is hereby extended by 45 days from the date of the approval of this agreement by the Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Area.

3. **Seller’s Representations and Warranties.**

Seller modifies paragraph 8 to delete the statement “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.” Seller hereby represents to Buyer that to the best of its knowledge, without duty to investigate, there were and are no underground fuel tanks located on the Property

4. **Time is of the Essence.**

Time remains EXPRESSLY of the essence in the performance of the Agreement and this First Amendment to Purchase Agreement.

5. **Integration**

Except as to those provisions amended herein, the terms and conditions of the Agreement remain in effect and are ratified and reaffirmed by the Parties. If there is a conflict between the terms of this FA Agreement and the Agreement, the terms of this FA Agreement shall prevail.

6. **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.

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

Corbett Wright

Jenny D. Haruyama, Executive Director