

RESOLUTION NO. 2018 - _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS APPROVING THE PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BETWEEN THE CITY OF DESERT HOT SPRINGS AND THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF DESERT HOT SPRINGS WITH RESPECT TO THE REAL PROPERTY LOCATED ON THE NORTH SIDE OF PIERSON BOULEVARD, DESERT HOT SPRINGS, CALIFORNIA (APN 639-252-039) AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code (the “HSC”) § 34172 (a) (1), the Redevelopment Agency of the City of Desert Hot Springs dissolved February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, the City Council of the City of Desert Hot Springs (the “City”) previously elected to serve in the capacity of the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs (the “Successor Agency”); and

WHEREAS, the Oversight Board for the Successor Agency (“Oversight Board”) has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, pursuant to HSC § 34191.5 (c), the Successor Agency previously prepared and filed with the Department of Finance (“DOF”) its Oversight Board-approved Long Range Property Management Plan (“LRPMP”); and

WHEREAS, on May 15, 2015, the DOF approved the Successor Agency’s LRPMP and notified the Successor Agency that pursuant to HSC § 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; and

WHEREAS, the approved LRPMP, which addresses the disposition and use of the real property assets held by the Successor Agency, includes 44 parcels of land grouped into sixteen (16) separate sites, of which four (4) sites have already been sold or transferred to the City, leaving twelve (12) sites (3 sites zoned general commercial and 9 sites located within the City’s Vortex Specific Plan) to be sold; and

WHEREAS, in addition to these twelve (12) sites, the Successor Agency has two (2) surplus residential properties that are required to be sold, thereby creating a total of fourteen (14) sites to be sold (the “Successor Agency Properties”); and

WHEREAS, the Successor Agency is the owner of that certain real property consisting of approximately 0.15 acres of vacant land located on the north side of

Pierson Boulevard, approximately 300 feet west of Palm Drive, Desert Hot Springs, California

(APN 639-252-039) (the "Property"); and

WHEREAS, the Property, which is one of the Successor Agency Properties, is: (i) identified as Site No. 12 of the LRPMP; (ii) described as 0.15 acres of vacant land zoned Mixed-use Planning Area 0.02 in the Vortex Specific Plan; (iii) designated to be sold; and (iv) more fully described in Exhibit "A" attached hereto, which is an excerpt from the LRPMP; and

WHEREAS, on November 15, 2016, the Successor Agency approved an Agreement with NAI Capital (the "NAI Agreement") to list and sell certain real property assets of the Successor Agency, all of which were subsequently listed for sale; and

WHEREAS, as a part of the NAI Agreement, NAI Capital has agreed to prepare a Broker's Opinion of Value (the "BOV") for each Successor Agency property that is sold; and

WHEREAS, the City wishes to purchase, and the Successor Agency wishes to sell the Property for the City Hall Annex project for the amount of **\$22,542**; and

WHEREAS, to determine whether the Purchase Price is fair and reasonable, the Successor Agency requested NAI Capital to prepare a BOV, to confirm if the Purchase Price is fair and reasonable; and

WHEREAS, based on past practice, the DOF has acknowledged that BOVs are an acceptable method and basis for confirming that the value of real property being sold by a successor agency is fair and reasonable; and

WHEREAS, on May 31, 2018, the Successor Agency received the BOV from NAI Capital indicating its opinion that the market value of the Property is currently **\$22,542** (the "BOV Market Value"); and

WHEREAS, in consideration that the Purchase Price is equal to the BOV, it may be concluded that the purchase price for the Property is fair and reasonable, as more fully described within the BOV for the Property, a copy of which is attached to this Resolution as Exhibit "B"; and

WHEREAS, approval of this Resolution will approve the Purchase and Sale Agreement and Joint Escrow Instructions (the "Purchase and Sale Agreement") between the Successor Agency and the City with respect to the Property, a form of which is attached to this Resolution as Exhibit "C," and authorize certain related actions; and

WHEREAS, consistent with the provisions of the HSC and the LRPMP, with respect to the Property to be sold, the effectiveness of the Agreement is subject to the approval of the Oversight Board and review by DOF; and

WHEREAS, this sale was approved by the Desert Hot Springs Oversight Board at their regularity scheduled meeting on June 2, 2018; and

WHEREAS, subject to the approval of DOF, the Successor Agency intends to distribute the net land proceeds to the Riverside County Auditor Controller for distribution to the taxing entities; and

WHEREAS, the proposed sale of the Property is exempt under the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, § 15000 *et seq.*, hereafter the "Guidelines") and the City's environmental guidelines, as a "common sense exemption," which provides that activities that cannot possibly have a significant effect on the environment are exempt from CEQA, 14 Cal Code Regs. §15061 (b) (3); and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF DESERT HOT SPRINGS AS FOLLOWS:

Section 1. Recitals

That the Recitals set forth above are true and correct.

Section 2. Approval of Agreement and Related Approvals

That the City hereby approves the Purchase and Sale Agreement and authorize the City Manager to (i) execute the same, (ii) make ministerial revisions to the Purchase and Sale Agreement which do not increase the City's obligations or materially increase the consideration payable by the City to the Successor Agency; (iii) sign a certificate of acceptance and any other documents the execution of which is necessary or appropriate to carry out and implement the Purchase and Sale Agreement; (iv) administer the City's obligations under the Purchase and Sale Agreement; and (v) take such other actions and execute such other documents as are necessary as may otherwise be required to fulfill the intent of this Resolution.

Section 3. Declaration

That the Purchase Price for the Property is determined to be fair and reasonable.

Section 4. CEQA

That the proposed sale of the Property is exempt under CEQA, the Guidelines and the City's environmental guidelines, as a "common sense exemption," which provides that activities that cannot possibly have a significant effect on the environment are exempt from CEQA, 14 Cal Code Regs. §15061 (b) (3).

Section 5. Severability

That if any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

Section 6. Effective Date

That this Resolution shall take effect immediately upon adoption.

Section 7. Certification

That the City Clerk shall certify to the passage of this Resolution and enter it into the book of original resolutions.

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PASSED, APPROVED, AND ADOPTED by the City of Desert Hot Springs at a meeting held on the _____, day of _____ 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Jerryl Soriano, City Clerk

Scott Matas, Mayor

APPROVED AS TO FORM:

Jennifer Mizrahi, City Attorney
<http://ghsblaw.com/attorney/bonifacio-bonny-garcia/>

EXHIBIT "A"

**Narrative for Site No. 12
North Side of Pierson Boulevard
(APN 639-252-039)
Excerpted from the
Long-Range Property Management Plan
(Pages 55-58)

(See Attachment)**

EXHIBIT “B”

**May 31, 2018
Broker’s Opinion of Value
Prepared by
NAI Capital**

(See Attachment)

EXHIBIT “C”

**Purchase and Sale Agreement and
Joint Escrow Instructions
between the
Successor Agency to the Redevelopment Agency
of the City of Desert Hot Springs
and the
City of Desert Hot Springs**

(See Attachment)