

# AGENDA



## CITY OF VALLEJO OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY SPECIAL MEETING

BOARDMEMBERS:  
Erin Hannigan, Chair  
Annette Taylor, Vice-Chair  
Pippin Dew-Costa  
Melvin Jordan  
LaGuan Lea  
Shane McAfee  
Gary Truelsen

THURSDAY, JUNE 25, 2015  
8:30 A.M.

---

CITY COUNCIL CHAMBERS, 2<sup>ND</sup> FLOOR  
555 SANTA CLARA STREET, VALLEJO

---

This AGENDA contains a brief general description of each item to be considered. The posting of the recommended actions does not indicate what action may be taken. If comments come to the Board without prior notice and are not listed on the AGENDA, no specific answers or response should be expected at this meeting per State law.

**Notice of Availability of Public Records:** All public records relating to an open session item, which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to a majority of the Board will be available for public inspection at the City Clerk's Office, 555 Santa Clara Street, Vallejo, CA at the same time that the public records are distributed or made available to the Board. Such documents may also be available on the City of Vallejo website at <http://www.cityofvallejo.net> subject to staff's ability to post the documents prior to the meeting. Information may be obtained by calling (707) 648-4527, TDD (707) 649-3562.

*Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990) and the federal rules and regulations adopted in implementation thereof*

**NOTICE:** Members of the public shall have the opportunity to address the Board concerning any item listed on the agenda *before or during consideration of that item. No other items may be discussed at this special meeting.*

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **SELECTION OF CHAIR & VICE CHAIR**  
Recommendation: In accordance with Article III, Section 1 of the Bylaws for the Oversight Board, by motion, election of a Chair and Vice Chair
4. **APPROVAL OF THE MINUTES**
  - A. Approval of the Minutes from the February 12, 2015 special meeting
5. **OLD BUSINESS – None.**
6. **NEW BUSINESS**
  - A. **Adopt a Resolution Approving the Revised Vallejo Successor Agency's Long Range Property Management Plan**  
Recommendation: Adopt a Resolution approving the revised Long Range Property Management Plan and the transfers of properties pursuant to the LRPMP

**B. Adopt a Resolution Approving the First Amendment to Grant Agreement Between the Successor Agency of the City of Vallejo and the Greater Vallejo Recreation District for Development of the North Vallejo Community Center**

Recommendation: Adopt a resolution approving the First Amendment to Grant Agreement between the Successor Agency of the City of Vallejo and the Greater Vallejo Recreation District for Renovation of the North Vallejo Community Center in the amount of \$1,755,100

**7. AGENDA ITEMS FOR FUTURE MEETINGS**

**A. Discussion of Agenda Items for Future Meetings and Future Meeting Dates**

**8. ADJOURNMENT**

**CERTIFICATION:**

I, Dawn Abrahamson, Secretary, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the Oversight Board for the Successor Agency of the Vallejo Redevelopment Agency, at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 5:30 p.m., Thursday, June 18, 2015.

Dated: June 18, 2015

  
Dawn Abrahamson, Secretary

**CITY OF VALLEJO OVERSIGHT BOARD  
FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY  
SPECIAL MEETING MINUTES  
FEBRUARY 12, 2015**

**1. CALL TO ORDER**

The meeting was called to order by Vice Chair Taylor at 8:31 a.m.

**2. ROLL CALL**

**Board members Present:** Chair Hannigan (Solano County Board of Supervisors' Appointee), arrived at 8:33 a.m., Vice Chair Taylor (member representing Employees of Former Redevelopment Agency Appointee), Boardmembers Dew-Costa (Mayor of Vallejo Appointee), Jordan (County Superintendent of Education Appointee), Lea (Chancellor of California Community College Appointee), and Truelsen (Solano County Board of Supervisors' Public Member Appointee)

**Boardmembers Absent:** McAfee (GVRD, largest Special District Appointee)

**Staff Present:** Craig Whittom, Assistant City Manager; Kathleen Diohep, Economic Development Manager; Dawn Abrahamson, Secretary; and Michael Roush, Legal Counsel

**3. CONSENT CALENDAR**

**Action:** Moved by Boardmember Truelsen, seconded by Boardmember Lea and adopted by unanimous vote of members present, unless otherwise noted, approval of the Consent Calendar.

**A. Approval of the Minutes from the September 18, 2104 regular meeting**

Recommendation: By motion, approve the minutes from the September 18, 2014 regular meeting

Contact: Dawn G. Abrahamson, Secretary, 648-4527

**Action:** Approved minutes (Absent-McAfee)

**4. OLD BUSINESS – None**

**5. NEW BUSINESS**

**A. Adopt a Resolution Finding that the City of Vallejo Redevelopment Agency Pre-Dissolution Loans were for Legitimate Redevelopment Purposes Pursuant to Health & Safety Code Section 34191.4(b) and Approving the Loan Agreement as an Enforceable Obligation**

Recommendation: Adopt a Resolution finding that the City Redevelopment Agency pre-dissolution loans were legitimate redevelopment purposes pursuant to Health and Safety Code Section 34191.4(b) and approving the Loan Agreement as an Enforceable Obligation

Assistant City Manager Whittom introduced new City staff and Susan Mayer, consultant.

Ms. Mayer provided an overview of the staff report and outlined the proposed recommendation.

Staff and Ms. Mayer responded to questions from Boardmembers. Boardmembers provided comment.

Boardmember Truelsen requested that the resolution include an additional finding that would state that based on various projects for which the City made loans to the former Redevelopment Agency that have been the subject of numerous financial audits that nothing in those audits found or suggested that the loans in question were not validly entered into or found or suggested that the projects were not for legitimate redevelopment purposes.

**Action:** Moved by Boardmember Truelsen and carried unanimously by members present, to adopt Resolution No. 15-001 to include an additional finding in the resolution that states *the Successor Agency staff has advised the Oversight Board that the various projects for which the City made loans to the former Redevelopment Agency have been the subject of numerous financial audits and nothing in those audits found or suggested that the loans in question were not validly entered into or found or suggested that the projects were not for legitimate redevelopment purposes.* (Absent-McAfee)

**B. Adopt a Resolution Approving the Recognized Obligations Payment Schedule for July 1, 2015 through December 31, 2015 (“ROPS 15-16A”)**

Recommendation: Adopt a Resolution approving the Recognized Obligations Payment Schedule for July 1, 2015 through December 31, 2015 (“ROPS 15-16A”)

Ms. Mayer provided an overview of the staff report and outlined the proposed recommendation.

Staff and Ms. Mayer responded to questions from Boardmembers. Boardmembers provided comment.

**Action:** Moved by Boardmember Truelsen and carried unanimously by members present to adopt Resolution No. 15-002 (Absent-McAfee).

**6. AGENDA ITEMS FOR FUTURE MEETINGS**

**A. Discussion of Agenda Items for Future Meetings and Future Meeting Dates**

Economic Development Manager Diohep noted that items for future meetings would include: GVRD grant for North Vallejo Community Center, Empress transaction and revised Long Range Property Management Plan.

**7. ADJOURNMENT**

The meeting adjourned at 9:04 a.m.



---

ERIN HANNIGAN, Chair

---

DAWN G. ABRAHAMSON, Secretary



---

**DATE:** June 25, 2015  
**TO:** Chairman and Members of the Oversight Board to the Successor Agency Board  
**FROM:** Andrea Ouse, Community and Economic Development Director  
Kathleen Diohep, Economic Development Manager  
**SUBJECT:** ADOPT A RESOLUTION APPROVING THE REVISED - VALLEJO SUCCESSOR AGENCY'S  
LONG RANGE PROPERTY MANAGEMENT PLAN

---

**RECOMMENDATION**

Adopt a Resolution of the Oversight Board approving the Long Range Property Management Plan and the transfers of properties pursuant to the LRPMP.

**REASONS FOR RECOMMENDATION**

California Health & Safety Code Section 34191.5 directs successor agencies that receive a finding of completion from the State Department of Finance ("DOF") to prepare a Long Range Property Management Plan ("LRPMP") addressing the disposition and use of the real properties of the former redevelopment agency. In May 2014, both the Successor Agency and Oversight Board approved the LRPMP and subsequent DOF review required changes. Attachment 1 is the revised LRPMP reflecting DOF direction and new information. Adoption of the resolutions would approve the revised LRPMP and the transfer of properties to the City pursuant to the LRPMP.

**BACKGROUND AND DISCUSSION**

The LRPMP must include a detailed inventory of all former Redevelopment Agency owned properties, and each property must be placed into one of four categories:

1. Use of property to fulfill an enforceable obligation
2. Available for sale
3. Retention for future development
4. Retention for government use

City staff prepared the LRPMP and the Successor Agency and Oversight Board approved it in May 2014 and forwarded the document to the DOF for approval. Additionally, in April and May 2014, the Successor Agency and Oversight Board approved the transfer of four affordable housing properties, one used as a shelter for victims of domestic violence and the other three used as recovery program housing. DOF has reviewed both actions and provided direction and technical corrections on the LRPMP.

The Revised LRPMP has been updated to reflect the comments by DOF; includes the addition of four residential properties previously approved for transfer by the Successor Agency and Oversight Board to the Housing Authority; and the addition of one new property.

---

In addition to addressing DOF's comments, staff recommends changing the treatment of the Southern Waterfront properties from "available for sale" to "retention for future development" as discussed below. Attachment 1 is a redlined version of the Revised LRPMP. The discussion in this staff report focuses on the changes from the May 2014 LRPMP. Attachment 2 is a summary of the full revised LRPMP showing all properties. A complete copy of the proposed [revised LRPMP](#) including all attachments is posted on the City's website in the Economic Development Division Document Library, under the Successor Agency.

The Successor Agency to the Vallejo Redevelopment Agency is considering approval of the revised LRPMP on June 23, 2015, prior to consideration by the Oversight Board on June 25, 2015.

### **DOF Direction/Technical corrections**

In February 2015, DOF sent a spreadsheet of comments related to specific properties and requests for additional information. The comments were minor and technical in nature and have been incorporated into the Revised LRPMP. DOF has completed their review of the additional information and recommended that the two Vallejo Station Parking Garage parcels be retained on the LRPMP so DOF can also confirm approval of their prior transfer.

During this review process one additional property was discovered – APN 0058 090 038 – that is owned by the Successor Agency. That property is a public trust parcel located in the Southern Waterfront area adjacent to APN 0058 090 370. Both of these parcels are currently leased to Kiewit. This parcel is 2.22 acres and was added to the LRPMP as Property #33. This has been added to the LRPMP as a public trust property subject to an enforceable obligation.

### **Housing Properties to Be Held for Governmental Use**

In April and May 2014, the Successor Agency and Oversight Board approved the transfer of four affordable housing properties to the Vallejo Housing Authority, one used as a shelter for victims of domestic violence operated by Safequest and the other three leased to Bi Bett Recovery Program for program housing. In a letter dated September 12, 2014, DOF found that there was not sufficient documentation of the use of low-moderate income housing funds to purchase the properties. DOF directed that these four residential units be added to the LRPMP to transfer the properties to the City of Vallejo as government use for affordable housing purposes. The City would then transfer them to the Housing Authority. Note that the Housing Authority approved the receipt of these parcels in April 2014.

### **Southern Waterfront Properties to be Retained by the City for Future Development**

The LRPMP process allows successor agencies to propose that properties to be transferred to the City and held for future development. The properties need to have been subject to prior redevelopment plans and any future development is subject to entering into compensation agreements with the taxing entities as required by law. Properties held for development can be offered using a development agreement process where the City would include terms regarding the use of the site as part of the sale. After reviewing the LRPMP, Staff recommends that the Southern Waterfront properties be moved from the "Available for Sale" by the Successor Agency category to "Retain for Future Development".

The Southern Waterfront includes approximately 43 acres in nine (9) properties located in the Southern Waterfront area that were previously subject to the Waterfront DDA. At its December 16, 2013 meeting, the Oversight Board approved the 4th Amendment to the Waterfront DDA that removed these properties from the DDA. Through an agreement with the City, PG&E has assumed remediation responsibility for the remaining 26 acres of this site anticipated to be complete in 2019. First phase remediation work was completed on other 17 acres with some possible areas requiring some additional work. Inclusion of the Southern Waterfront site in "Retention for Future Development" category allows these parcels to be developed in conjunction with the adjacent public trust parcels allowing for a coordinated project consistent with the City's adopted Vallejo Planned Waterfront Master Plan. That plan calls for moderate density residential development on much of the property, commercial/light industrial uses, and waterfront parks.

### **FISCAL IMPACT**

The Revised LRPMP will result in title to 14 Public Trust Land parcels being transferred from the Successor Agency to the City, including both the rights to any revenue generated from those lands as well as the responsibility and financial obligations of ownership and maintenance for those properties. The revenue from the current leases on the Public Trust Land is placed in a restricted funds account - Fund No. 134. These revenues are required to be used for the operation and maintenance of Public Trust lands. Each year an accounting of these funds is provided to the State Lands Commission. On-going maintenance costs on the properties are not significant as they are either leased, parking lots, or open spaces

Six parcels with an aggregate value of up to \$211,700 would be sold in the near term by the Successor Agency. Four of these parcels are railroad spurs and are not likely to generate significant revenue. Net proceeds from these sales would be distributed to taxing entities based on their property tax shares; the City of Vallejo would receive its approximate 18.7% tax share.

Eleven parcels recommended for retention by the City for future development were assigned a preliminary value of approximately \$3.84 million. The City would enter into "compensation agreements" as required by law with the other taxing entities prior to sale to a third party developer. If such agreements are required, it is likely that the future net sale proceeds for those parcels would also be distributed based on property tax shares and the City would receive its approximate 18.7% tax share.

### **ENVIRONMENTAL REVIEW**

Approval of the Revised LRPMP does not require analysis under the California Environmental Quality Act (CEQA) because the simple transfer of properties, in itself, will not have a foreseeable significant effect on the environment per Public Resources Code section 15061(b)(3). Any development project(s) that may be proposed in the future on one or more of the parcels which are the subject of the LRPMP will have to go through City's normal development application process at which point City will undertake review and analysis of such project(s) in accordance with CEQA.

### **ATTACHMENTS**

1. New Redlined Documents - LRPMP and Attachments: A (Matrix), B – Exhibits B-2 and B-3 and C – Exhibit – G
2. Summary of Revised Long Range Property Management Plan
3. Resolution of the Oversight Board

### **CONTACT**

Andrea Ouse, Community & Economic Development Director, 707-648-4163, [Andrea.Ouse@cityofvallejo.net](mailto:Andrea.Ouse@cityofvallejo.net)  
Kathleen Diohep, Economic Development Manager, 707-553-7283, [Kathleen.Diohep@cityofvallejo.net](mailto:Kathleen.Diohep@cityofvallejo.net)

**REVISED LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP):**  
**FORMER REDEVELOPMENT AGENCY-OWNED PROPERTIES**  
**CITY OF VALLEJO, CALIFORNIA**

**June 23, 2015**

*[Substantive changes from the May 2014 version shown in underline and strike through]*

This Long Range Property Management Plan (“LRPMP”) of the Successor Agency to the City of Vallejo’s Redevelopment Agency (“Successor Agency”), has been prepared pursuant to California Health and Safety Code 34191.4(a) and 34191.5 (a). It sets forth the Successor Agency’s strategy for the disposition of its real property assets as required by ABx1-26 which dissolved all California Redevelopment Agencies, and AB 1484 which made technical adjustments to ABx1-26 (collectively, the “Dissolution Act”). The LRPMP identifies the real property assets (e.g. land, buildings, etc.) and sets forth a strategy for the appropriate retention and disposition of such assets in accordance with the Dissolution Act. The LRPMP is organized into the following sections and attachments:

- A. Background
- B. Overview of Proposed Real Property Retention and Disposition
- C. Description of Intended Property Retention and Disposition
  - 1. Properties Used to Fulfill Enforceable Obligations
    - a. Properties Obligated for Regional Transit Agency Parking
    - b. Properties Obligated as Public Trust Lands
  - 2. Properties Available for Sale
    - a. Properties Adjacent to Bus Transit Center
    - b. Properties with Former Rail Spurs
    - ~~e. Properties in the Southern Waterfront Area~~
  - 3. Properties Retained for Future Development
    - a. Properties in the Southern Waterfront
    - b. Properties Formerly part of Triad DDA
  - 4. Properties Retained by City for Governmental Use
    - a. Properties Used for Affordable Housing
- D. Summary of Properties Owned by the Successor Agency
- E. Disposition Plan
  - 1. Estimated Value of Properties
  - 2. Distribution of Proceeds
  - 3. Approach and Process for Disposition
    - a. Predevelopment Activities
    - b. Marketing and Outreach
    - c. Sales Process



## **A. BACKGROUND**

The City of Vallejo's Redevelopment Agency ("Redevelopment Agency"), along with all other redevelopment agencies in the State of California, was dissolved on February 1, 2012 by ABx1-26 enacted by the legislature in late June 2011. The legislation established a Successor Agency to administer the wind-down of the former Redevelopment Agency's assets. The Successor Agency Board is composed of the members of the City Council. Also pursuant to the legislation, an Oversight Board was established to monitor and approve the Successor's Agency's efforts. The Oversight Board includes representatives of the taxing entities that share in property tax increment revenue generated in the former Project Areas of the Redevelopment Agency. Lastly, the legislation provides the State Department of Finance ("DOF") with the ultimate authority to approve most of the actions of the Successor Agency and Oversight Board.

AB 1484 (enacted June 27, 2012) made technical and substantive amendments to the Dissolution Act. Among those changes was a modification in how a successor agency could address the real property assets of the former redevelopment agency. Whereas under ABx1-26, successor agencies were expected to expeditiously dispose of former redevelopment agency property and make the proceeds available to taxing agencies, under AB 1484, as codified in Health and Safety Code section 34191.4(a) and 34191.5 (a), the Successor Agency must prepare a Long Range Property Management plan that sets forth a strategy for the appropriate retention and disposition of real property assets. A LRPMP is to be completed within six months of the successor agency receiving a "Finding of Completion" indicating that it has complied with the requirement for addressing non-real property assets and other procedural requirements. On October 16, 2013 (Attachment B-1), the Department of Finance provided a Finding of Completion notice to the Successor Agency triggering the six-month preparation time frame for this LRPMP.

In May 2014, the Successor Agency, City Council and Oversight Board approved an initial proposed LRPMP and forwarded it to DOF for its review. DOF provided direction on revisions to the initial LRPMP that have been incorporated into this Revised LRPMP. The revisions included the addition of one new Public Trust Lands parcel, acknowledgment that the two Vallejo Station Parking Garage structures have been approved for transfer by the State Controller's Office, incorporation of the book value into the LRPMP Matrix, and other minor technical changes. At the same time these changes were made, the category of the Southern Waterfront was changed from "available for sale" to "retention for future development" to ensure the completion of the toxic remediation work and implementation of a high quality development plan for the 43 acre site.

## **B. OVERVIEW OF PROPOSED REAL PROPERTY RETENTION AND DISPOSITION**

Health & Safety Code Section 31419.5 provides that successor agencies receiving a Finding of Completion shall prepare a LRPMP. The LRPMP shall include an inventory of the successor agency's real property, including information as to its current use, permitted use (zoning), intended use, encumbrances, environmental constraints, and estimated value. The property information matrix attached as Attachment A includes all available information with respect to each property which information is further discussed in Section IV of this plan. Per the Dissolution Act, the LRPMP shall place each of the successor agency-owned real property assets into one of the following categories:

1. Use of property to fulfill an enforceable obligation
2. Available for sale
3. Retention for future development
4. Retention for government use

The Successor Agency through this LRPMP identifies thirty-seven (37) ~~thirty-two (32)~~ properties in as follows:

1. Sixteen (16) ~~Fifteen (15)~~ properties to be used by the City to fulfill enforceable obligations.
  2. Six (6) ~~Fifteen (15)~~ properties to be made available for sale by the Successor Agency.
  3. Eleven (11) ~~Two (2)~~ properties to be retained by the City for future development consistent with the redevelopment plan.
  4. Four (4) properties to be retained by the City for government use as public assets allowing the continued operations of shelter and recovery programs.
1. Properties Used to Fulfill Enforceable Obligations: In November 2014, the State Controller's Office (SCO) approved the transfer of two (2) properties that are the Vallejo Station Parking Garage that were originally transferred to the City of Vallejo in 2011 pursuant to the Waterfront DDA. The SCO's report is provided as Attachment B-2 and the recorded grant deeds transferring the parcels are provided as Attachment B-3. ~~Documentation regarding two (2) properties is provided in Attachments B-2 and B-3 to support their designation as properties to be transferred to the City to fulfill an enforceable obligation.~~ These two properties are subject to the City of Vallejo – WETA Transfer Agreement for the construction and operation of a 1,200 space garage for ferry and transit public parking. Additionally, fourteen (14) ~~thirteen (13)~~ properties that are Public Trust Lands would be transferred to the City as their designated trustee. Several Public Trust properties proposed for transfer to the City also have leases or agreements (Attachment B-4) that would be considered enforceable obligations as described further below.
  2. Properties For Sale: Two (2) properties adjacent to the Vallejo Transit Terminal and Vallejo Station Parking Garage would be available for sale. An additional four (4) properties that were former rail spurs would be available for sale. ~~Nine (9) properties in the Southern Waterfront that were previously subject to the Waterfront Project Disposition and Development Agreement (“DDA”) will also be available for sale as a result of a December 16, 2013 action of the Oversight Board approving an amendment to the Waterfront DDA that removed these properties from the DDA (Attachment B-5). The DOF approved the Amended Waterfront DDA on January 29, 2014 (Attachments B-6 and B-7).~~
  3. Properties Retained by the City for Future Development: This LRPMP identifies eleven (11) ~~two (2)~~ properties to be transferred to the City for future development in accordance with the redevelopment plan of the former Redevelopment Agency. Nine (9) properties in the Southern Waterfront are designated “retention for future development”. The Southern Waterfront properties were originally subject to a Waterfront DDA and a Vallejo Planned Waterfront Master Plan (“PDMP”) which outlines a mixed used development program for this key property along the Vallejo waterfront including residential, commercial/industrial, and public infrastructure, park and open space. A detailed “scope of development” for the Southern Waterfront was included as Attachment No. 4 to the 3rd Amendment to the Waterfront DDA in 2007. Additionally, the Waterfront DDA had an adopted master plan for these properties to guide future development that would maximize their future value and a coordinated development plan. On December 16, 2013, the Oversight Board approved an amendment to the Waterfront DDA that removed these properties from the DDA (Attachment B-5). The DOF approved the Amended Waterfront DDA on January 29, 2014 (Attachments B-6 and B-7), thereby making them available for disposition to the City. These properties are subject to a PG&E Remediation Agreement that will delay the immediate sale of the properties. The intent is for these properties to be transferred by the Successor Agency to the City and, upon completion of remediation, for City to subsequently enter into disposition and development agreement(s) with one or more qualified developers to ensure a high quality development plan for the entire site.

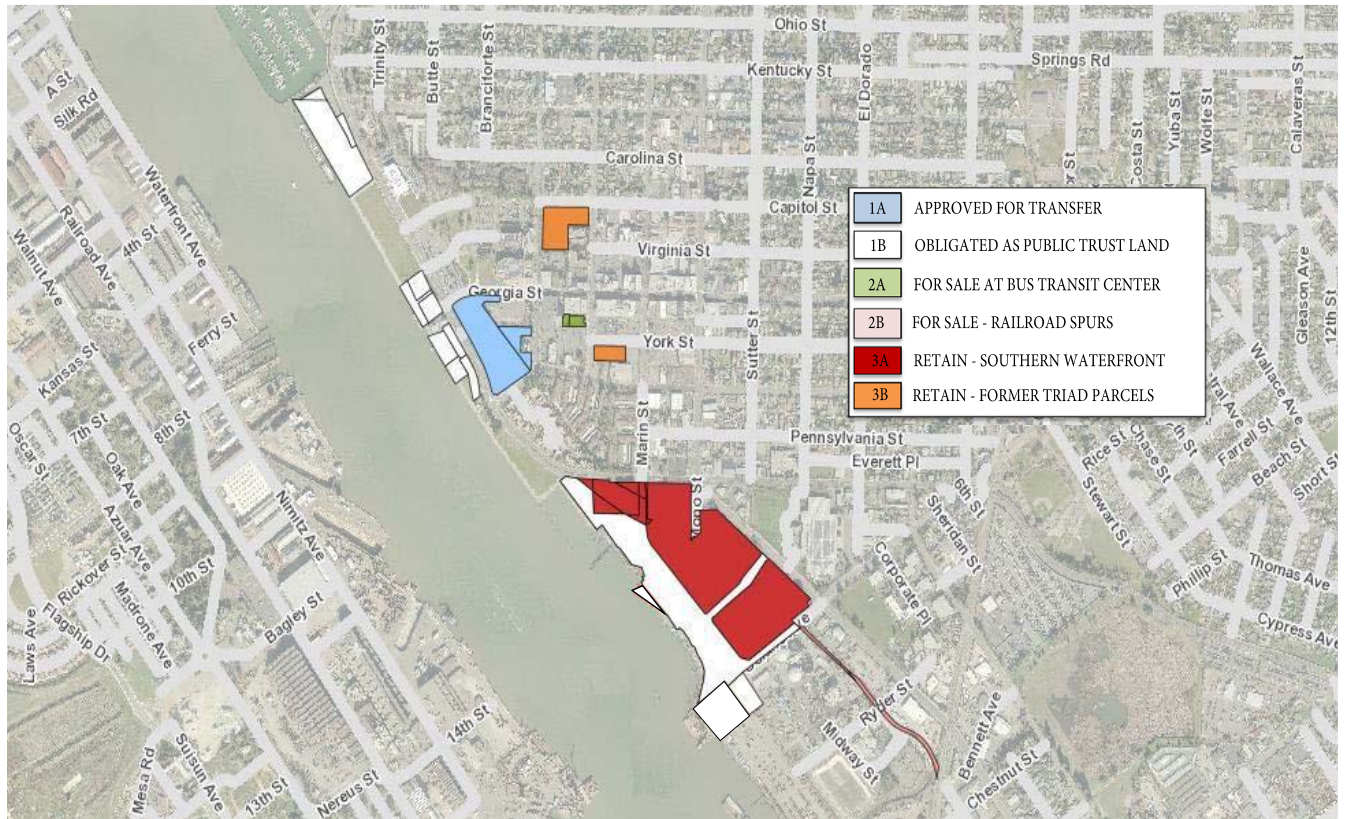
Two properties were subject to the former Triad Disposition and Development Agreement (DDA) which was terminated by the Agency and became the subject of litigation with Triad. At its meeting of January 31, 2014, the Oversight Board approved a Settlement Agreement which released these properties from the Triad DDA obligation (Attachment B-8). DOF approved this action by letter dated March 28, 2014 (Attachment B-11). One of these properties proposed for retention by the City has a lease that is an enforceable obligation (Attachment B-9), as described further in Section C.3 below.

4. Properties Retained by the City for Government Use: The Department of Finance directed the Successor Agency to add four (4) affordable housing properties to the LRPMP. In May 2014 both the Successor Agency and Oversight Board approved the transfer of four properties used as a homeless shelter and recovery program affordable housing to the Housing Authority. These properties were original purchased using low and moderate income housing funds. DOF directed that these properties should be added to the LRPMP. These properties will be transferred to the City of Vallejo for government use for affordable housing. It is anticipated that City would transfer these properties to the Housing Authority which is better positioned to ensure their long term use for affordable housing.
- \* Properties Previously Approved for Transfer by DOF: Various properties have been previously approved by DOF for transfer to the City. Those previously approved transfers include the following:
  - a. *Transfer of twelve (12) governmental use properties by the Successor Agency to the City pursuant to Successor Agency Resolution No. 13-003 and Oversight Board Resolution No. 13-2 to which DOF consented in a letter dated July 15, 2013. Copies of the Successor Agency and Oversight Board resolutions, and the DOF letter, are attached hereto as Attachment B-10. (Although the Oversight Board resolution refers to thirteen properties, upon further investigation staff determined the Redevelopment Agency never held title to one of those properties. The Successor Agency resolution correctly refers only to twelve properties.)*
  - b. *Transfer of two (2) parcels comprising the central waterfront properties (APN 0055 160 600 and APN 0055 160 610; also known as "Parcel J") that are the subject of the Fourth Amended Waterfront DDA discussed on page 9 below, which parcels were approved for transfer by the Successor Agency to the City by Successor Agency Resolution No. 13-005 and Oversight Board Resolution No. 13-9, and which DOF approved by letter dated January 29, 2014. Documentation can be found in Attachments B-6, B-7 and B-12. These parcels have now been transferred to the City of Vallejo and the grant deeds recorded with Solano County on March 6, 2015.*

## C. DESCRIPTION OF INTENDED PROPERTY RETENTION AND DISPOSITION

Exhibit A shows the location of all properties subject to the LRPMP. More detailed site maps for the properties are found in the Exhibits Section under Attachment C to the LRPMP and the description below will refer to those specific Exhibits.

### EXHIBIT A: PROPERTIES OVERVIEW MAP (excluding the 4 housing asset properties)



### 1. Properties Used to Fulfill Enforceable Obligations

As noted above, several parcels of former Redevelopment Agency land have already been approved by DOF for transfer to the City and have been transferred, including parks and open space, and the parcels comprising the Central Waterfront - Parcel J site. This LRPMP addresses two other types of parcels subject to enforceable obligations: parcels used for regional ferry parking; and parcels subject to public trust limitations that prevent the properties from being sold. Each type of property is addressed in turn below. In 2013, DOF directed that the transfer of Property #1 and #2 to the City of Vallejo in 2011 be reversed and such properties returned to the Successor Agency because they had been transferred after the dissolution of Redevelopment. However, in November 2014, after the drafting and review of the LRPMP, the SCO issued a Finding and Order approving the transfer of these properties to the City of Vallejo. We have retained these two properties in the LRPMP to allow DOF to confirm the SCO's approval of the transfer of these two parcels to the City to fulfill enforceable obligations.

**Table 1A – Two (2) Properties Obligated for Regional Transit Agency Parking**

<b>Property #</b>	<b>APN</b>	<b>Location/Description</b>	<b>Current Use</b>	<b>Lot Acres</b>
1	0055 170 360	Vallejo Station, Mare Island Way	Regional Ferry Parking Garage	.77
2	0055 170 520	Vallejo Station, Mare Island Way	Regional Ferry Parking Garage	5.14

A site map depicting the above properties is provided in Attachment C – Exhibit B.

Under the terms of the Waterfront DDA, the Redevelopment Agency was required to transfer the two properties noted in Table 1A (APN 0055-170-520 and APN 0055-170-360) to the City of Vallejo for construction of the Vallejo Station Parking Garage. These parcels were transferred to the City of Vallejo in September 2011.

~~In October 2000, the Redevelopment Agency entered into the Vallejo Waterfront Project Disposition and Development Agreement (Waterfront DDA) between Callahan/DeSilva Vallejo LLC (CDV LLC) and the former Redevelopment Agency. A Fourth Amended and Restated DDA (Amended DDA) was recently executed with Callahan Property Company as the Master Developer of certain waterfront properties. This DDA has been recognized by DOF as an enforceable obligation and, until the Amended DDA was approved earlier this year, up to \$60 million of funding obligations appeared on the Successor Agency ROPS related to the DDA.~~

~~On January 12, 2010, the Redevelopment Agency and the City of Vallejo approved the transfer of these two properties to allow the construction of the Vallejo Station Parking Garage by Resolution No. 10-009 N.C. and Resolution No. 10-001 (Attachment B-2). The City constructed the garage with a variety of grant and other funding sources that required the City to be the owner of the garage. However, the recording of the grant deed transferring the properties was delayed until September 20, 2011 to allow for preparation of final legal descriptions based on the completed parking garage footprint. The City approved the Transfer Agreement between the San Francisco Bay Area Water Emergency Agency (WETA) and the City of Vallejo in October 2011 (Attachment B-3 – Resolution No. 11-144 N.C.). The Transfer Agreement requires the City to operate and maintain the parking garage and make the 1,200 parking spaces available to WETA for ferry patron parking. Section 11.6 (b) of the Transfer Agreement specifically states “Upon Completion of Phase 1 of the parking garage: City shall continue to make available sufficient parking (not to exceed 1,200 spaces) for ferry patrons based upon WETA’s projected peak period ridership.” The operations and maintenance costs will be funded by a parking revenue system. The Agency provided the land for the parking spaces and additional public funds were assembled through a series of grants for the construction of the public parking garage. Phase 1 of the Vallejo Station Parking Garage has been completed with approximately 700 parking spaces, and another 500 parking space are provided on an adjacent surface lot. Phase 2 of the Vallejo Station Parking Garage will be completed following the relocation of a U. S. Post Office and identification of additional funding sources. Under the terms of the WETA Transfer Agreement, implementation of existing redevelopment agreements and plans may not negatively impact WETA operations or provision of the public parking.~~

~~In a letter dated June 9, 2013, DOF directed the City and Successor Agency to reverse the transfer of these two properties transferred to the City in September 2011, and transfer them back to the Successor Agency. The City and Successor Agency believe these asset transfers to the City were required because the properties are governed by enforceable obligations which preclude their sale to a third party or use for any purpose other than public parking. The transfer of these two properties occurred pursuant to the Waterfront DDA~~



and the Transfer Agreement to facilitate the construction and operation of the Vallejo Station Parking Garage providing 1,200 spaces of public parking for the Baylink Ferry service.

In addition to the restrictions imposed by the WETA Transfer Agreement, the Vallejo Station Parking Garage was constructed using Metropolitan Transportation Commission (MTC) RM2 Capital Project funds for construction which require that the facilities be used for public transportation. If they should cease to be operated or maintained for their intended public transportation use, MTC shall be entitled to a present day value refund or credit of the RM2 Capital Project funds. The Metropolitan Transportation Commission's Policies and Procedures for Regional Measure stipulate that RM2 capital projects have to be consistent or included in adopted Regional Transportation Plans and a Countywide Plan. Projects in such plans are considered public projects. The Vallejo Station Parking Garage was included in those plans and is therefore considered to a governmental use, public property.

In addition to the various enforceable obligations described above requiring the parking properties to be transferred to City and operated for public parking purposes, the properties have been developed and used as a public parking garage/intermodal transit center known as the Vallejo Station Parking Garage which is a governmental purpose (Health and Safety Code sections 34177(e) (3) and 34181(a)).

In sum, the Successor Agency legally transferred APN 0055 170 360 and 0055 170 520 to the City pursuant to approved enforceable obligations for the construction and operation of a parking structure to provide public parking for Baylink Ferry service and, per the terms of the MTC funding sources, the asset cannot be transferred to a private operator or used for other than public transportation uses. Based on this information, the two parcels were permissibly transferred to the City. With the concurrence of DOF, a grant or quitclaim deed from Successor Agency to City will be recorded to memorialize the validity of City's fee ownership of these parcels.

**Table 1B – Fourteen (14) Properties Obligated as Public Trust Lands**

Property #	APN	Location/Description	Current Use	Acres
3	0055 160 360	Mare Island Way @ Capitol	Vallejo Yacht Club	0.26
4	0055 160 410	Mare Island Way @ Capitol	Vallejo Yacht Club	5.23
5	0055 160 420	Mare Island Way @ Capitol	Vallejo Yacht Club	0.28
6	0055 170 010	Mare Island Way @ Georgia	Short-Term Parking for Waterfront, portion of 108 spaces	0.61
7	0055 170 020	Mare Island Way @ Georgia	Restaurant and short-term parking for Waterfront, portion of 108 spaces (lease to 2066)	0.70
8	0055 170 030	Mare Island Way @ Georgia	Short term parking for Waterfront, portion of 108 spaces	0.60
9	0055 170 050	Ferry Landing, Mare Island Way	Ferry Basin and Dock	0.80
10	0055 170 060	Ferry Landing Mare, Island Way	Public Sidewalk & Plaza Ferry Landing Area	0.39
11	0055 170 400	Mare Island Way, south of Ferry Landing	Marina Dental next to Ferry Landing Area (lease to 2024)	0.49
12	0055 170 080	Mare Island Way, south of Ferry Landing	Parking for Marina Dental 47 spaces	0.53

13	005855170 370	Solano Ave at Mare Island Strait	Leased to Kiewit Companies	1.25
31	0058 090 350	Waterfront From Mare Island Way to Solano	Former Waterfront DDA parcel inc. public parking for boat launch & vacant unimproved waterfront	14.05
32	0058 090 360	Southern Waterfront shoreline	Public Sidewalk and Right of Way	0.37
<u>New 33</u>	<u>0058 090 380</u>	<u>Solano Ave at Mare Island Strait</u>	<u>Leased to Kiewitt</u>	<u>2.22</u>

The various public trust properties above are depicted in the site maps provided in Attachment C - Exhibits C, D, E, F, G, H and N.

The LRPMP provides that the properties listed above be retained by the City because they are Public Trust lands granted to the City for stewardship by the State of California under the supervision of the State Lands Commission. Public Trust lands are properties that are, or were at one time, tidelands, submerged lands or lands lying under inland navigable waters. Land that can be documented at one time to have been one of these types of property (and later filled in) is also subject to being considered Public Trust land. Public Trust lands are subject to certain use limitations and cannot be sold to private parties. Such properties can be leased to private parties for public trust purposes, but for no longer than 66 years. We have not been able to determine exactly when the former Redevelopment Agency acquired the Public Trust properties, but because these parcels have been and must continue to be used consistent with public trust purposes, the LRPMP provides for them to be transferred to the City as required by applicable law. Attachment B-4 includes maps provided by the State Lands Commission of properties granted to the City of Vallejo as Public Trust lands. Some of the properties have been leased to provide for public uses and public conveniences pursuant to Public Trust doctrine that allows leases not to exceed 66 years.

Attachment A, the LRPMP Matrix, provides more information about each public trust property. A summary of the fourteen ~~thirteen~~ parcels follows:

- Three properties (#3, #4 and #5) are subject to a lease with the Vallejo Yacht Club;
- Two parcels are used for public parking (#6 and #8);
- One property (#7) was the subject of a lawsuit and Court-mandated settlement agreement between the Redevelopment Agency and the property owner that outlined the terms of the Redevelopment purchase. Pursuant to the Court-mandated settlement agreement, the Redevelopment Agency paid \$108,000 for the restaurant property in 1966 and the property has an existing lease that extends to 2066, at which time the property will revert to the City;
- Two properties (#9 and #10) provide pedestrian access and docks for the Baylink Ferry and are subject to the WETA Transfer Agreement documented earlier in this report;
- One property (#11 and #12) is currently leased as a dental office with parking, which use will terminate when the lease expires in 2024;
- Two ~~One~~ properties (#13 and #33) – APN 0058 090 370 and APN 0058 090 380 – are located adjacent to the southern waterfront parcels and are partially used by Kiewett Infrastructure West. It is not known when or how the Redevelopment Agency acquired title to the properties. However, staff was able to determine that these are Public Trust properties and, therefore, must be held in trust by the City;
- One property (#31) – APN 0058 090 350 - The intended use is open space as it is adjacent to the waterfront, and it should be transferred to the City for public trust purposes.
- One property (#32) is partially submerged and is also Public Trust land.

**2. Properties Available for Sale**

**Table 2A – Two (2) Properties for Sale ~ Adjacent to Bus Transit Center**

<b>Property #</b>	<b>APN</b>	<b>Location/Description</b>	<b>Current Use</b>	<b>Acres</b>
14	0055 170 220	South of Georgia St & West of Sacramento	Pedestrian Plaza-adjacent to parking lot and transit terminal	.12
15	0055 170 530	South of Georgia St & West of Sacramento	Parking Lot adjacent to transit terminal	.25

These properties above are depicted in the site map provided in Attachment C - Exhibit I.

The LRPMP proposes that the above two properties (#14 and #15) located adjacent to the Vallejo Bus Transit Center currently used as a public plaza and parking lot be prepared for sale. There are no enforceable obligations or other agreements that would delay the sale of these parcels. The proposed Disposition Plan objective is to sell these properties for private development consistent with the existing City of Vallejo General Plan, Downtown Specific Plan, and zoning ordinance land use designations.

**Table 2B – Four (4) Properties for Sale – Railroad Spurs**

<b>Property #</b>	<b>APN</b>	<b>Location/Description</b>	<b>Current Use</b>	<b>Acres</b>
18	0058 100 300	Between Solano Ave and Ryder Street by Water Treatment Facility	Railroad Spur	.23
19	0058 100 320	Between Solano Ave and Ryder Street by Water Treatment Facility	Railroad Spur	.07
20	0058 100 450	Between Solano Ave and Ryder Street by Water Treatment Facility	Railroad Spur	.30
21	0048 100 130	Between Ryder St and Southern Pacific RR	Railroad Spur	.45

These properties above are depicted in the site maps provided in Attachment C - Exhibits L and M.

These four properties (#18, #19, #20 and #21) were acquired in 1988 when the former Redevelopment Agency purchased properties from Kaiser Steel as part of a bankruptcy settlement. The Corporation Grant Deed outlining the transfer of these properties is provided as Attachment B-5. The former Redevelopment Agency acquired a fee interest in 11 properties along with leasehold interests in 2 properties that Kaiser Steel had leased from the City of Vallejo.

The four railroad spur properties have suspected hazardous materials contamination and limited development potential because of their size and configuration. These parcels may have a negative value until such time as their hazardous materials contamination is known and a determination is made regarding the interest of adjacent property owners in acquiring the properties. Further investigation of these properties and their market potential is needed before these properties can be readied for sale, and the Disposition Plan envisions such further investigations. The only likely sale is to the adjacent property owner for incorporation into its properties.

**1. Properties to be Retained by the City for Future Development**

**Table 3A – Nine (9) Properties *to be Retained for Future Development for Sale*~ Southern Waterfront**

<b>Property #</b>	<b>APN</b>	<b>Location/Description</b>	<b>Current Use</b>	<b>Acres</b>
22	0058 090 260	So. Waterfront – Mare Island Way by former Brinkman’s	Public Sidewalk and Right of Way	.17
23	0058 090 270	So. Waterfront – Mare Island Way near boat launch	Parking lot for Vallejo Launching Facility	.59
24	0058 090 280	So. Waterfront – Mare Island Way near boat launch	Parking lot for Vallejo Launching Facility	1.78
25	0058 090 290	So. Waterfront – Mare Island Way near boat launch	Public Sidewalk and Right of Way	.23
26	0058 090 300	So. Waterfront – Mare Island Way near boat launch	Parking Lot for Vallejo Launching Facility	.15
27	0058 090 310	So. Waterfront – Mare Island Way near boat launch	Parking lot for Vallejo Launching Facility	.36
28	0058 090 320	So. Waterfront – Off Curtola Parkway @ Maine St.	Vacant	.09
29	0058 090 330	So. Waterfront – Curtola and Sonoma Blvd	Includes vacant site of former manufactured gas plant	13.88
30	0058 090 340	So. Waterfront – Sonoma Blvd and Solano Ave	Leased to First Capitol Auction and Benicia-Vallejo Humane Society	8.70

Site maps depicting the above properties are provided in Attachment C - Exhibits N, O and P. The nine properties above encompass a great portion of an area referred to as the “Southern Waterfront Area”. They were acquired by the Redevelopment Agency in the same Kaiser Steel bankruptcy purchase mentioned earlier regarding the four rail spur properties. These nine properties have had several lot splits and lot mergers over the years to position them for future development.

Many of these properties have toxic contamination issues that prevent them from being placed on the market for sale immediately. A portion of the Southern Waterfront properties (Property #30 and a portion of Public Trust property #31), comprising 17 acres has undergone a toxics remediation program. A March 25, 2010 Target Site Investigation Study prepared for the Environmental Protection Agency determined that there was no contamination across the site above screening level but that remaining “hot spots of arsenic” require further investigation and possible remediation before development can occur. The Department of Toxic Substances Control (“DTSC”) approved this report. The non-Public Trust portion of the 17-acre site could be ready for sale once certain pre-development activities are completed to determine market potential and value.

The remaining 26 acres of the Southern Waterfront property (Properties #22 - #29 and that portion of Public Trust Property #31 not included within the 17-acre site discussed above) are currently the subject of an environmental investigation. From 1872 to 1930, a manufactured gas plant was operated on the site. The history of site uses also includes landfilling, boat storage and maintenance, boat fueling and launching, ammunition depot barracks, auto junkyard, marine fabrication yard and creosote wood treatment area. Significant hazardous materials are located on this 26-acre site once owned by PG&E which has taken responsibility for cleanup of the site and as of April 2013, an environmental investigation and cleanup analysis was being conducted. DTSC will provide oversight of this work and will approve a future remediation plan. The environmental investigation report outlining the remediation program is expected in late 2014. In January 2015, DTSC approved the Vallejo MGP Site Characterization Report that defines the extent of historic residues in soil, soil gas, and groundwater. It is anticipated that DTSC will approve the Remedial Action Plan in 2016 and that site cleanup will begin in 2017 and be completed in 2019. The 26-acre site will not be available for sale or development until the remediation program has been implemented.

The LRPMP disposition plan for this 43-acre site is for it to be transferred to the City of Vallejo for future development at for it to remain in Successor Agency ownership until such time as it is remediated and can be sold for development consistent with applicable zoning and land use plans for the site. The original Waterfront DDA and the Vallejo Planned Waterfront Master Plan (“PDMP”) contemplate a mixed used development program for this key property along the Vallejo waterfront including residential, commercial/industrial, and public infrastructure, park and open space. A detailed “scope of development” for the Southern Waterfront was included as Attachment No. 4 to the 3<sup>rd</sup> Amendment to the Waterfront DDA in 2007. The intent would be for the City to enter into a Disposition and Development Agreement with a qualified developer to ensure the quality of the ultimate development plan for the entire site.

**Table 3B – Two (2) Properties to be Retained ~ Former Triad DDA**

Property #	APN	Location/Description	Current Use	Acres
16	0055 160 170	Santa Clara and Capitol, adjacent to Marina Tower	Tower Parking Lot, 99 spaces	2.31
17	0055 170 280	Corner of York and Sacramento	Parking Lot, 81 spaces	.74

These two properties are depicted on the site maps provided in Attachment C - Exhibits J and K.

The LRPMP proposes that these two properties be retained by the City for future development consistent with the Redevelopment Plan of the former Redevelopment Agency. These two properties are critical to the City and former Redevelopment Agency’s long established plans to revitalize the City’s downtown area with transit oriented development. To further this objective, the City adopted a Downtown Specific Plan that encourages urban scale residential and mixed-use developments within a pedestrian and transit-oriented walkable downtown. The Downtown Specific Plan originally envisioned a fifteen to twenty year build out which included up to 2,283 residential units, and 591,700 square feet of commercial development and significant infrastructure investment. A series of Catalyst and Opportunity sites were identified as the most likely sites for redevelopment. The Downtown Specific Plan was complemented in 2007 by the Vallejo Waterfront Planned Development Master Plan (“PDMP”). It too called for mixed-use development and redevelopment of the waterfront and a portion of historic downtown. The Waterfront Master Plan included residential, commercial and open space and public improvements related to circulation and access along the waterfront and the City of Vallejo ferry service to San Francisco.



The latest Redevelopment Agency Implementation Plan, 2009-2014 was largely oriented toward implementing the Waterfront and Downtown Plans. Its objectives included:

- 1) Re-planning and redesigning, and development of areas that are stagnant or improperly utilized. Strengthening of retail and other commercial functions.
- 2) Strengthening of the economic base and the community by the installation of needed site improvements to attract and stimulate private investment, including expansion of residential, commercial, and light industrial uses, and social and economic growth, and consequently increase the tax yields to the community.
- 3) Providing adequate land for parking and open spaces.
- 4) Promoting increased cultural, social and recreational opportunities for the citizens of the community.
- 5) Establishing performance criteria to assure high site design standards and environmental quality and other design elements that provide unity and integrity to all the Merged Projects.

To implement the former Redevelopment Agency's and City's objectives for the Downtown Specific Plan area, the Redevelopment Agency entered into a Disposition and Development Agreement with Triad Development Company in 2007 ("Triad DDA"). Under the Triad DDA, Triad was given development rights to several parcels in Downtown, including two held by the Agency (Properties #16 and #17). In 2009, as a result of Triad's non-performance of its obligations under the Triad DDA, the Triad DDA was terminated by the Agency. On February 23, 2011, Triad brought an action entitled Triad Downtown Vallejo, LLC v. City of Vallejo, et.al. Case No. FCS037433 filed in the Solano County Superior Court (Action) against the former Redevelopment Agency and the City alleging that the Redevelopment Agency breached the Triad DDA and that the City breached the Development Agreement between City and Triad. Triad, City and the Successor Agency reached a Settlement Agreement related to this action. The Successor Agency and City Council in a joint session on January 14, 2014 approved the Settlement Agreement. The Oversight Board approved the Settlement Agreement on January 16, 2014 by Resolution No. 14 – 1 (Attachment B-8). DOF approved the Settlement Agreement terms in a letter dated March 28, 2014 (Attachment B-11). The settlement freed two critical parcels of land from the potential enforceable obligations associated with the Triad DDA that was the subject of the litigation. It also allowed the City and Successor Agency to explore new opportunities for maximizing the value of these properties for transit-oriented development with another development partner.

The Successor Agency and the City of Vallejo intend to uphold the objectives and redevelopment vision outlined in the original Redevelopment Plan and merged project areas, the Five Year Implementation Plan 2009-2014, the Downtown Specific Plan and the PDPMP during the implementation of the LRPMP. Properties #16 and #17 were identified as catalyst sites for development in the Downtown Specific Plan. These sites are within two blocks of the Vallejo Bus Transit Center, and three blocks of the Vallejo Ferry Terminal, and would be suitable for transit-oriented development. With the recent significant improvements in the housing and commercial development markets in the Bay Area, the underlying assumptions that led Triad and other developers to pursue development in downtown Vallejo are once again applicable. In order to ensure that development occurs consistent with the City and former Redevelopment Agency's long-held plans for the area, the LRPMP calls for the retention of properties #16 and #17 by the City. Future development of these properties with higher intensity residential and commercial uses through a disposition and development agreement will lead to greater property tax increment revenue to the taxing entities over the long term than an immediate sale to a buyer without an agreement in place to develop them.

Property #17 has no known encumbrances and is currently used for public parking. However, it should be noted that property #16 is encumbered by an existing lease agreement with the owners of the Marina Tower apartment complex related to the provision of parking. A lease for 45 parking spaces to serve the 155 unit

affordable housing complex was executed (Attachment B-9) in 1995 and runs until August 31, 2060 or as long as the Marina Tower is an affordable housing complex. Property #16 will be sold for development subject to the lease encumbrance requiring provision of these 45 parking spaces unless other arrangements are made. Both properties will continue to be used as public parking to benefit the downtown business district until such time as redevelopment opportunities are in place.

4. Properties to be Retained by the City for Government Use – Affordable Housing

Table 4 – Four (4) Properties Retained for Government Use as Shelter and Recovery Housing

<u>Property #</u>	<u>APN</u>	<u>Location/Description</u>	<u>Current Use</u>	<u>Leased to</u>
<u>New 34</u>	<u>0072 044 100</u>	<u>341 Lamont Ct</u>	<u>Residential</u>	<u>Safequest Shelter</u>
<u>New 35</u>	<u>0055 072 100</u>	<u>122 Louisiana</u>	<u>Residential</u>	<u>Bi-Bett Recovery</u>
<u>New 36</u>	<u>0055 073 040</u>	<u>126 Ohio</u>	<u>Residential</u>	<u>Bi Bett Recovery</u>
<u>New 37</u>	<u>0058 022 040</u>	<u>421-423 Pennsylvania</u>	<u>Residential</u>	<u>Bi Bett Recovery</u>

The former Redevelopment Agency purchased these properties between 1988 and 1994. They have been leased to Safequest and Bi Bett as a shelter and as recovery program housing since acquisition. In May 2014, both the Successor Agency and Oversight Board approved the transfer of these four properties to the Housing Authority as housing successor agency. These properties were original purchased using low and moderate income housing funds. After reviewing this transfer request the DOF determined that these properties should be put on the LRPMP and initially transferred to the City of Vallejo as affordable housing properties. Consequently these residential properties were added to the LRPMP and will continue to be used for affordable housing. It is anticipated that City may subsequently transfer these affordable housing properties to the Housing Authority.

**D. SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY**

An LRPMP Matrix is provided in **Attachment A** as a property data table describing the real property assets of the Successor Agency and any pertinent information that was available based on extensive records research. Over the years the City has had several different filing and records retention programs. Additionally, there have been extensive staff changes and office relocations. City Staff made every effort to find and research files to determine property history. Where available, the following information is provided:

1. Date of purchase, value of property (estimated) at time of purchase;
2. Purpose of the property acquisition;
3. Parcel data including address, size, zoning, General Plan and, if applicable, specific plan designations;
4. Estimate of the current value or appraised value;
5. Estimate of revenue generated from use of property and contractual requirements for disposition of those funds (e.g. lease, etc.);
6. Any history of environmental contamination and / or remediation;
7. Description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency; and
8. Any previous development proposals, rental or lease agreements, other contracts.

## E. DISPOSITION PLAN

The proposed Disposition Plan takes into consideration the variety of property types and circumstances outlined in the LRPMP Matrix and further described above. The intent of the Disposition Plan is to outline the current estimated value of the sites, the predevelopment process to position properties for sale, followed by the Request for Proposal disposition process. The Disposition Plan objective is to expeditiously implement the LRPMP by:

- Transferring to the City sixteen (16) ~~fifteen (15)~~ properties which are subject to enforceable obligations so that responsibility for management of those properties resides with the City rather than the Successor Agency, thereby reducing the obligations of the Successor Agency;
- Placing on the market six (6) ~~fifteen (15)~~ properties identified for sale; and, in the case of contaminated properties, continuing to pursue remediation plans to make contaminated properties available for sale as soon as possible;
- Transferring to the City for future development eleven (11) ~~two (2)~~ properties that were identified for implementation of the City's and former Redevelopment Agency's redevelopment objectives, so that the City may solicit private developers to enter into one or more disposition and development agreements. The City will seek developers that can construct catalyst projects for downtown Vallejo that also implement City, regional and State objectives for transit-oriented development.
- Transferring to the City as governmental purpose assets four (4) properties for continued use as affordable housing. The City may later determine to transfer these housing assets to the Housing Authority for oversight.

### 1. Estimated Value and Disposition of Proceeds for Identified Real Property Assets

Table 5 below presents an estimated market value of the real property assets based on a preliminary review of real estate market conditions in the City of Vallejo. With the exception of the Southern Waterfront Parcels discussed below, the values in Table 4 have been obtained from reviewing recent sale transactions and preliminary discussions with commercial real estate brokers and appraisers. The information is intended to provide a general estimate of potential values, and is not intended to present appraised market value or broker's opinion of market value. Additionally, these values and the timing of sales could be affected by whether the parcels are bundled for larger property sales or sold individually. A determination as to whether to bundle parcels for development or sell them individually will be made based on the potential types of buyers in the market at the time of sale. In the case of the Southern Waterfront Parcels, the estimated value is based on information contained in an appraisal dated September 2008 for the Waterfront DDA. The appraisal was a fair market value appraisal completed at the onset of the recent recession. After 2008, property values declined significantly and have not yet recovered although since late 2013 the market has seen some upturn. Based on the 2008 appraisals, the slow market recovery since that time, and the limited number of recent transactions, we believe the values in Table 4 are reasonable. The Downtown Vallejo Specific Plan and Vallejo Waterfront Master Plan provide insight into the intended uses for these properties and, along with the applicable zoning, will govern the future development of these properties. The underlying zoning was also considered during the market value assessment process.

The values in Table 5 assume the properties have no soil, ground water or other hazardous materials contamination, and that all required remediation work has been completed on the properties identified for sale. In fact, remediation work is taking place or being planned on most of the Southern Waterfront properties. While the cost of the future remediation work is not known at this time, this plan assumes that the properties are not marketable until the remediation work is complete and that contaminated land which has not been remediated has no or perhaps even negative value.

Table 5 – Estimated Value of Real Estate Assets

<b>Estimated Value of Real Estate Assets</b>				
<b>Site Number</b>	<b>APN</b>	<b>Parcel Size Acreage</b>	<b>Current (As-If Clean) Value per Sq. Foot.</b>	<b>Est. Value (As-If Clean)</b>
<b>Category #1A – Properties Used to Fulfill Enforceable Obligations – Transferred in 2011</b>				
<b>1</b>	0055 170 360	.77	<b>Public Ownership</b>	<b>NA</b>
<b>2</b>	0055 170 520	5.14	<b>Public Ownership</b>	<b>NA</b>
<b>Category #1B – Properties Used to Fulfill Enforceable Obligations</b>				
<b>3</b>	0055 160 360	.26	<b>Public Trust Lands</b>	<b>NA</b>
<b>4</b>	0055 160 410	5.23	<b>Public Trust Lands</b>	<b>NA</b>
<b>5</b>	0055 160 420	.28	<b>Public Trust Lands</b>	<b>NA</b>
<b>6</b>	0055 170 010	.61	<b>Public Trust Lands</b>	<b>NA</b>
<b>7</b>	0055 170 020	.70	<b>Public Trust Lands</b>	<b>NA</b>
<b>8</b>	0055 170 030	.60	<b>Public Trust Lands</b>	<b>NA</b>
<b>9</b>	0055 170 050	.80	<b>Public Trust Lands</b>	<b>NA</b>
<b>10</b>	0055 170 060	.39	<b>Public Trust Lands</b>	<b>NA</b>
<b>11</b>	0055 170 400	.49	<b>Public Trust Lands</b>	<b>NA</b>
<b>12</b>	0055 170 080	.53	<b>Public Trust Lands</b>	<b>NA</b>
<b>13</b>	0058 090 370	1.25	<b>Public Trust Lands</b>	<b>NA</b>
<b>31</b>	0055 090 350	14.05	<b>Public Trust Lands</b>	<b>NA</b>
<b>32</b>	0058 090 360	0.37	<b>Public Trust Lands</b>	<b>NA</b>
<b>New 33</b>	<u>0058 090 380</u>	<u>2.22</u>	<b>Public Trust Lands</b>	<b>NA</b>
<b>Category #2 - Properties Available for Sale</b>				
<b>14</b>	0055 170 220	.12	<b>\$6.00</b>	<b>\$31,200</b>
<b>15</b>	0055 170 530	.25	<b>\$6.00</b>	<b>\$65,526</b>
<b>18</b>	0058 100 300 – RR Spur	.23	<b>\$2.50</b>	<b>\$25,375</b>
<b>19</b>	0058 100 320 – RR Spur	.07	<b>\$2.50</b>	<b>\$7,898</b>
<b>20</b>	0058 100 450 – RR Spur	.30	<b>\$2.50</b>	<b>\$32,670</b>
<b>21</b>	0058 100 130 – RR Spur	.45	<b>\$2.50</b>	<b>\$49,005</b>
<b>Category #3A – Properties to be Retained by City for Future Development – Southern Waterfront</b>				
<b>22</b>	0058 090 260 – Parcel S – Open Space	.17	<b>\$0.00</b>	<b>0</b>
<b>23</b>	0058 090 270 – Parcel S	.59	<b>\$5.00</b>	<b>\$129,390</b>
<b>24</b>	0058 090 280 – Parcel S	1.78	<b>\$5.00</b>	<b>\$387,680</b>
<b>25</b>	0058 090 290 – Parcel S	.23	<b>\$5.00</b>	<b>\$50,750</b>
<b>26</b>	0058 090 300 – Parcel S street improvement	.15	<b>\$0.00</b>	<b>0</b>
<b>27</b>	0058 090 310 - OS	.36	<b>\$0.00</b>	<b>0</b>
<b>28</b>	0058 090 320 – Parcel T	.09	<b>\$2.50</b>	<b>\$10,610</b>
<b>29</b>	0058 090 330 – Parcel T	13.88	<b>\$2.50</b>	<b>\$1,511,530</b>
<b>30</b>	0058 090 340 – Parcel T	8.70	<b>\$2.50</b>	<b>\$947,430</b>
<b>Category #3 - Properties Retained by City for Future Development - Triad</b>				
<b>16</b>	0055 160 170	2.31	<b>\$6.00</b>	<b>\$603,738</b>
<b>17</b>	0055 170 280	.74	<b>\$6.00</b>	<b>\$194,700</b>
<b>Category #4 – Properties Retained by City for Government Use</b>				
<b>New 34</b>	<u>0072 044 100</u>	<b>SFD</b>	<b>NA</b>	<b>NA</b>
<b>New 35</b>	<u>0055 072 100</u>	<b>SFD</b>	<b>NA</b>	<b>NA</b>
<b>New 36</b>	<u>0055 073 040</u>	<b>SFD</b>	<b>NA</b>	<b>NA</b>
<b>New 37</b>	<u>0058 022 040</u>	<b>SFD</b>	<b>NA</b>	<b>NA</b>
			<b>Total Value</b>	<b>\$4,045,502</b>

All utilities to the sites and all lot line adjustments and legal descriptions have been completed for the properties. Any existing leases are month-to-month, so no value has been assigned to the lease income. It is assumed the properties would be purchased for development and, therefore, their value is not based on the income stream from the existing leases. In addition to the remediation work, the known soil conditions on Parcels S and T (identified below) will require extensive soil stabilization to implement a multi-story development consistent with the land use plan for the site. A deduction of \$2.50 per square foot in the value has been applied in consideration of these development costs.

The properties that have State Lands Commission encumbrances have been identified as Public Trust lands with no value because they cannot be sold. Also, a value has not been assigned to the parking garage parcels because of the requirements for public ownership under existing enforceable obligations. Properties that have been planned as public open space or for public street use have been assigned no value as the continued use will be a condition of future development of the full site area; the estimated reuse value of the full site is reflected in the adjacent parcels in that development area.

## **2. Distribution of Proceeds from Real Property Asset Disposition**

At this time it is not possible to anticipate the net proceeds from the sale of these properties. The above values represent an estimate based on properties with similar uses. Value deductions based on unknown toxic conditions, poor site configuration, access or easement constraints or other conditions of approval have not been taken into consideration. Projects along some of the Southern Waterfront properties are anticipated in the next 3 to 5 years when remediation work is completed. Other properties in the downtown near transit are likely to develop more quickly if the real estate market continues to rebound. Activities such as the Solano Corridor planning efforts, and recent reuse of vacant retail spaces, indicate the real estate market is beginning to rebound in Vallejo. This signals a positive increase in land value in the future that would also allow time to position properties for sale in the most advantageous manner and schedule.

For properties that are to be transferred to the City to fulfill existing enforceable obligations and/or to comply with applicable law upon approval of this plan by DOF, there will be no proceeds generated from the transfer. For properties that are sold by the Successor Agency, the proceeds received (net of the costs of sale) will be distributed to the applicable taxing entities in accordance with the provisions of AB 1484 upon receipt of proceeds by the Successor Agency. For the eleven ~~two~~ properties to be retained by the City for future development consistent with the redevelopment plan, the City will enter into Compensation Agreements with the taxing entities prior to the sale of these properties, unless (i) the State Legislature further amends the Dissolution Legislation to provide that compensation agreements are not required by law, or (ii) a California State Court, in a case to which DOF is a party, issues a final judgment that is not subject to appeal determining that compensation agreements are not required under the Dissolution Legislation. If either (i) or (ii) in the preceding sentence occurs, the City will not be required to enter into compensation agreements with taxing entities.

## **3. Approach and Process for Disposition of Real Property Available for Sale**

Those real property assets identified above as being available for sale would be marketed for sale as soon as possible, based on the pre-development assessment of readiness. The Successor Agency wishes to retain flexibility in the positioning and sale of the assets because of the very different market potential of each property. For example, four parcels are small railroad spurs which may have little or even negative value because of their configuration and existing hazardous materials contamination. Some properties are undergoing remediation which is nearly complete, while others will be subject to future remediation investigation and program development. It is the intent of the City and Successor Agency to complete necessary predevelopment activities to position the properties for eventual sale to realize their market potential. But this process will take time and funds to complete.



Staff still needs to prepare a preliminary budget to initiate the predevelopment activities listed below to better position the properties for successful disposition and development, and to enhance the potential market value of the properties. The budget will also need to include costs for marketing the properties or undertaking an RFP process. The decision of the Successor Agency and Oversight Board to undertake such pre-development and marketing activities would depend in part on the availability of funding and whether these related disposition costs would be allowed by the DOF as enforceable obligations under the ROPS.

#### a. Predevelopment Activities

There are a number of predevelopment activities that the Successor Agency, with approval of the Oversight Board, may or may not decide to undertake to position property for sale. These potential activities include:

1. Obtaining preliminary title reports to determine existing title conditions relevant for future development, such as easements or other encumbrances; and
2. Commissioning appraisal reports or broker opinions of value to determine potential market value of the properties prior to sale; and
3. Preparing Phase 1 and/or Phase 2 environmental site assessments and other assessments to determine the extent to which hazardous materials contamination is present on the sites; and
4. Developing information regarding any public infrastructure and utility (water, sewer, drainage, etc.) limitations with respect to the parcels; and
5. Defining any steps, such as cleanup of hazardous materials, that may be necessary before the parcels can be successfully marketed for sale.

#### b. Marketing and Outreach

For those parcels identified during the predevelopment process as being available for near term sale, the marketing and outreach program will depend on the characteristics of the specific parcels involved. Based on the size and characteristics of certain properties (e.g., the Railroad Spurs) it may be appropriate to list properties with a Broker or negotiate a purchase directly with an adjacent property owner.

For those sites with significant development potential based on the General Plan and zoning, the marketing effort would focus on attracting buyers who can implement high-quality development projects on those sites consistent with the City's zoning and plans. Marketing information for those sites may include a basic brochure that describes the characteristics of the site(s), City of Vallejo attributes, land use provisions, and any related information resulting from the predevelopment activities described above. Such a brochure would be distributed to real estate brokers, developers, and other identified companies, and advertised on real estate websites and in appropriate professional publications and local/regional newspapers. The Successor Agency may choose to engage in a more formal RFP process, depending on market interest in a particular site. Purchase offers would be reviewed by the Successor Agency staff with direction from the Successor Agency and Oversight Boards.

For those ~~eleven~~ ~~two~~ parcels identified as being transferred to the City for future development, the City would likely engage in an RFP process for selection of developers who can implement development projects consistent with the City and former Redevelopment Agency's adopted plans for the site.

c. Sales Process

A general schedule for implementing Successor Agency sales is described below but would vary depending on the specific characteristics of each property.

<u>Activity</u>
1. Pre Development Activities
2. Marketing Outreach Activities
3. Offer Review Process
4. Successor Agency - Oversight Board Direction
5. Negotiation of Purchase and Sale Transaction pursuant to Successor Agency and Oversight Board Direction
6. Drafting of Purchase and Sale Agreement
7. Successor Agency and Oversight Board Approval of Purchase and Sale Agreement and Execution of Agreement
8. Distribution of Net Proceeds of Sale to Taxing Entities

A schedule for disposition of each property cannot be estimated at this time, although it is the intent of the Successor Agency to dispose of properties as expeditiously as possible and in a manner that generates maximum value. The disposition schedule and phasing would be reviewed and approved by the Successor Agency and Oversight Board as additional information is available on these properties, any legal constraints have been cleared, and the extent of hazardous materials contamination is known and/or remediation has been completed.

ATTACHMENTS

A – LRPMP MATRIX

**B – BACKGROUND DOCUMENTS [NOTE ONLY THE TWO NEW EXHIBITS ARE INCLUDED IN THIS REDLINE]**

1. October 16, 2013 – Finding of Completion Letter from DOF
2. State Controller’s Office Report – November 2014
3. Conformed Copy of transfer Grant Deeds to the City of Vallejo

~~Parking Garage Transfer (APN #'s 0055-170-520 & 0055-170-360) – Resolution No. 10-001 & Resolution No. 10-009~~

~~City of Vallejo – WETA Transfer Agreement Resolution No. 11-144~~

4. State Lands Commission Maps of Public Trust Lands
5. Corporation Grant Deed – Southern Waterfront Parcels – Kaiser Bankruptcy
6. Waterfront Amended DDA Oversight Board “D” Resolution No. 13 - 9
7. DOF Waterfront DDA Amendment Approval Letter dated January 29, 2014
8. Triad DDA - Settlement Agreement Oversight Board – D Resolution No. 14 -1
9. Assignment of Lease Agreement Marina Tower Complex – Doc #200500134041
10. Successor Agency and Oversight Board Resolutions, and DOF Letter of July 15, 2013, Approving Transfer of 13 Governmental Use Properties to the City of Vallejo
11. DOF Triad Settlement Approval Letter dated March 28, 2014
12. Excerpt from Waterfront Amended DDA Re Conveyance of Parcel J

C —PARCEL MAP INDEX

- Exhibit A - Overall Project Map
- Exhibit B - Garage Parcels Properties 1 and 2
- Exhibit C – Public Trust Lands Properties 3, 4, and 5
- Exhibit D – Public Trust Lands Properties 6, 7, and 8
- Exhibit E – Public Trust Lands Properties 9 and 10
- Exhibit F – Public Trust Lands Properties 11 and 12
- Exhibit G – Public Trust Lands Property 13 and 33
- Exhibit H - Public Trust Lands Property 31 (No Exhibit H, see Exhibit P below)
- Exhibit I - Properties 14 and 15
- Exhibit J - Former Triad Property 16
- Exhibit K – Former Triad Property 17
- Exhibit L – Railroad Spurs Properties 18, 19 and 20
- Exhibit M – Railroad Spur Property 21
- Exhibit N - Former Southern Waterfront DDA Properties 22, 25, 29 and 32
- Exhibit O – Former Southern Waterfront 23, 26, 27, and 30
- Exhibit P – Former Southern Waterfront 24, 28 and 31

																	ATTACHMENT A	
REVISED 6-10-2015- VALLEJO REVISED LRPMP MATRIX																		
HSC 34191.5 ( c ) (1)( c )																		
HSC 34191.5( c ) (2)																		
HSC 34191.5( c ) (1)(A)																		
SALE OF PROPERTY HSC 34191.5 (c)(1)(B)																		
HSC34191.5 ( c ) (1) (D)																		
HSC 34191.5 ( c ) (1) (E)																		
HSC 34191.5 ( c ) (1)(F)																		
HSC 34191.5 ( c ) (1) (G)																		
HSC 34191.5( c)(1)(H)																		
Property #	APN	Current Land Use	Address	LOT ACRES	Current Zoning	Permissible Use (Specific Plan)	Permissible Use Detail - Intended Use	Acquisition Date	Purchase Price - Reso # or Capital Asset List Book Value	Purpose for which property was acquired	Proposed Sale Date	LRPMP Estimate of Current Parcel Value or Capital Asset List Book Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue- Yes or No	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of Planning objectives of the Successor Agency	History of previous development proposals and activity
<b>CATEGORY #1A - APPROVED FOR TRANSFER BY SCO 11-2014 - TRANSFERRED TO THE CITY OF FOR GOVERNMENT USE - PUBLIC TRUST LANDS - ENFORCEABLE OBLIGATION</b>																		
1	0055 170 360	Ferry Parking Garage	Vallejo Station, Mare Isalnd Way	0.77	Central Waterfront	MUPD Mixed Use	Parcel L 5 & L3 Public Paseo Connect to Transit and Public Parking (1200 Space Garage) & Surface lot	1983 Deed reference 83-36557 - Reso 10-001 & 10-009	\$56,106.60 - Book Value	Ferry Parking	None	\$56,106.60 - Book Value	operating costs exceed revenue	RESO # 11-144 N.C - Ferry Service Operations and Transfer Agreement Between City of Vallejo and WETA provides for 1,200 parking spaces in the Parking Garage for Ferry Patrons. O&M cost paid by City. Yes	None	None	Ferry Parking - Public Trust	None
2	0055 170 520	Ferry Parking Garage	Vallejo Station, Mare Isalnd Way	5.14	Central Waterfront	MUPD Mixed Use	Parcel L 5 & L3 Public Paseo Connect to Transit and Public Parking (1200 Space Garage) & Surface lot	Deed Reference 04-107047 Reso 10-001 & 10-009	\$386,000.00 - Book Value	Ferry Parking	None	386000 - Book Value	operating costs exceed revenue	RESO # 11-144 N.C - Ferry Service Operations and Transfer Agreement Between City of Vallejo and WETA provides for 1,200 parking spaces in the Parking Garage for Ferry Patrons. O&M cost paid by City. Yes	None	None	Ferry Parking - Public Trust Lands	None
<b>CATEGORY #1B - PROPERTIES TO BE TRANSFERRED TO THE CITY GOVERNMENT USE - PUBLIC TRUST LANDS - ENFORCEABLE OBLIGATION</b>																		
3	0055 160 360	Vallejo Yacht Club	Mare Island Way @ Capitol	0.26	CW Waterfront Shopping and Serv Dist	MUPD Mixed Use Planned Dev	Public Park/OS	unknown	\$15,966.00 - Book Value	Yacht Club	None	15966 - Book Value	Total Rent paid by VYC is \$10,516.75 for FY 13-14. Revenues go into restricted Fund 134	99 Lease Agreement started 12/19/1966- Yacht Club includes: 602, 602-A, 603-B. Yes	None	None	Note 3 - Public Trust Lands	None
4	0055 160 410	Vallejo Yacht Club	485 Mare Island Way @ Capitol	5.23	CW Waterfront Shopping and Serv Dist	MUPD Mixed Use Planned Dev	Public Park/OS	unknown	\$321,168.00 - Book Value	Yacht Club	None	321168 - Book Value	see above total rent	Parcels 602 & 603 = \$1,200/yr until 2016 then increase to 6% of market value. Yes	None	None	Note 3 - Public Trust Lands	None
5	0055 160 420	Vallejo Yacht Club	Mare Island Way @ Capitol	0.28	CW Waterfront Shopping and Serv Dist	MUPD Mixed Use Planned Dev	Public Park/OS	unknown	\$17,194.00 - Book Value	Yacht Club	None	\$17,194.00 - Book Value	see above total rent	Lease Agreement for seawall expansion space \$2,782.68 includes 3% cpi increase. Parcel 601 = \$6,534.07 - TOTAL RENT \$10,516.75 for FY 13-14. Yes	None	None	Note 3 - Public Trust Lands	None
6	0055 170 010	Short-Term Parking for Waterfront, portion of 108 spaces	Mare Isalnd Way @ Georgia	0.61	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Public Use/Function	unknown	\$37,459.00 - Book Value	Parking	None	\$37,459.00 - Book Value	Short term parking no income - no contractual obligation	No	None - Phase 1 needed	None	Note 3 - Public Trust Lands	None
7	0055 170 020	Restaurant and short-term parking for Waterfront, portion of 108 spaces	Mare Isalnd Way @ Georgia	0.70	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Public Bldg Use/Function	7/28/1966	Agency paid \$108,000 under terms of a Court Settlement of a Lawsuit. \$42,986.00 - Book Value	Parking	None	\$42,986.00 - Book Value	\$3,584 for FY13-1. Revenues go into restricted Fund 134	Frontroom Restaurant - Mare Island Ferry Co owns bldg. Lease agreement with agency for 99 years commencing 8/16/1967 to 8/8/2066. \$3584/yr until 8/26/16. Then rent increase = to 6% of market valu. At end of lease bldg to Agency. Yes	None - Phase 1 needed	None	Note 3 - Public Trust Lands	None
8	0055 170 030	Short-Term Parking for Waterfront, portion of 108 spaces	Mare Isalnd Way @ Georgia	0.60	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Public Use/Function	unknown	\$36,845.00 - Book Value	Parking	None	\$36,845.00 - Book Value	Short term parking no income - no contractual obligation	No	None - Phase 1 needed	None	Note 3 - Public Trust Lands	None
9	0055 170 050	Ferry Basin and Docks	Ferry Landing, Mare Island Way	0.80	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Public Park/OS	unknown	\$49,127.00 - Book Value	Ferry Service	None	\$49,127.00 - Book Value	no rent income - no contractual obligation	RESO #11-144 N.C - WETA Transfer Agreement - landing and mooring rights. Yes	None	None	Note 3 - Public Trust Lands	None
10	0055 170 060	Public Sidewalk & Plaza Ferry Landing Area	Ferry Landing, Mare Island Way	0.39	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Public Park/OS	unknown	\$23,949.00 - Book Value	Ferry Service	None	\$23,494.00 - Book Value	no rent income - no contractual obligation	RESO #11-144 N.C - WETA Transfer Agreement - landing and mooring rights. Yes	None	None	Note 3 - Public Trust Lands	None
11	0055 170 400	Marina Dental next to Ferry Landing Area	285 Mare Island Way - South of Ferry Landing	0.49	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Public Bldg Use/Function	unknown	\$30,090.00 - Book Value	Ferry Service	None	\$30,090.00 - Book Value	\$7,991.46 for FY11-12. Revenues go into restricted Fund 134	RESO #11-144 N.C. WETA Transfer Agreement - landing and mooring rights (area outside dental office on same parcel) - Lease Agreement for 33 years with 15 year option. Option to extend exercised in 2009 - lease expires 10/31/2024. - FY11-12- \$7,991.46/yr with CPI increase. Yes	None - Phase 1 needed	None	Note 3 - Public Trust Lands	None
12	0055 170 080	Parking for Waterfront 47 spaces	Mare Island Way, south of Ferry Landing	0.53	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Public Use/Function	unknown	\$32,547.00 - Book Value	Ferry Service	None	\$32,547.00 - Book Value	no income short term parking - no contractual obligation	No	None - Phase 1 needed	None	Note 3 - Public Trust Lands	None
13	0058 090 370	Leased to Kiewett	Solano Ave at Mare Island Strait	1.25	PDI Planned Dev. Industrial	PDI Planned Dev. Industrial	Public Use/Function	unknown	\$76,230.00 - Book Value	Sanitation District	None	\$76,230.00 - Book Value	\$5,764.84 for FY13-14 for both properties #13 & #33. Revenues go into restricted Fund 134	Leased to Kiewett. Yes	None - Phase 1 needed	None	Note 3 - Public Trust Land	None
31	0058 090 350	Parking, open space, public access boat launch - a portion leased to Capital Auction	Waterfront from Mare Island Way to Solano	14.05	PDI Planned Dev. Industrial	MUPD Mixed Use Planned Dev	Public Open Space	6/17/1988	RDA Reso #88-18 Agency Purchase for \$2.4M for fee and City Leasehold from Kaiser Steel Bankruptcy 4-18-1988 - \$846,457.00 - Book Value	Open Space	None	\$846,457.00 - Book Value	\$91,560 for FY13-14 for both properties #31 and #3. Revenues go into restricted Fund 134	Capital Auction is currently located on a portion of this parcel. Yes	See Note #1 Below - Southern 75% of parcel (Public Open Space & Parcel T1 Condo's)	None	Note 3 - Public Trust Land	An Amended DDA was approved by the Oversight Board on 12-16-2013 which eliminates these parcels from DDA. This parcel is a Public Trust Parcel and should be held for public use.

REVISED 6-10-2015- VALLEJO REVISED LRPMP MATRIX			HSC 34191.5 ( c ) (1)( c )			HSC 34191.5( c ) (2)		HSC 34191.5( c ) (1)(A)		SALE OF PROPERTY HSC 34191.5 (c)(1)(B)		HSC34191.5 ( c ) (1) (D)		HSC 34191.5 ( c ) (1) (E)		HSC 34191.5 ( c ) (1)(F)		HSC 34191.5 ( c ) (1) (G)		HSC 34191.5 (c)(1)(H)	
Property #	APN	Current Land Use	Address	LOT ACRES	Current Zoning	Permissible Use (Specific Plan)	Permissible Use Detail - Intended Use	Acquisition Date	Purchase Price - Reso # or Capital Asset List Book Value	Purpose for which property was acquired	Proposed Sale Date	LRPMP Estimate of Current Parcel Value or Capital Asset List Book Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue- Yes or No	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of Planning objectives of the Successor Agency	History of previous development proposals and activity			
32	0058 090 360	a Portion leased to Capital Auction	So. Waterfront Shoreline	0.37	PDI Planned Dev. Industrial	MUPD Mixed Use Planned Dev	Public Open Space	6/16/1988	same as above - \$23,054.00 - Book Value	Open Space	None	\$23,054.00 - Book Value	\$91,560 for FY13-14 for both properties #31 and #3. Revenues go into restricted Fund 134	Capital Auction is currently located on a portion of this parcel. Yes	See Note #1 Below & Note #3 - Parcel is slated for Public Open Space.	None	Note 3 - Public Trust Land	same as above			
NEW 33	0058 090 380	Leased to Kiewett	Solano Ave at Mare Island Strait	2.22	PDI Planned Dev. Industrial	PDI Planned Dev. Industrial	Public Use/Function	unknown	\$76,230.00 - Book Value	Sanitation District	None	\$76,230.00 - Book Value	\$5,764.84 for FY13-14 for both properties #13 & #3. Revenues go into restricted Fund 134	Leased to Kiewett. Yes	None - Phase 1 needed	None	Note 3 - Public Trust Land	None			
CATEGORY #2A - AVAILABLE FOR SALE - CURRENTLY PUBLIC USE																					
14	0055-170 220	Ped Plaza - adjacent to parking lot and transit terminal	South of Georgia St. and West of Sacramento	0.12	MUPD Mixed Use Planned Dev	mu	Mixed Use - TOD	8/24/1983 Deed Reference 83-36557	Book Value - \$2,904.00	Ped Plaza	TBD	\$31,200 - estimate of current value	public plaza - no income - no contractual obligation	No	None - Phase 1 needed	TOD - Adjacent to Solano Transit Terminal - combine site	Catalyst for Quality Downtown Development	None			
15	0055 170 530	Parking lot adjacent to transit terminal	410 Sacramento - South of Georgia Street and West of Sacramento	0.25	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Mixed Use - TOD	1983	Book Value - \$15,554.49	Parking	TBD	\$65,626.00 - estimate of current value	short term parking no income - no contractual obligation	No	None - Phase 1 needed	TOD - Adjacent to Solano Transit Terminal - combine sites	Catalyst for Quality Downtown Development	None			
CATEGORY #2B - AVAILABLE FOR SALE- RAILROAD SPURS																					
18	0058 100 300	Railroad Spur	Between Solano Ave and Ryder St by Water Treatment Facility	0.23	PDI Planned Dev. Industrial	PDI Planned Dev. Industrial	Railroad Spur	17-Jun-88	RDA Reso #88-18 Agency Purchase for \$2.4M for fee and City leasehold from Kaiser Steel Bankruptcy 4-18-1988 - Book Value - \$9,957.00	Received as part of bankruptcy purchase	TBD	\$25,375.00 - estimate of current value	no income - no contractual obligation	No	Phase 1 needed	None	None	Property is a railroad spur with possible toxic issues. of value only to adjoining property owners or as future open space/trail.			
19	0058 100 320	Railroad Spur	Between Solano Ave and Ryder St by Water Treatment Facility	0.07	PDI Planned Dev. Industrial	PDI Planned Dev. Industrial	Railroad Spur	17-Jun-88	Same as above - Book Value \$3,099.00	Same as above	TBD	\$7,897.50 - estimate of current value	no income - no contractual obligation	No	Phase 1 needed	None	None	same as above			
20	0058 100 450	Railroad Spur	Between Solano Ave and Ryder St by Water Treatment Facility	0.30	PDI Planned Dev. Industrial	PDI Planned Dev. Industrial	Railroad Spur	17-Jun-88	Same as above - Book Value - \$12,819.00	Same as above	TBD	\$32,670.00 - estimate of current value	no income - no contractual obligation	No	Phase 1 needed	None	None	same as above			
21	0058 110 130	Railroad Spur	Between Ryder and Southern Pacific RR	0.45	PDI Planned Dev. Industrial	PDI Planned Dev. Industrial	Railroad Spur	17-Jun-88	Same as above - Book Value - \$19,229.00	Same as above	TBD	\$49,00.05 - estimate of current value	no income - no contractual obligation	No	Phase 1 needed	None	None	same as above			
CATEGORY #3A - TRANSFER TO CITY FOR FUTURE SALE AND DEVELOPMENT - FORMER SOUTHERN WATERFRONT PROPERTIES																					
22	0058 090 260	Public Sidewalk and right of way	So. Waterfront - Mare Island Way by former Brinkman's	0.17	MUPD Mixed Use Planned Dev	Public Open Space	Public Open Space		RDA Reso #88-18 Agency Purchase for \$2.4M for fee and City Leasehold from Kaiser Steel Bankruptcy 4-18-1988. \$10,755.00 - Book Value	Mixed Use Development	TBD	Public open space requirement of future development plan. \$10,755.00 - Book Value	\$45,600.00	PG&E Lease Agreement during remediation work. Annual lease on all properties totals \$45,600.00. Yes	See Note #2 Below	Open Space parcel	After Remediation - Open Space	An Amended DDA was approved by the Oversight Board on 12-16-2013 which eliminates these parcels from DDA.			
23	0058 090 270	Parking	1 & 3 Curtola Way - So. Waterfront - Mare Island Way near boat launch	0.59	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Portion of Parcel S - Office/Retail 7,100 sf		same as above - \$36,229.900 - Book Value	Mixed Use Development	TBD	\$129,390.00 - estimate of current value	\$45,600.00	PG&E Lease Agreement during remediation work. Annual lease on all properties totals \$45,600.00. Yes	See Note #2 Below	TOD - Office/Retail to create access to jobs	After Remediation - Future Mixed Use Development	same as above			
24	0058 090 280	Parking	So. Waterfront - Mare Island Way near boat launch	1.78	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Portion of Parcel S - Office/Retail 7,100 sf	6/17/1988 - Date Deed Recorded	same as above - \$108,550.0 - Book Value	Mixed Use Development	TBD	\$387,680.00 - estimate of current value	\$45,600.00	PG&E Lease Agreement during remediation work. Annual lease on all properties totals \$45,600.00. Yes	See Note #2 Below	TOD - Office/Retail to create access to jobs	After Remediation - Future TOD - Mixed Use Development	same as above			
25	0058 090 290	Parking	So. Waterfront - Mare Island Way near boat launch	0.23	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Portion of Parcel S - Office/Retail 7,100 sf	6/17/1988	same as above - \$14,599.00 - Book Value	Mixed Use Development	TBD	\$50,750.00 - estimate of current value	\$45,600.00	PG&E Lease Agreement during remediation work. Annual lease on all properties totals \$45,600.00. Yes	See Note #2 Below	TOD - Office/Retail to create access to jobs	After Remediation - Future TOD - Mixed Use Development	same as above			
26	0058 090 300	Parking/Storage Lockers	So. Waterfront - Mare Island Way near boat launch	0.15	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	New or Modified Street	6/17/1988	same as above - \$9,528.00 - Book Value	Mixed Use Development	TBD	\$9,528.00 - Book Value	\$45,600.00	PG&E Lease Agreement during remediation work. Annual lease on all properties totals \$45,600.00. Yes	See Note #2 Below	Street Improvement	After Remediation - Street Improvement	same as above			
27	0058 090 310	Parking/Storage Lockers	So. Waterfront - Mare Island Way near boat launch	0.36	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Public Open Space	6/17/1988	same as above - \$22,429.00 - Book Value	Mixed Use Development	TBD	\$22,429.00 - Book Value	\$45,600.00	PG&E Lease Agreement during remediation work. Annual lease on all properties totals \$45,600.00. Yes	See Note #2 Below	Open Space parcel	After Remediation - Open Space	same as above			
28	0058 090 320	Vacant - part of former manufacture gas plant site	So Waterfront - Off Curtola Parkway @ Maine St	0.09	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Parcel T1 - 650 Condominiums over parking (small portion)	6/17/1988	same as above - \$5,942.00 - Book Value	Mixed Use Development	TBD	\$10,610.00 - estimate of current value	\$45,600.00	PG&E Lease Agreement during remediation work. Annual lease on all properties totals \$45,600.00. Yes	See Note #2 Below	TOD - possible units 650 as part of develop plan on two adjacent site	After Remediation - Future TOD - Mixed Use Development	same as above			

REVISED 6-10-2015- VALLEJO REVISED LRPMP MATRIX			HSC 34191.5 ( c ) (1)( c )			HSC 34191.5( c ) (2)		HSC 34191.5( c ) (1)(A)		SALE OF PROPERTY HSC 34191.5 (c)(1)(B)		HSC34191.5 ( c ) (1) (D)		HSC 34191.5 ( c ) (1) (E)		HSC 34191.5 ( c ) (1)(F)		HSC 34191.5 ( c ) (1) (G)		HSC 34191.5 (c)(1)(H)	
Property #	APN	Current Land Use	Address	LOT ACRES	Current Zoning	Permissible Use (Specific Plan)	Permissible Use Detail - Intended Use	Acquisition Date	Purchase Price - Reso # or Capital Asset List Book Value	Purpose for which property was acquired	Proposed Sale Date	LRPMP Estimate of Current Parcel Value or Capital Asset List Book Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue- Yes or No	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of Planning objectives of the Successor Agency	History of previous development proposals and activity			
29	0058 090 330	Partially vacant former manufactured gas plant site; partially leased to Big Bay Storage	1121 Sonoma Blvd & 51 Mono St- So. Waterfront - Curtola and Sonoma Blvd	13.88	PDI Planned Dev. Industrial	MUPD Mixed Use Planned Dev	Parcel T1 - 650 Condominiums over parking	6/17/1988	same as above - \$846,457.00 - Book Value	Mixed Use Development	TBD	\$1,511,530.00 - estimate of current value	\$45,600.00	PG&E Lease Agreement during remediation work. Annual lease on all properties totals \$45,600.00. Yes	See Note #2 Below - Portion of Parcel adj to Curtola/Mono is known to be Highly Toxic Site	TOD - possible units 650 as part of develop plan on two adjacent site	After Remediation - Future TOD - Mixed Use Development	same as above			
30	0058 090 340	A portion - Leased to First Capitol Auction/Humane Society	Solano Ave - 50, 96, 100 & 1133 Sonoma Blvd - So. Waterfront Sonoma Blvd and Solan Ave	8.70	PDI Planned Dev. Industrial	MUPD Mixed Use Planned Dev	Parcel T3 - Flex Tech 57,000 & Parcel T2 - Post Office 40,500	6/17/1988	same as above - \$530,561.00 - Book Value	Mixed Use Development	TBD	\$947,430.00 - estimate of current value	\$91,580.00/yr+ \$12.00/yr Human Society	Southern - Waterfront DDA - a portion leased to First Capital Auction month-to-month lease at \$7,630.00 and Human Society month-to-month Lease at \$1.00 per month. Yes	See Note #1 Below - Upper portion is T2 Post Office. Lower portion is Parcel T3 Flex Tech)	TOD - Office/Flex Space to create access to jobs	After Remediation - Future TOD - Mixed Use Development	same as above			
CATEGORY #3B - PROPERTIES TO BE TRANSFERRED TO THE CITY FOR FUTURE SALE AND DEVELOPMENT - FORMER TRIAD PARCELS																					
16	0055 160 170	Tower Parking Lot, 99 spaces	Santa Clara and Capitol, adjacent to Marina Tower	2.31	CP Pedestrian Shopping and Serv Dis	MUPD Mixed Use Planned Dev	Catalyst Site Phase 1: Res-242 units, Comm/livework- 22,137sf	12-Dec-01	Book Value - \$131,052.00	Mixed Use Development	TBD	\$603,738.00 - estimate of current value	no income	Triad DDA - Phase 1 - Parcel B - Portion Leased to Marina Tower Assoc for surface parking (thur 2060 and parking in future structure which was to be developed under Triad DDA. Yes	None - Phase 1 Needed	TOD - close to Solano Transit and Ferry up to 242 units.	Downtown Transit Oriented Development	Settlement Agreement related to DDA Termination approved by Oversight Board on 1-16-2014			
17	0055 170 280	Parking - Former State Capitol Site before Benicia, 81 spaces	SE Corner of Sacramento and York	0.74	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	Catalyst Site Phase 2: Res-69 units, Comm/livework- 9,999sf	24-Aug-83	Book Value - \$54,528.00	Mixed Use Development	TBD	\$194,700.00 - estimate of current value	no income - no contractual obligation	No	None - Phase 1 Needed	TOD - Adjance to Solano Transit - units TBD	Downtown Transit Oriented Development	same as above			
CATEGORY #1 - PROPERTIES TRANSFERRED TO THE CITY FOR GOVERNMENT USE - HOUSING ASSETS																					
New 34	0072 044 100	Residential	341 Lamont Ct		SFR	Housing	Housing	1988	\$128,000	Residential	none	\$128,000 - Book Value	\$1.00/yr	Leased to Safequest as a homeless Shelter. Yes	none	none	affordable housing	none			
New 35	0055 072 100	Residential	122 Louisiana		SFR	Housing	Housing	1993	\$150,000	Residential	none	\$150,000 - Book Value	\$1.00/yr	Leased to Bi Bett as recovery program housing. Yes	none	none	affordable housing	none			
New 36	0055 073 040	Residential	126 Ohio		SFR	Housing	Housing	1991	\$350,000	Residential	none	\$350,000 - Book Value	\$1.00/yr	Leased to Bi Bett as recovery program housing. Yes	none	none	affordable housing	none			
New 37	0058 022 040	Residential	421-23 Pennsylvania		SFR	Housing	Housing	1994	\$375,000	Residential	none	\$375,000 - Book Value	\$1.00/yr	Leased to Bi Bett as recovery program housing. Yes	none	none	affordable housing	none			
<p>Note #1 - Part of 17 acre remediation program. A March 25, 2010 Targeted Site Investigation Study prepared for EPA revealed that the there was not contamination across the site at above screening levels, but "Hot Spots" of arsenic remained. Further study of the Hot Spots is recommended. The report was approved by the Dept of Toxic Substances (DTSC). Further Study</p> <p>Note #2 - April 2013, An Environmental Investigation and cleanup by PG&amp;E is currently being conducted on this 26-acre site. From 1872 - 1930 a manufactured gas plant was operated on the site. The history of the site includes landfilling, boat storage, maintenance, fueling and launching, an ammunition depot barracks, an auto junkyard, marine fabrication yard, and creso</p> <p>Note #3 - Chapt 588 - Statue of 2004 - SB 1481 - Chesboro - The State granted the City of Vallejo all rights to tidelands, submerged lands and lands lying under inland navigable waters to the City of Vallejo for public trust purposes. Lands maybe used for construction, reconstruction, repair, and maintenance of any transportation utility or other infrastructure for any uses cc</p>																					

# **VALLEJO REDEVELOPMENT AGENCY**

## **ASSET TRANSFER REVIEW**

### Review Report

*January 1, 2011, through January 31, 2012*



**JOHN CHIANG**  
California State Controller

November 2014



**JOHN CHIANG**  
*California State Controller*

November 26, 2014

Ron Millard, Interim Finance Director  
Vallejo Redevelopment/Successor Agency  
555 Santa Clara Street  
Vallejo, CA 94950

Dear Mr. Millard:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Vallejo Redevelopment Agency (RDA) to the City of Vallejo (City) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether the asset should be turned over to the Successor Agency.

Our review applied to all assets including but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers of assets to the City or any other public agency have been reversed.

Our review found that the RDA transferred \$26,469,289 in assets after January 1, 2011, including unallowable transfers to the City totaling \$655,000, or 2.47% of transferred assets. These assets must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth González, Chief, Local Government Compliance Bureau, by telephone at (916) 324-0622.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/sk



cc: Daniel Keen, City Manager  
City of Vallejo  
Simona Padilla-Scholtens, CPA  
Solano County Auditor-Controller  
Erin Hannigan, Oversight Board Chair  
Vallejo Redevelopment/Successor Agency  
David Botelho, Program Budget Manager  
California Department of Finance  
Richard J. Chivaro, Chief Legal Counsel  
State Controller's Office  
Elizabeth González, Bureau Chief  
Division of Audits, State Controller's Office  
Betty Moya, Audit Manager  
Division of Audits, State Controller's Office  
Cecilia Michaels, Auditor-in-Charge  
Division of Audits, State Controller's Office

# Contents

## Review Report

<b>Summary</b> .....	1
<b>Background</b> .....	1
<b>Objective, Scope, and Methodology</b> .....	1
<b>Conclusion</b> .....	2
<b>Views of Responsible Officials</b> .....	2
<b>Restricted Use</b> .....	2
<b>Finding and Order of the Controller</b> .....	3
<b>Schedule 1—Unallowable Asset Transfers to the City of Vallejo</b> .....	5
<b>Attachment—City’s Response to Draft Review Report</b>	

# Asset Transfer Review Report

## Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the Vallejo Redevelopment Agency (RDA) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$26,469,289 in assets after January 1, 2011, including unallowable transfers to the City of Vallejo (City) totaling \$655,000, or 2.47% of transferred assets. These assets must be turned over to the Successor Agency.

## Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA successor agencies and oversight boards to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety (H&S) Code beginning with section 34161.

H&S Code section 34167.5 states in part, ". . . the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency."

The SCO identified asset transfers that occurred after January 1, 2011, between the RDA, the City and/or any other public agency. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal action to ensure compliance with this order.

## Objective, Scope, and Methodology

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency's operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the City, the RDA, the Successor Agency, and the Oversight Board.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

## **Conclusion**

Our review found that the Vallejo Redevelopment Agency transferred \$26,469,289 in assets after January 1, 2011, including unallowable transfers to the City of Vallejo totaling \$655,000, or 2.47% of transferred assets. These assets must be turned over to the Successor Agency.

Details of our finding are described in the Finding and Order of the Controller section of this report.

## **Views of Responsible Official**

We issued a draft review report on December 4, 2013. Deborah Lauchner, Finance Director, responded by letter dated January 13, 2014, disputing the review results. The City's response is included in this final review report as an attachment. Please note that the City's response references findings related to housing assets. This finding was eliminated due to a subsequent court ruling.

## **Restricted Use**

This report is solely for the information and use of the City of Vallejo, the Successor Agency, the Oversight Board, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

November 26, 2014

# Finding and Order of the Controller

## **FINDING— Unallowable asset transfers to the City of Vallejo**

The Vallejo Redevelopment Agency (RDA) made unallowable asset transfers of \$655,000 to the City of Vallejo (City). The asset transfers to the City occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.

Unallowable asset transfers were as follows:

In 2011, the RDA made four payments to the City on loans the City provided to the RDA over several years. The loan repayments totaled \$655,000.

Pursuant to Health and Safety (H&S) Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. The assets must be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177(d) and (e).

### Order of the Controller

Pursuant to H&S Code section 34167.5, the City is ordered to reverse the transfers in the amount of \$655,000, and turn over the assets to the Successor Agency.

### Vallejo Successor Agency Response

The Successor Agency disputes the order to reverse the repayment of loans to the City and the transfer of the two parcels of land that were turned into parking structures, stating the structures are government use properties.

See Attachment for the City's complete response.

### SCO's Comment

The SCO's authority under H&S Code section 34167.5 extends to all assets transferred after December 31, 2010, by the RDA to the city or county, or city and county that created the RDA, or any other public agency. This responsibility is not limited by the other provisions of the RDA dissolution legislation. Additionally, H&S Code section 34167.5 states that if such an unallowable transfer occurs, the Controller shall order the return of those assets to the Successor Agency.

The Department of Finance issued a Finding of Completion to the Successor Agency on October 16, 2013. The Successor Agency may place loan agreements between the RDA and the City on the Recognized Obligation Payment Schedule as an enforceable obligation, provided that the Oversight Board finds that the loan was for legitimate redevelopment purposes.

With regards to the parking structures, the City has provided additional documentation. The Finding and Order of the Controller have been modified accordingly.

---

**Schedule 1—  
Unallowable RDA Asset Transfers to  
the City of Vallejo  
January 1, 2011, through January 31, 2012**

---

Current assets	
Principle and interest payments on long-term loans	<u>\$ 655,000</u>
Total unallowable asset transfers	<u>\$ 655,000</u>

**Attachment—  
City's Response to  
Draft Review Report**

---





Office of the City Manager · 555 Santa Clara Street · Vallejo · CA · 94590 · 707.648.4576

January 13, 2014

Elizabeth Gonzalez  
Chief, Local Government Compliance Bureau  
State Controller's Office  
Division of Audits  
PO Box 942850  
Sacramento, CA 94250-5874

Dear Ms. Gonzalez:

The City of Vallejo has reviewed the draft Asset Transfer Review Report for the period January 1, 2011, through January 31, 2012. Below is the City of Vallejo management response to the findings:

**Finding 1 – The Vallejo Redevelopment Agency (RDA) transferred \$22,015,203 in assets to the City of Vallejo (City). The asset transfers to the City occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.**

In 2011, the RDA made four payments to the City on loans the City provided to the RDA over several years. The loan repayments totaled \$655,000.

**City Response:** The City disputes your order to reverse these transactions. The City agrees it paid these obligations. These obligations were paid prior to dissolution during the initial Enforceable Obligation Payment Schedule ("EOPS") period. The City Council's Adopted Budget is the obligating document and the City contends the loans were for goods and services rendered to the Agency, were legal when they were made and were appropriate to pay as budgeted.

The Oversight Board meeting is scheduled to meet February 20, 2014, and a formal resolution will be presented to the Oversight Board ratifying the transfer of these assets pursuant to Health and Safety Code Secs. 34176 and 34181. We request that this finding be removed from the report or the report not be issued until we provide the State Controller with a copy of the Oversight Board's adopted resolution.

The RDA transferred two parcels of land to the City (APN 055-170-520 and APN 055-170-360) with an original value of \$442,366. It was further noted that these two parcels were purchased as vacant land and today are parking structures the City plans to rent out.

**City Response:** The City disputes your order to reverse the capital assets transfer of \$21,360,203. It is our understanding that one of the permissible reasons that an asset transfer would not be subject to reversal is if the property was constructed and used for a governmental purpose (H&S Section 34177(e)(3), Section 34181(a)). The transfer of

the two parcels APN 0055-170-520 and APN 0055-170-360 occurred pursuant to a Disposition and Development Agreement (DDA), and a Transfer Agreement with the San Francisco Bay Area Water Emergency Transit Agency (WETA) to facilitate the construction and operation of a parking garage to provide public parking for the Baylink Ferry service.

In October 2000, the Redevelopment Agency entered into a DDA with the Callahan Property Company as the Master Developer of certain waterfront properties. Department of Finance approved this DDA as an enforceable obligation and the Agency funding obligation of \$12,000,000 appears on the Successor Agency ROPS under the Vallejo Station Parking Garage. Under the terms of the DDA, the Redevelopment Agency was required to transfer the two parcels to the City of Vallejo for construction of the Vallejo Station Parking Garage.

On January 12, 2010, the Redevelopment Agency and the City of Vallejo approved the transfer of these two parcels to allow the construction of the garage. The City constructed the garage with a variety of federal grants, state grants and other funding sources and is the owner of the garage. The recording of the grant deed transferring the parcels did not occur until September 20, 2011, due to a delay in completing the final legal descriptions based on the completed parking garage footprint. The federal grants require the City maintain ownership of the facilities built with the grant funds.

As a federal grant recipient, the City of Vallejo undertook a commitment to comply with the federal government's grant regulations. The regulations are contained in the U.S. FTA's Master Agreement For Federal Transit Administration Agreements authorized by 49 U.S.C. chapter 53, Title 23, United States Code (Highways), the National Capital Transportation Act of 1969, as amended; the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, the Transportation Equity Act for the 21<sup>st</sup> Century, as amended; or other Federal laws that FTA administers. Vallejo entered into this Master Agreement by virtue of becoming a federal grant recipient. Under Section 19 of that Master Agreement, Vallejo agreed to not encumber or transfer the property, and to keep it for the transportation-related use which it currently has, and for which it received federal funds. The following section of the Master Agreement sets forth Vallejo's responsibilities with regards to the parking garage parcels; in particular 19 (f) and (g) compelled the transfer to Vallejo (the recipient) once the grant funds attached:

Section 19. Use of Real Property, Equipment, and Supplies.

The Recipient understands and agrees that the Federal Government retains a Federal interest in any real property, equipment, and supplies financed with Federal assistance (Project property) until, and to the extent, that the Federal Government relinquishes its Federal interest that Project property. With respect to any Project property financed with Federal assistance under the Grant Agreement or Cooperative Agreement, the Recipient agrees to comply with the following provisions of this Master Agreement except to the extent FTA determines otherwise in writing:

- a. Use of Project Property. The Recipient agrees to use Project property for appropriate Project purposes (which may include joint development purposes that generate program income, both during and after the award period and used to

support public transportation activities) for the duration of the useful life of that property, as required by FTA. Should the Recipient unreasonably delay or fail to use Project property during the useful life of that property, the Recipient agrees that it may be required to return the entire amount of the Federal assistance expended on that property. The Recipient further agrees to notify FTA immediately when any Project property is withdrawn from Project use or when any Project property is used in a manner substantially different from the representations the Recipient has made in its Application or in the Project Description for the Grant Agreement or Cooperative Agreement for the Project.

- b. General. A Recipient that is a State, local, or Indian tribal government agrees to comply with the property management standards of 49 C.F.R. §§ 18.31 through 18.34, including any amendments thereto, and with other applicable Federal regulations and directives. A Recipient that is an institution of higher education or private nonprofit entity, agrees to comply with the property management standards of 49 C.F.R. §§ 19.30 through 19.37, including any amendments thereto, and with other applicable Federal regulations and directives. Any exception to the requirements of 49 C.F.R. §§ 18.31 through 18.34, or the requirements of 49 C.F.R. §§ 19.30 through 19.37, requires the express approval of the Federal Government in writing. A Recipient that is a for-profit entity agrees to comply with property management standards satisfactory to FTA. The Recipient also consents to FTA's reimbursement requirements for premature dispositions of certain Project equipment, as set forth in Subsection 19.g of this Master Agreement.
- c. Maintenance. The Recipient agrees to maintain Project property in good operating order, in compliance with any applicable Federal regulations or directives that may be issued.
- d. Records. The Recipient agrees to keep satisfactory records pertaining to the use of Project property, and submit to FTA upon request such information as may be required to assure compliance with this Section 19 of this Master Agreement.
- e. Incidental Use. The Recipient agrees that:
  - 1) General. Any incidental use of Project property will not exceed that permitted under applicable Federal laws, regulations, and directives.
  - 2) Alternative Fueling Facilities. As authorized by 49 U.S.C. § 5323(p), any incidental use of its federally financed alternative fueling facilities and equipment by nontransit public entities and private entities will be permitted, only if the:
    - i. Incidental use does not interfere with the Recipient's Project or public transportation operations;
    - ii. Recipient fully recaptures all costs related to the incidental use from the nontransit public entity or private entity;
    - iii. Recipient uses revenues received from the incidental use in excess of costs for planning, capital, and operating expenses that are incurred in providing public transportation; and
    - iv. Private entities pay all applicable excise taxes on fuel.

- f. Encumbrance of Project Property. The Recipient agrees to maintain satisfactory continuing control of Project property as follows:
- 1) Written Transactions. The Recipient agrees that it will not execute any transfer of title, lease, lien, pledge, mortgage, encumbrance, third party contract, subagreement, grant anticipation note, alienation, innovative finance arrangement (such as a cross border lease, leveraged lease, or otherwise), or any other obligation pertaining to Project property, that in any way would affect the continuing Federal interest in that Project property.
  - 2) Oral Transactions. The Recipient agrees that it will not obligate itself in any manner to any third party with respect to Project property.
  - 3) Other Actions. The Recipient agrees that it will not take any action adversely affecting the Federal interest in or impair the Recipient's continuing control of the use of Project property.
- g. Transfer of Project Property. The Recipient understands and agrees as follows:
- 1) Recipient Request. The Recipient may transfer any Project property financed with Federal assistance authorized under 49 U.S.C. chapter 53 to a public body to be used for any public purpose with no further obligation to the Federal Government, provided the transfer is approved by the Federal Transit Administrator and conforms with the requirements of 49 U.S.C. §§ 5334(h)(1) and (2).
  - 2) Federal Government Direction. The Recipient agrees that the Federal Government may direct the disposition of, and even require the Recipient to transfer, title to any Project property financed with Federal assistance under the Grant Agreement or Cooperative Agreement.
  - 3) Leasing Project Property to Another Party. If the Recipient leases any Project property to another party, the Recipient agrees to retain ownership of the leased Project property, and assure that the lessee will use the Project property appropriately, either through a written lease between the Recipient and lessee, or another similar document. Upon request by FTA, the Recipient agrees to provide a copy of any relevant documents.
- h. Disposition of Project Property. With prior FTA approval, the Recipient may sell, transfer, or lease Project property and use the proceeds to reduce the gross project cost of other eligible capital public transportation projects to the extent permitted by 49 U.S.C. § 5334(g)(4). The Recipient also agrees that FTA may establish the useful life of Project property, and that it will use Project property continuously and appropriately throughout the useful life of that property.
- 1) Project Property Whose Useful Life Has Expired. When the useful life of Project property has expired, the Recipient agrees to comply with FTA's disposition requirements.
  - 2) Project Property Prematurely Withdrawn from Use. For Project property withdrawn from appropriate use before its useful life has expired, the Recipient agrees as follows:
    - i. Notification Requirement. The Recipient agrees to notify FTA immediately when any Project property is prematurely withdrawn from appropriate use, whether by planned withdrawal, misuse, or casualty loss.

- ii. Calculating the Fair Market Value of Prematurely Withdrawn Project Property. The Recipient agrees that the Federal Government retains a Federal interest in the fair market value of Project property prematurely withdrawn from appropriate use. The amount of the Federal interest in the Project property shall be determined by the ratio of the Federal assistance awarded for the property to the actual cost of the property. The Recipient agrees that the fair market value of Project property prematurely withdrawn from use will be calculated as follows:
  1. Equipment and Supplies. The Recipient agrees that the fair market value of Project equipment and supplies shall be calculated by straight-line depreciation of that property, based on the useful life of the equipment or supplies as established or approved by FTA. The fair market value of Project equipment and supplies shall be the value immediately before the occurrence prompting the withdrawal of the equipment or supplies from appropriate use. In the case of Project equipment or supplies lost or damaged by fire, casualty, or natural disaster, the fair market value shall be calculated on the basis of the condition of that equipment or supplies immediately before the fire, casualty, or natural disaster, irrespective of the extent of insurance coverage. As authorized by 49 C.F.R. § 18.32(b), a State may use its own disposition procedures, provided that those procedures comply with the laws of that State.
  2. Real Property. The Recipient agrees that the fair market value of real property shall be determined either by competent appraisal based on an appropriate date approved by the Federal Government, as provided by 49 C.F.R. Part 24, or by straight line depreciation, whichever is greater.
  3. Exceptional Circumstances. The Recipient agrees that the Federal Government may require the use of another method to determine the fair market value of Project property. In unusual circumstances, the Recipient may request that another reasonable valuation method be used including, but not limited to, accelerated depreciation, comparable sales, or established market values. In determining whether to approve such a request, the Federal Government may consider any action taken, omission made, or unfortunate occurrence suffered by the Recipient with respect to the preservation of Project property withdrawn from appropriate use.
- iii. Financial Obligation to the Federal Government. The Recipient agrees to remit to the Federal Government the Federal interest in the fair market value of any Project property prematurely withdrawn from appropriate use. In the case of fire, casualty, or natural disaster, the Recipient may fulfill its obligations to remit the Federal interest by either:

1. Investing an amount equal to the remaining Federal interest in like-kind property that is eligible for assistance within the scope of the Project that provided Federal assistance for the Project property prematurely withdrawn from use; or
  2. Returning to the Federal Government an amount equal to the remaining Federal interest in the withdrawn Project property.
- i. Insurance Proceeds. If the Recipient receives insurance proceeds as a result of damage or destruction to the Project property, the Recipient agrees to:
- 1) Apply those insurance proceeds to the cost of replacing the damaged or destroyed Project property taken out of service, or
  - 2) Return to the Federal Government an amount equal to the remaining Federal interest in the damaged or destroyed Project property.

A copy of the relevant provision of the Master Agreement is attached to this letter for ease of reference.

In addition, these two parcels are subject to the Transfer Agreement between the City of Vallejo and WETA, which requires at Section 11.6 that the City provide 1200 spaces of public parking and other waterside facilities for operations of the Baylink Ferry service. The Transfer Agreement requires the City to own the 1200 parking spaces and have the sole responsibility for the operation and maintenance of the parking garage. The operations and maintenance costs will be funded by a parking revenue system. The Agency provided the land for the spaces and additional public funds were assembled through a series of grants for the construction of the public parking garage. Phase 1 of the parking garage has been completed. Pursuant to the Transfer Agreement, Sec. 11.6(b), “the City shall continue to make available sufficient parking,” with approximately 700 parking spaces in the structure and another 500 parking spaces provided on an adjacent surface lot. Phase 2 of the parking structure will be completed following the relocation of a U. S. Post Office and identification of funding sources. Under the terms of the Transfer Agreement, implementation of existing redevelopment agreements and plans will not negatively impact WETA operations or provision of the public parking. A copy of the relevant provisions of the Transfer Agreement, officially titled “Ferry Service Operations Transfer Agreement by and between City of Vallejo and San Francisco Bay Area Water Emergency Transit Authority,” is attached for ease of reference.

The Successor Agency legally and appropriately transferred APN 0055-170-360 and 0055-170-520 pursuant to an approved Enforceable Obligation for the construction and operation of a parking structure to provide public parking for Baylink Ferry service

**Finding 2 – The RDA made unallowable asset transfers of \$ 12,782,588 to the Entity Assuming the Housing Functions. The asset transfers occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.**

The RDA transferred \$148,354 in unencumbered cash, \$2,466,222 in interest receivables, and \$10,168,012 in loan receivables to the Entity Assuming the Housing Functions on February 1, 2012.

**City Response:**

The City disputes your order to reverse these transfers. Upon conclusion of the Meet and Confer process, the City remitted check number 717461 in the amount of \$148,354 to Solano County on January 3, 2013.

The City disputes your order to reverse the transfers of housing interest and loan receivables amounting to \$12,634,234. Prior to the dissolution of the Redevelopment Agency, the City elected not to retain the housing assets and functions previously performed by the Redevelopment Agency per Resolution # 12-001 dated January 10, 2012, as permitted under Section 34176(b). This statute provides that upon redevelopment agency dissolution, if a city does not retain the authority to perform housing functions previously performed by a redevelopment agency, all rights, powers, assets, duties, and obligations associated with the housing activities of the agency, excluding enforceable obligations retained by the successor agency and any amounts in the Low and Moderate Income Housing Fund, shall be transferred to the Entity assuming the housing functions. The draft report bases its conclusion that the housing transfers were “unallowable” on the fact that at the time the housing assets were transferred to the Entity assuming the housing functions, the Vallejo Oversight Board had not approved the transfer. However, the Oversight Board was not in existence on February 1, 2012, when the Redevelopment Agency dissolved and the transfer took place. The Oversight Board was not created until May 2012, in accordance with the timeline for oversight board establishment set forth in the statute. Further, the Vallejo Oversight Board did approve the housing asset transfer on November 15, 2012.

The Oversight Board will meet on February 20, 2014, and a formal resolution will be presented to the Oversight Board ratifying the transfer of these housing assets pursuant to Health and Safety Code Secs. 34176 and 34181. We request that this finding be removed from the report or the report not be issued until we provide the State Controller with a copy of the Oversight Board’s adopted resolution.

Finally, the draft report recounts that at the exit conference, the SCO stated that the final report would include the views of responsible officials. We do not see these views reflected in the draft report, and respectfully request that they be included in the final report.

Thank you in advance for reviewing and considering our comments.

Sincerely,



DANIEL E. KEEN  
City Manager

Attachments:

- USA Department of Transportation Federal Transit Administration, Master Agreement, October 2005
- Ferry Service Operations Transfer Agreement between City of Vallejo and San Francisco Bay Area Water Emergency Transportation Authority, May 2012



**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
FEDERAL TRANSIT ADMINISTRATION**

**MASTER AGREEMENT**

**For Federal Transit Administration Agreements authorized by  
49 U.S.C. chapter 53, Title 23, United States Code (Highways),  
the National Capital Transportation Act of 1969, as amended,  
the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users,  
the Transportation Equity Act for the 21<sup>st</sup> Century, as amended,  
or other Federal laws that FTA administers.**

**FTA MA(12)  
October 1, 2005**

[http://www.fta.dot.gov/16874\\_16882\\_ENG\\_HTML.htm](http://www.fta.dot.gov/16874_16882_ENG_HTML.htm)



Recipient agrees to indemnify, save, and hold harmless the Federal Government and its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the Recipient of proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under the Project. The Recipient shall not be required to indemnify the Federal Government for any such liability caused by the wrongful acts of Federal employees or agents.

f. Restrictions on Access to Patent Rights. Nothing in this Section 18 of this Master Agreement pertaining to rights in data shall either imply a license to the Federal Government under any patent or be construed to affect the scope of any license or other right otherwise granted to the Federal Government under any patent.

g. Data Developed Without Federal Funding or Support. In connection with the Project, the Recipient may find it necessary to provide data developed without any Federal funding or support to the Federal Government. The requirements of Subsections 18.b, 18.c, and 18.d of this Master Agreement do not apply to data developed without Federal funding or support, even though that data may have been used in connection with the Project. Nevertheless, the Recipient understands and agrees that the Federal Government will not be able to protect data from unauthorized disclosure unless that data is clearly marked "Proprietary" or "Confidential."

h. Requirements to Release Data. To the extent required by U.S. DOT regulations, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," at 49 C.F.R. § 19.36(d), or by subsequent Federal laws or regulations, the Recipient understands and agrees that the data and information it submits to the Federal Government may be required to be released in accordance with the provisions of the Freedom of Information Act (or another Federal law providing access to such records).

## **Section 19. Use of Real Property, Equipment, and Supplies.**

The Recipient understands and agrees that the Federal Government retains a Federal interest in any real property, equipment, and supplies financed with Federal assistance (Project property) until, and to the extent, that the Federal Government relinquishes its Federal interest that Project property. With respect to any Project property financed with Federal assistance under the Grant Agreement or Cooperative Agreement, the Recipient agrees to comply with the following provisions of this Master Agreement except to the extent FTA determines otherwise in writing:

a. Use of Project Property. The Recipient agrees to use Project property for appropriate Project purposes (which may include joint development purposes that generate program income, both during and after the award period and used to support public transportation activities) for the duration of the useful life of that property, as required by FTA. Should the Recipient unreasonably delay or fail to use Project property during the useful life of that property, the Recipient agrees that it may be required to return the entire amount of the Federal assistance expended on that property. The Recipient further agrees to notify FTA immediately when any

Project property is withdrawn from Project use or when any Project property is used in a manner substantially different from the representations the Recipient has made in its Application or in the Project Description for the Grant Agreement or Cooperative Agreement for the Project.

b. General. A Recipient that is a State, local, or Indian tribal government agrees to comply with the property management standards of 49 C.F.R. §§ 18.31 through 18.34, including any amendments thereto, and with other applicable Federal regulations and directives. A Recipient that is an institution of higher education or private nonprofit entity, agrees to comply with the property management standards of 49 C.F.R. §§ 19.30 through 19.37, including any amendments thereto, and with other applicable Federal regulations and directives. Any exception to the requirements of 49 C.F.R. §§ 18.31 through 18.34, or the requirements of 49 C.F.R. §§ 19.30 through 19.37, requires the express approval of the Federal Government in writing. A Recipient that is a for-profit entity agrees to comply with property management standards satisfactory to FTA. The Recipient also consents to FTA's reimbursement requirements for premature dispositions of certain Project equipment, as set forth in Subsection 19.g of this Master Agreement.

c. Maintenance. The Recipient agrees to maintain Project property in good operating order, in compliance with any applicable Federal regulations or directives that may be issued.

d. Records. The Recipient agrees to keep satisfactory records pertaining to the use of Project property, and submit to FTA upon request such information as may be required to assure compliance with this Section 19 of this Master Agreement.

e. Incidental Use. The Recipient agrees that:

(1) General. Any incidental use of Project property will not exceed that permitted under applicable Federal laws, regulations, and directives.

(2) Alternative Fueling Facilities. As authorized by 49 U.S.C. § 5323(p), any incidental use of its federally financed alternative fueling facilities and equipment by nontransit public entities and private entities will be permitted, only if the:

(1) Incidental use does not interfere with the Recipient's Project or public transportation operations;

(2) Recipient fully recaptures all costs related to the incidental use from the nontransit public entity or private entity;

(3) Recipient uses revenues received from the incidental use in excess of costs for planning, capital, and operating expenses that are incurred in providing public transportation; and

(4) Private entities pay all applicable excise taxes on fuel.

f. Encumbrance of Project Property. The Recipient agrees to maintain satisfactory continuing control of Project property as follows:

(1) Written Transactions. The Recipient agrees that it will not execute any transfer of title, lease, lien, pledge, mortgage, encumbrance, third party contract, subagreement, grant anticipation note, alienation, innovative finance arrangement (such as a cross border lease, leveraged lease, or otherwise), or any other obligation pertaining to Project property, that in any way would affect the continuing Federal interest in that Project property.

(2) Oral Transactions. The Recipient agrees that it will not obligate itself in any manner to any third party with respect to Project property.

(3) Other Actions. The Recipient agrees that it will not take any action adversely affecting the Federal interest in or impair the Recipient's continuing control of the use of Project property.

g. Transfer of Project Property. The Recipient understands and agrees as follows:

(1) Recipient Request. The Recipient may transfer any Project property financed with Federal assistance authorized under 49 U.S.C. chapter 53 to a public body to be used for any public purpose with no further obligation to the Federal Government, provided the transfer is approved by the Federal Transit Administrator and conforms with the requirements of 49 U.S.C. §§ 5334(h)(1) and (2).

(2) Federal Government Direction. The Recipient agrees that the Federal Government may direct the disposition of, and even require the Recipient to transfer, title to any Project property financed with Federal assistance under the Grant Agreement or Cooperative Agreement.

(3) Leasing Project Property to Another Party. If the Recipient leases any Project property to another party, the Recipient agrees to retain ownership of the leased Project property, and assure that the lessee will use the Project property appropriately, either through a written lease between the Recipient and lessee, or another similar document. Upon request by FTA, the Recipient agrees to provide a copy of any relevant documents.

h. Disposition of Project Property. With prior FTA approval, the Recipient may sell, transfer, or lease Project property and use the proceeds to reduce the gross project cost of other eligible capital public transportation projects to the extent permitted by 49 U.S.C. § 5334(g)(4). The Recipient also agrees that FTA may establish the useful life of Project property, and that it will use Project property continuously and appropriately throughout the useful life of that property.

(1) Project Property Whose Useful Life Has Expired. When the useful life of Project property has expired, the Recipient agrees to comply with FTA's disposition requirements.

(2) Project Property Prematurely Withdrawn from Use. For Project property withdrawn from appropriate use before its useful life has expired, the Recipient agrees as follows:

(a) Notification Requirement. The Recipient agrees to notify FTA immediately when any Project property is prematurely withdrawn from appropriate use, whether by planned withdrawal, misuse, or casualty loss.

(b) Calculating the Fair Market Value of Prematurely Withdrawn Project Property.

The Recipient agrees that the Federal Government retains a Federal interest in the fair market value of Project property prematurely withdrawn from appropriate use. The amount of the Federal interest in the Project property shall be determined by the ratio of the Federal assistance awarded for the property to the actual cost of the property. The Recipient agrees that the fair market value of Project property prematurely withdrawn from use will be calculated as follows:

1. Equipment and Supplies. The Recipient agrees that the fair market value of Project equipment and supplies shall be calculated by straight-line depreciation of that property, based on the useful life of the equipment or supplies as established or approved by FTA. The fair market value of Project equipment and supplies shall be the value immediately before the occurrence prompting the withdrawal of the equipment or supplies from appropriate use. In the case of Project equipment or supplies lost or damaged by fire, casualty, or natural disaster, the fair market value shall be calculated on the basis of the condition of that equipment or supplies immediately before the fire, casualty, or natural disaster, irrespective of the extent of insurance coverage. As authorized by 49 C.F.R. § 18.32(b), a State may use its own disposition procedures, provided that those procedures comply with the laws of that State.

2. Real Property. The Recipient agrees that the fair market value of real property shall be determined either by competent appraisal based on an appropriate date approved by the Federal Government, as provided by 49 C.F.R. Part 24, or by straight line depreciation, whichever is greater.

3. Exceptional Circumstances. The Recipient agrees that the Federal Government may require the use of another method to determine the fair market value of Project property. In unusual circumstances, the Recipient may request that another reasonable valuation method be used including, but not limited to, accelerated depreciation, comparable sales, or established market values. In determining whether to approve such a request, the Federal Government may consider any action taken, omission made, or unfortunate occurrence suffered by the Recipient with respect to the preservation of Project property withdrawn from appropriate use.

(c) Financial Obligations to the Federal Government. The Recipient agrees to remit to the Federal Government the Federal interest in the fair market value of any Project property prematurely withdrawn from appropriate use. In the case of fire, casualty, or natural disaster, the Recipient may fulfill its obligations to remit the Federal interest by either:

1. Investing an amount equal to the remaining Federal interest in like-kind property that is eligible for assistance within the scope of the Project that provided Federal assistance for the Project property prematurely withdrawn from use; or

2. Returning to the Federal Government an amount equal to the remaining Federal interest in the withdrawn Project property.

i. Insurance Proceeds. If the Recipient receives insurance proceeds as a result of damage or destruction to the Project property, the Recipient agrees to:

(1) Apply those insurance proceeds to the cost of replacing the damaged or destroyed Project property taken out of service, or

(2) Return to the Federal Government an amount equal to the remaining Federal interest in the damaged or destroyed Project property.

j. Transportation - Hazardous Materials. The Recipient agrees to comply with applicable requirements of U.S. Pipeline and Hazardous Materials Safety Administration regulations, "Shippers - General Requirements for Shipments and Packagings," 49 C.F.R. Part 173, in connection with the transportation of any hazardous materials.

k. Misused or Damaged Project Property. If any damage to Project property results from abuse or misuse occurring with the Recipient's knowledge and consent, the Recipient agrees to restore the Project property to its original condition or refund the value of the Federal interest in that property, as the Federal Government may require.

l. Responsibilities After Project Closeout. The Recipient agrees that Project closeout by FTA will not change the Recipient's Project property management responsibilities as stated in Section 19 of this Master Agreement, and as may be set forth in subsequent Federal laws, regulations, and directives, except to the extent the Federal Government determines otherwise in writing.

## **Section 20. Insurance.**

In addition to other insurance requirements that may apply, the Recipient agrees as follows:

a. Minimum Requirements. At a minimum, the Recipient agrees to comply with the insurance requirements normally imposed by its State and local laws, regulations, and ordinances, except to the extent that the Federal Government determines otherwise in writing.

b. Flood Hazards. To the extent applicable, the Recipient agrees to comply with the flood insurance purchase provisions of section 102(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(a), with respect to any Project activity involving construction or an acquisition having an insurable cost of \$10,000 or more.

## **Section 21. Relocation.**

When relocation of individuals or businesses is required, the Recipient agrees as follows:

a. Relocation Protections. The Recipient agrees to comply with 49 U.S.C. § 5324(a), which requires compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §§ 4601 *et seq.*; and U.S. DOT regulations, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally

**FERRY SERVICE OPERATIONS  
TRANSFER AGREEMENT**

by and between

**CITY OF VALLEJO**

and

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY**

right on behalf of City shall at all times be accompanied by a WETA representative with appropriate MARSEC credentials. In the event of an emergency, City shall have the right to enter the Rights Area and the Temporary Rights Area, as the case may be, without prior notice to WETA, provided that City shall be accompanied by a law enforcement officer or a MARSEC credentialed person as required by MARSEC, and City shall advise WETA of its entry as soon as reasonably practicable and City shall limit its activities to those necessary to remove the immediate threat to public health and safety. City's exercise of the right of entry provided under this Section 11.5(a)(ii)(C) shall not be construed or deemed a breach of WETA's rights under this Agreement.

(D) Improvements and Alterations. WETA shall have the right to carry out capital improvement projects required to maintain the Waterside Assets, subject to the Redevelopment Agreements, applicable Law and (including the Waterfront Plan and all existing entitlements), upon securing all necessary authorizations, including any authorizations or written agreements required by City for similar projects in the ordinary course of business.

(E) Surrender. Upon expiration or earlier termination of this Agreement, and subject to City's and WETA's successors' rights to reacquire or acquire the Acquired Assets pursuant to Section 11.3(g), WETA shall surrender to City the Rights Area and the Temporary Rights Area and any alterations existing on the Effective Date (if the same are still existing) and improvements in at least as good condition as existing on the Closing Date (except for ordinary wear and tear). The Rights Area and the Temporary Rights Area shall be surrendered clean, free of vessels, debris, waste and any Hazardous Materials for which WETA is otherwise responsible under the terms of this Agreement, and free of all liens and encumbrances imposed or allowed by or through WETA or otherwise attributable to WETA or its operation of the Service, except for any applicable Grant Agreements (provided, however that any Grant Claim shall be handled as provided in Section 11.3(g), Section 9.5 and Section 9.8). If WETA fails to surrender the Rights Area and the Temporary Rights Area as required by this Section, WETA shall indemnify defend and hold harmless City from any damages resulting from such failure in accordance with Sections 9.5 hereof. WETA's obligation under this Section shall survive the expiration or earlier termination of the Term. Upon expiration or earlier termination of this Agreement, City may elect to retain or dispose of WETA's personal property and any alterations and improvements that WETA has installed in the Rights Area or the Temporary Rights Area that WETA fails to remove within ten (10) days or receipt of notice from City of City's intention. WETA shall have the right to enter the Rights Area and the Temporary Rights Area to remove WETA's personal property at any time prior to the expiration of such ten (10) day notice period. WETA's personal property not removed by WETA within such ten (10) day notice period shall be deemed abandoned, and WETA waives all Claims against City for any damages resulting from City's retention, removal and disposition of such property. WETA shall be liable to City for all costs incurred by City in storing, removing and disposing of WETA's abandoned property, and in repairing any damage to the Rights Area, the Temporary Rights Area and Landside Assets resulting from such removal. WETA agrees that City may elect to sell abandoned property and offset the proceeds against the costs incurred by City to store, remove and dispose of such property without notice to WETA. WETA hereby waives the benefits of California Civil Code Section 1993 to the extent applicable.

#### Section 11.6 Parking.



(a) Prior to completion of the Parking Structure. City shall continue to provide free parking (in the City Lot and/or on-street) for ferry patrons until Phase 1 of the Parking Structure is complete and available for ferry patron use. Until such time as the Phase 1 Parking Structure is available for ferry patrons' use, WETA shall reimburse City for the actual out-of-pocket costs incurred by City for maintaining the City Lot, including such items as general pavement maintenance, sweeping services, lighting and landscaping, consistent with costs currently charged by City to the Service. Detailed provisions with respect to the process for establishing a WETA-approved budget for such expenses as part of the calculation of WETA's Triple Net Cost payment obligation, are set forth in Section 11.7.

(b) Upon Completion of Phase 1 of the Parking Structure. City shall continue to make available sufficient parking (not to exceed 1,200 spaces) for ferry patrons, based upon WETA's projected peak period ridership. Approximately 700 spaces will be in the Parking Structure with the balance (up to 500) in adjacent paved surface lots or on the street. Once Phase 1 of the Parking Structure is complete and available for ferry patron parking (anticipated to occur in June, 2012), City will implement a Parking Management Plan & Parking Access Revenue Control System Plan and will likely restrict ferry patron parking to Phase 1 of the Parking Structure and designated surface parking lots or on the street in the vicinity of the Parking Structure. Other on-street parking and parking in other paved lots in the vicinity of the Ferry Landing Area will likely be restricted (probably with 3± hour time limits) and/or subject to parking fees.

(c) Phase 2 of Parking Structure. Subject to the availability of funding, it is anticipated that Phase 2 of the Parking Structure will be completed following relocation of a U.S. Post Office. At present it is anticipated that, in connection with Phase 2 of the Parking Structure, certain Agency and private funds will be utilized for construction of the deck on which a hotel/conference center will be constructed. City shall continue to make available sufficient parking (not to exceed 1,200 spaces) for ferry patrons at all times, including during construction of Phase 2, based upon WETA's projected peak period ridership from time to time during the Term. Upon completion of the Phase 2 of the Parking Structure, it is anticipated that all such parking will be in the Parking Structure.

(d) Parking Charges. City shall be solely responsible for operating and maintaining the Parking Structure, at City's sole cost and expense. As such, City reserves the right to implement a downtown parking management plan, restrict street parking as necessary and charge ferry patrons a fee for parking at a level sufficient to recover operation, maintenance and capitalized maintenance costs. However, City and WETA staff share the concern that charging for parking could be a disincentive for people to ride the ferry and agree to work together to identify options to charging for parking – particularly as it relates to the monthly riders. To that end, while City shall have sole discretion in setting parking fees (subject to limitations imposed by funding sources restricting parking fees to amounts necessary to recover City's costs of operating of the Parking Structure) if City determines to impose parking charges, City shall advise WETA in advance of the initiation of the initial parking fees and any fee changes, and upon WETA's request shall meet and confer with WETA to discuss the impact of parking fees on the Service. WETA may elect to subsidize parking costs in order to offset potential impacts of parking fees on ferry patrons and the Service. Subject to the availability of



funding, City shall work with WETA to implement Clipper card or similar technology in the Parking Structure in order to facilitate ferry patron payment of parking fees.

(e) Agency Obligations. All parking facilities and areas are located in City's Merged Waterfront-Marina Vista-Central Vallejo Redevelopment Project Area ("Merged Project Area") but are owned by City. This Agreement and WETA's rights hereunder shall be subject to pre-existing rights and agreements (indicated on Exhibit P, copies of which City has provided to WETA for review) and future amendments to existing developer agreements, to the extent permitted by applicable Law ("Redevelopment Agreements"), provided that, to the extent within Agency's control, such amendments do not materially negatively impact any rights of WETA under this Agreement, any Ancillary Documents or exhibits hereto, or applicable Law. Subject to the rights of WETA under this Agreement, City and/or Agency shall retain all rights to use and/or redevelop such areas consistent with the Redevelopment Plan for the Merged Project Area. City shall provide, and shall ensure that the Agency provides, that any agreement pursuant to which any third party that is assigned, transferred, contracted to operate, or otherwise conveyed any interest with respect to the Parking Structure shall include and be subject to the provisions of the same WETA rights with respect to the Parking Structure that are provided to WETA pursuant to this Agreement, and shall provide that WETA shall be a third party beneficiary for purposes of enforcing such rights.

#### Section 11.7 City Services and Cost Reimbursement.

(a) City Services. It is anticipated by both WETA and City that during the Term, City will arrange for certain services to be provided for the benefit of the Service on an annual basis, potentially including such items as City Lot maintenance, security guard services, provision of utilities to Waterside Assets, capital project and grant administration services. City and WETA shall work to develop a scope of work and associated budget for these services prior to the beginning of each fiscal year as further defined in Section 11.7(b).

(b) City Services Budget Approval Process. During the Term, no later than April 1st of each year, City shall submit to WETA for its review and approval, a proposed schedule of operations, maintenance and project support services and related annual budget based upon City's best estimate of the actual Triple Net Costs that City anticipates it will incur in the next fiscal year with respect to the Service for which City is entitled to reimbursement hereunder. Such proposed budget shall include (i) reasonable overhead expenses for City staff time directly and exclusively attributable to ongoing project and grant administration for the Capital Projects identified in Exhibit E computed on the same basis as costs that are generally allocated within City; (ii) City's actual out-of-pocket costs incurred to maintain the City Lot until completion of Phase 1 of the Parking Structure, including general pavement maintenance, sweeping services, and lighting and landscaping, consistent with costs charged by City to the Service as of the Effective Date; (iii) actual, agreed-upon costs that City incurs at WETA's request for provision of non-MARSEC Security for the benefit of the Service; (iv) the estimated annual cost to be incurred by City to provide electric, water, sewage telephone or other utilities or similar services to the Waterside Assets; and (v) the actual, agreed upon costs incurred by City directly attributable to the Service, including reasonable overhead expenses for City staff or time directly and exclusively attributable to the Service (provided such charges are not assessed as Additional Rent under the Ferry Building Lease, the Existing Ferry Facilities Sublease and/or the

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

**<http://www.sco.ca.gov>**

**WHEN RECORDED, MAIL TO:**

CITY OF VALLEJO  
OFFICE OF THE CITY CLERK, 3<sup>RD</sup> FLOOR  
P. O. BOX 3068  
555 SANTA CLARA STREET  
VALLEJO, CA 94590

**EXEMPT FROM RECORDING FEES  
PURSUANT TO GOVERNMENT CODE  
SECTION 6103**

CITY OF VALLEJO

SEP 21 2011

PUBLIC WORKS DEPT.  
C

Recorded in Official Records,  
Solano County  
Doc#: 201100082873  
9/20/2011 10:58 AM

CONFORMED COPY

CITY OF VALLEJO

GRANT DEED

TRANSFERRING PARCELS 2 AND 112 – VALLEJO STATION PARKING STRUCTURE IN  
CENTRAL WATERFRONT OWNED BY THE VALLEJO REDEVELOPMENT AGENCY TO THE  
CITY OF VALLEJO

RECORDING REQUESTED BY  
Redevelopment Agency

WHEN RECORDED MAIL TO:  
City Clerk  
City of Vallejo  
555 Santa Clara Street  
Vallejo, CA 94590

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**A.P.N.: 0055-170-360 and 0055-170-520**  
File No.: 0192-2043172 (BT)

## GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the **Redevelopment Agency of the City of Vallejo, a public body corporate and politic**

Hereby, GRANT(S) to **City of Vallejo, a municipal corporation**

the following described property in the City of **Vallejo**, County of **Solano**, State of **California**, as more particularly described in Exhibit "A" attached hereto and made a part hereof.

Dated: 9/16/11

**Redevelopment Agency of the City of Vallejo,  
a public body corporate and politic**

By: Phil Batchelor

Name/Title: Phil Batchelor  
Executive Director

**"EXHIBIT A"**

**LEGAL DESCRIPTION**

Real property in the City of Vallejo, County of Solano, State of California, described as follows:

PARCEL ONE:

PARCEL 112, AS SHOWN ON THE PARCEL MAP FILED NOVEMBER 20, 1968 IN BOOK 3 OF PARCEL MAPS, PAGE 13, SOLANO COUNTY RECORDS.

PARCEL TWO:

PARCEL TWO, AS SHOWN AND SO DESIGNATED ON THAT CERTAIN PARCEL MAP RECORDED AUGUST 2, 2004, IN BOOK 45 OF PARCEL MAPS AT PAGE 78, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SOLANO.

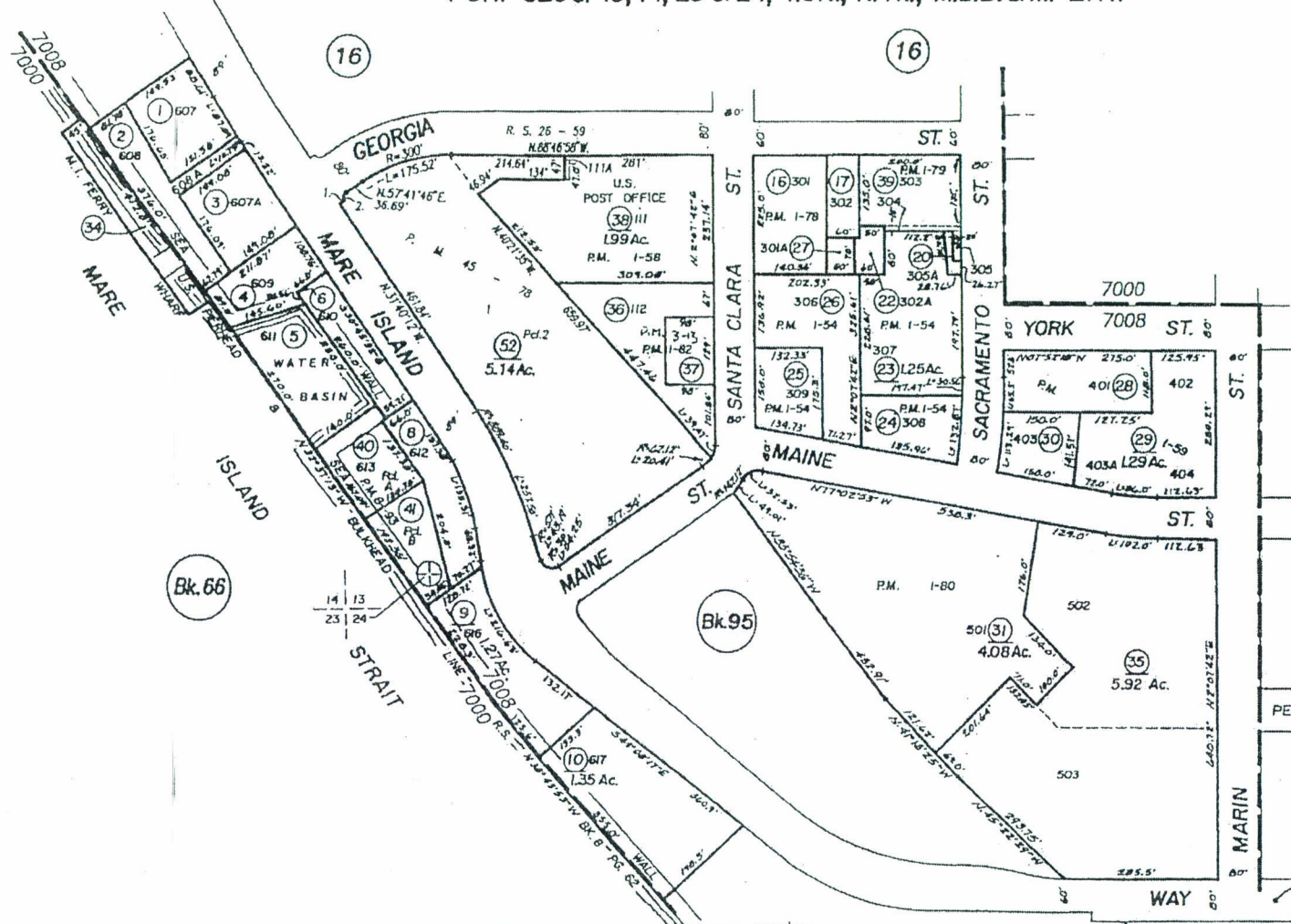
0055-170-360 (as to Parcel One) and 0055-170-520 (as to Parcel Two)



**POR. MARINA VISTA PROJECT**  
 R. M. 23-51  
**POR. SEC'S. 13, 14, 23 & 24, T.3N., R.4W., M.D.B. & M. EXT.**

Tax Area Code  
**7008**  
**7000**

**55-17**



1.	N. 58°19'48\"E	10.58'
2.	R=11'	L= 17.13'
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		

NOTE: This map is for assessment purposes only and is not for the intent of interpreting legal boundary rights, zoning regulations and/or legality of land division laws.

Marina Vista Project R.M., Bk. 23 Pg. 51  
 Mariners Landing Unit 2 R.M. Bk. 42 Pg. 84

Georgia St. (Rt)	8-30-04	SE
170-52 (Pm)	8-2-04	SE
170-51 (Dj)	10-28-03	JS
170-46,47 (Chg. &)		
170-50 (Dj)	5-2-02	JS
REVISION	DATE	BY

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

CITY OF VALLEJO  
 Assessor's Map Bk. 55 Pg. 17  
 County of Solano, Calif.

05-06

NOV 04 2004

# TENTATIVE PARCEL MAP VALLEJO STATION

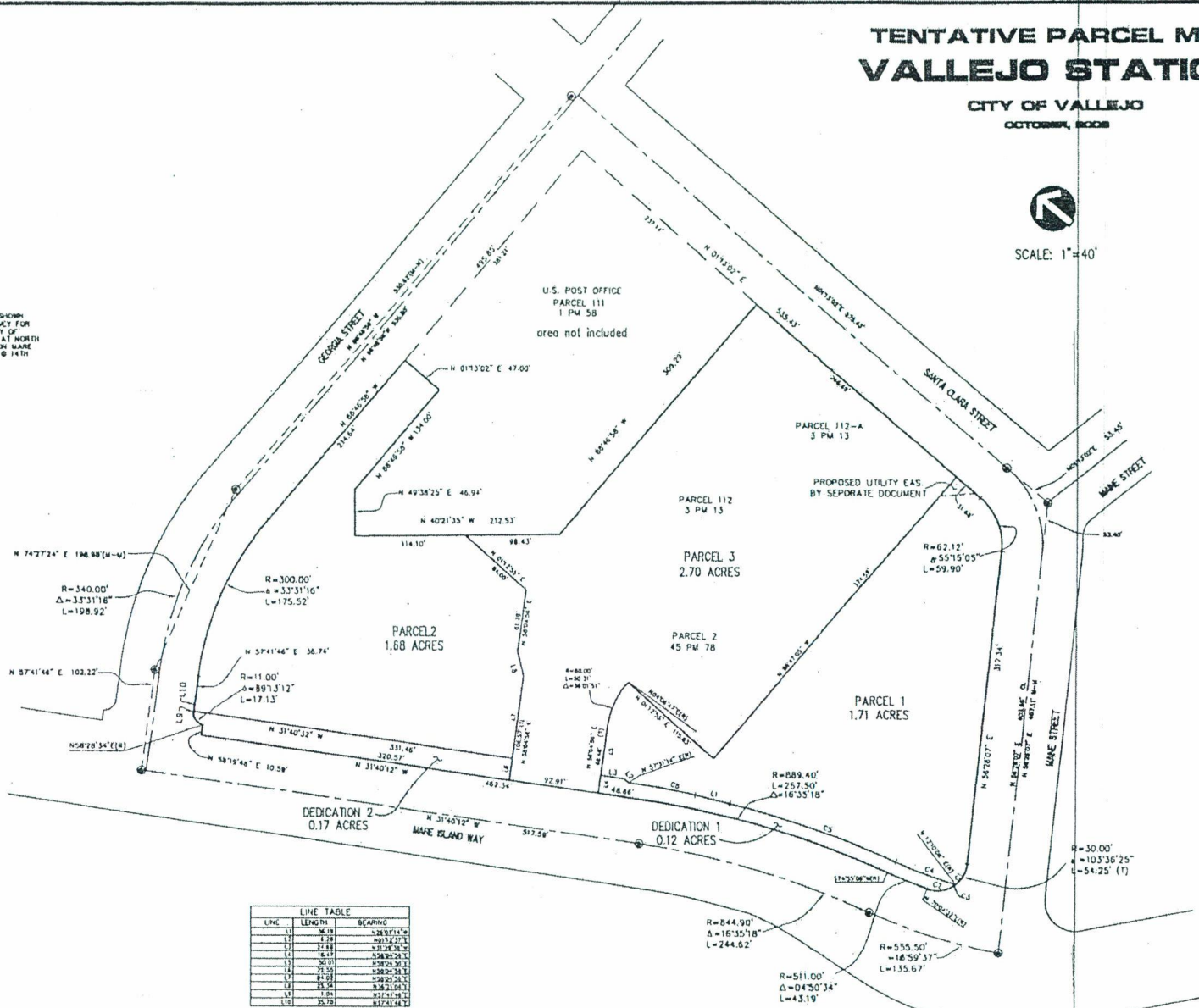
CITY OF VALLEJO  
OCTOBER, 2008



SCALE: 1"=40'

**BASIS OF BEARINGS:**  
TAKEN AS "N 34°27'31" W BETWEEN POINTS 9483 AND 9470 AS SHOWN ON RECORD OF SURVEY 23, P. 23, "GPS GEODETIC CONTROL SURVEY FOR VALLEJO SANITARY AND FLOOD CONTROL DISTRICT AND THE CITY OF VALLEJO", POINT 9483 IS ON WAKE ISLAND IN A CONCRETE PILE AT NORTH END OF "A" STREET SOUTHWEST OF ORAN RAIL. POINT 9470 IS ON WAKE ISLAND IN CL OF RR TRACK ON EAST SIDE OF WATERFRONT AVE @ 14TH STREET. NAD83 CALIFORNIA ZONE 3.

- LEGEND:**
- BOUNDARY
  - PROPOSED LOT LINE
  - EXISTING R/W
  - EXISTING CL
  - MONUMENT LINE
  - EXISTING EASEMENT
  - RESTRICTED ACCESS PER 42 SD 83
  - FOUND. STD. STREET MONUMENT
  - REFERENCE LABEL
  - (R) RADIAL
  - SC STORM DRAIN EASEMENT
  - SEB SANITARY SEWER EASEMENT
  - WE WATER LINE EASEMENT
  - PU-E PUBLIC UTILITIES EASEMENT
  - PG&E PACIFIC GAS & ELECTRIC EASEMENT
  - STC STREET TREE EASEMENT



LINE	LENGTH	BEARING
L1	36.73	S34°27'31" W
L2	6.28	S89°52'37" E
L3	14.44	S31°38'34" W
L4	16.41	S58°02'24" E
L5	26.53	S58°02'24" E
L6	71.59	S58°02'24" E
L7	84.93	S58°02'24" E
L8	15.24	S42°11'24" E
L9	1.04	S42°11'24" E
L10	35.70	S72°41'44" E

CURVE	LENGTH	RADIUS	DELTA
C1	17.13	300.00	33°31'16"
C2	17.13	300.00	33°31'16"
C3	17.13	300.00	33°31'16"
C4	17.13	300.00	33°31'16"
C5	17.13	300.00	33°31'16"
C6	17.13	300.00	33°31'16"



**VALLEJO STATION  
PROPOSED PARCELS**

SHEET 3 OF 3

PRELIMINARY

0919743.DWG

JOB NO. 09-1019-10

Attachment d.

CITY OF VALLEJO

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed for Parcels 2 and 112, dated ~~September 16, 2011~~ the Redevelopment Agency of the City of Vallejo, a public body corporate and politic, to the City of Vallejo, a Municipal Corporation, is hereby accepted by the undersigned officer or agent on behalf of the City of Vallejo pursuant to authority conferred by Resolution No. 09-228 N.C. of the City Council of the City of Vallejo adopted on October 6, 2009, and the grantee consents to recordation thereof by its duly authorized officer.

DATED: 8/14/2011

BY: Phil Batchelor  
Phil Batchelor  
Interim City Manager

(CITY SEAL)

ATTEST: Dawn G. Abrahamson  
Dawn G. Abrahamson  
City Clerk

APPROVED AS TO FORM: Frederick G. Soley  
Frederick G. Soley  
City Attorney





**RESOLUTION NO. 09-228 N.C.**

**RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT CONVEYANCES TO THE CITY OF INTERESTS IN REAL PROPERTY AND CONSENT TO THE RECORDATION OF SUCH INSTRUMENTS AND TO CONSENT TO THE RECORDATION OF OFFERS OF DEDICATION**

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, the City Council adopted Resolution No. 00-440 N.C. authorizing the City Manager to accept certain types of easements related to waterlines, landscape, public utility, street light, traffic related, grading related and setback easements; and

WHEREAS, the City Council desires to broaden the scope of conveyances and add the ability to accept irrevocable dedications of real property to the City for public purposes that the City Manager, or his or designee, can accept so that these matters can be handled more expeditiously by administrative staff, and no longer require Council consideration for approval and acceptance.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Vallejo as follows:

1. The City Manager, or his or her designee, is hereby authorized to accept on the behalf of the City of Vallejo all deeds and/or grants conveying to the City of Vallejo for any public purpose any interest in or easement upon real property and that the written acceptance of such deeds or grants by the City Manager, or his or her designee, shall also constitute the consent of the City to the recordation of such instruments.

2. The City Manager, or his or her designee, is hereby authorized to consent to on the behalf of the City of Vallejo all irrevocable offers of dedications to the City of Vallejo of real property for any public purpose, including but not limited to, streets, highways, paths, alleys, including access rights and abutters' rights, drainage, open space, public utility or other public easements, or parks or other public places.

3. The City Clerk is hereby authorized and directed to transmit and record any conveyance or dedication accepted by the City Manager, or his or her designee, with the County Recorder.

BE IT FURTHER RESOLVED that Resolution No. 00-440 N.C. is hereby repealed in its entirety.

ADOPTED by the City Council of the City of Vallejo at a regular meeting held on October 6, 2009 by the following vote:

AYES:	Mayor Davis, Vice Mayor Sunga, Councilmembers Bartee, Gomes, Hannigan, Schivley and Wilson
NOES:	None
ABSENT:	None
ABSTENTION:	None

  
OSBY DAVIS, Mayor

ATTEST:

  
AILEEN M. WEDDELL, INTERIM CITY CLERK

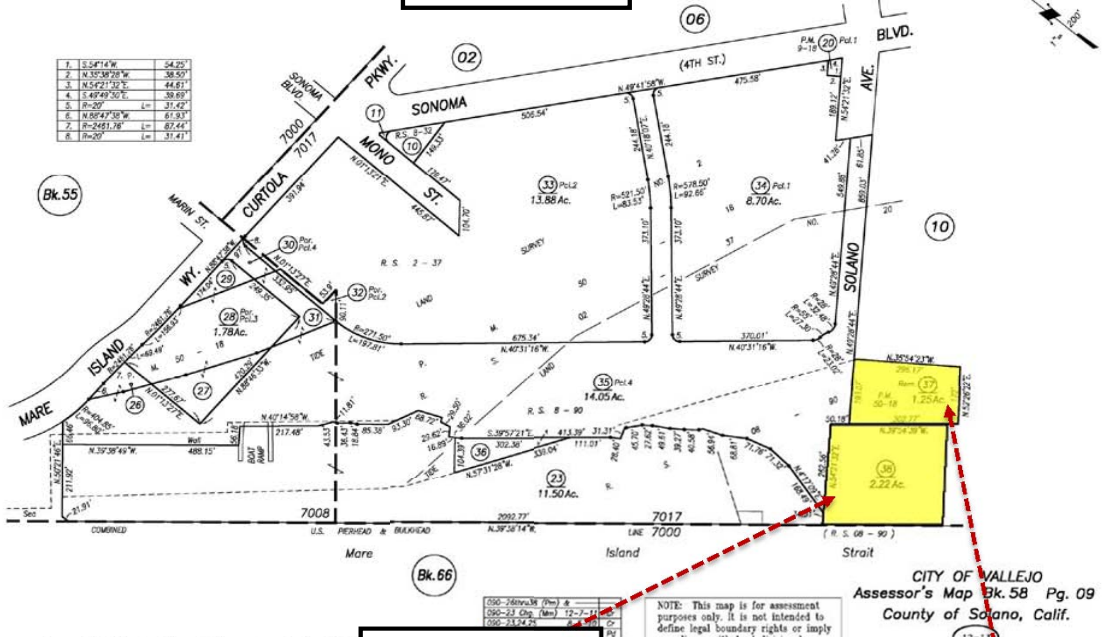


Property Numbers  
13, 33

Tax Area Code  
7008  
7017

58-09

1. S 54°14'W	54.25'
2. N 35°38'21"W	38.50'
3. N 54°21'32"E	44.61'
4. S 60°49'50"E	38.69'
5. R=23°	L=31.42'
6. N 68°47'58"W	61.93'
7. R=245°17.8"	L=87.44'
8. R=20°	L=31.41'



APN: 0058-090-380

APN: 0058-090-370



## Summary of the City of Vallejo Long Range Property Management Plan for Former Redevelopment Agency Properties June 2015

California Health & Safety Code Section 34191.5 directs successor agencies that receive a finding of completion from the State Department of Finance (“DOF”) to prepare a Long Range Property Management Plan (“LRPMP”) addressing the disposition and use of the real properties of the former redevelopment agency. The LRPMP (Attachment 1) is the result of significant research and compilation of data in order to meet the specific requirements of the legislation and to provide a specific recommendation on the disposition of a variety of properties.

State law requires that the LRPMP include a detailed inventory of all former Redevelopment Agency owned property, and that each property be placed into one of four categories:

1. Use of property to fulfill an enforceable obligation
2. Available for sale
3. Retention for future development
4. Retention for government use

The thirty-seven (37) parcels were placed into the four disposition categories and are summarized below. The map below presents the overview of the plan for these properties. The full LRPMP provides the background on each parcel.



**Category 1 - Properties Used to Fulfill Enforceable Obligations**

There are sixteen (16) properties to be used by the City to fulfill enforceable obligations. The existing Vallejo Station Garage occupies two (2) properties that were initially denied transfer by DOF but approved for transfer by the State Controller’s Office in November 2014. They have been retained in the LRPMP to allow DOF to now approve the transfer.

Fourteen (14) properties have been determined to be Public Trust lands that must be retained by the City. Public Trust lands are properties that are or were at one time tidelands, submerged lands or lands lying under inland navigable waters. Land that can be documented at one time to have been one of these types of property (and subsequently filled) may also be considered Public Trust lands. Public Trust lands are subject to certain use limitations and cannot be sold to private parties. Such properties can be leased to private parties for public trust purposes, but for no longer than 66 years.

<b>1. Properties Used to Fulfill Enforceable Obligations (Vallejo Station and Public Trust Parcels)</b>				
<b>Property</b>	<b>APN</b>	<b>Acres</b>	<b>Location</b>	<b>Current Use</b>
1	0055 170 360	.77	Vallejo Station, Mare Island Way	Ferry Parking
2	0055 170 520	5.14	Vallejo Station, Mare Island Way	Ferry Parking
3	0055 160 360	.26	Mare Island Way @ Capitol	Yacht Club
4	0055 160 410	5.23	Mare Island Way @ Capitol	Yacht Club
5	0055 160 420	.28	Mare Island Way @ Capitol	Yacht Club
6	0055 170 010	.61	Mare Island Way @ Georgia	Short-Term Parking
7	0055 170 020	.70	Mare Island Way @ Georgia	Short-Term Parking & Restaurant
8	0055 170 030	.60	Mare Island Way @ Georgia	Short-Term Parking
9	0055 170 050	.80	Ferry Landing, Mare Island Way	Ferry Basin and Dock
10	0055 170 060	.39	Ferry Landing, Mare Island Way	Public Sidewalk & Ferry Plaza
11	0055 170 400	.49	Mare Island Way, south of Ferry Landing	Marina Dental office
12	0055 170 080	.53	Mare Island Way, south of Ferry Landing	Marina Dental parking
13	0058 090 370	1.25	Solano Ave at Mare Island Strait	Leased to Kiewit
31	0055 090 350	14.05	Waterfront from Mare Island Way to Solano Ave	Parking, open space, public access boat launch
32	0058 090 360	0.37	So. Waterfront shoreline	Submerged lands
New #33	0058 090 380	2.22	Solano Ave at Mare Island Strait	Leased to Kiewit



**Category 2 - Properties Available for Sale**

A total of six (6) properties will be available for sale pursuant to the Disposition Plan section of the LRPMP. The properties available for sale include:

- Two (2) properties adjacent to the Vallejo Bus Transit Center and behind privately-owned Georgia Street buildings near Sacramento and York Streets.
- Four (4) properties that were right-of-way for existing railroad spurs near the water treatment plant in South Vallejo. The railroad spur properties have little or no development value and one possible disposition strategy will be to offer them to the adjoining property owners.

<b>2. Properties Available for Sale</b>				
<b>Property</b>	<b>APN</b>	<b>Acres</b>	<b>Location</b>	<b>Current Use</b>
14	0055 170 220	.12	South of Georgia St and West of Sacramento	Pedestrian Plaza next to Vallejo Bus Transit
15	0055 170 530	.25	South of Georgia St and West of Sacramento	Parking Lot next to Vallejo Bus Transit
18	0058 100 300	.23	Between Solano Ave and Ryder St by Water Treatment Facility	Railroad Spur
19	0058 100 320	.07	Between Solano Ave and Ryder St by Water Treatment Facility	Railroad Spur
20	0058 100 450	.30	Between Solano Ave and Ryder St by Water Treatment Facility	Railroad Spur
21	0058 100 130	.45	Between Ryder St and Southern Pacific RR	Railroad Spur

**Category 3 - Properties to be Retained by the City for Future Development**

Two (2) properties are recommended to be retained by the City to facilitate development consistent with the City’s and former Redevelopment Agency’s plans and redevelopment objectives. These properties are positioned in the heart of the downtown and one is identified in the Downtown Plan as a “catalyst site” for Downtown revitalization. With their close proximity to the Vallejo Transit and Ferry Terminals, these sites are prime opportunities for transit-oriented development. The City would need to retain the properties until it can enter into a new disposition and development agreement with a qualified developer.

Nine (9) properties located in the Southern Waterfront area planned for moderate density residential development on much of the property, and commercial/light industrial development on the remainder. Through an agreement with the City, PG&E has assumed remediation of many of the properties, and staff is evaluating options for funding additional remediation on other parcels.

<b>3. Properties Retained by the City for Future Development</b>				
<b>Property</b>	<b>APN</b>	<b>Acres</b>	<b>Location</b>	<b>Current Use</b>
16	0055 160 170	2.31	Santa Clara and Capitol, adjacent to Marina Tower	Parking
17	0055 170 280	.74	Corner of York and Sacramento	Parking
22	0058 090 260	.17	So. Waterfront - Mare Island Way by former Brinkman's	Public sidewalk and right of way
23	0058 090 270	.59	So. Waterfront - Mare Island Way near boat launch	Parking
24	0058 090 280	1.78	So. Waterfront - Mare Island Way near boat launch	Parking
25	0058 090 290	.23	So. Waterfront - Mare Island Way near boat launch	Parking
26	0058 090 300	.15	So. Waterfront - Mare Island Way near boat launch	Parking/Storage lockers
27	0058 090 310	.36	So. Waterfront - Mare Island Way near boat launch	Parking/Storage lockers
28	0058 090 320	.09	So. Waterfront - Off Curtola Parkway @ Maine St	Vacant
29	0058 090 330	13.88	So. Waterfront - Curtola and Sonoma Blvd (Big Bay Storage)	vacant
30	0058 090 340	8.70	So. Waterfront - Sonoma Blvd and Solano Ave	Leased to First Capitol Auction & Humane Society

#### **Category 4 Properties to be Retained for Government Use**

DOF directed that the four housing parcels be placed on the LRPMP and transferred to the City under government use as affordable housing. These properties were previously approved for transfer to the Housing Authority by the Successor Agency and Oversight Board in May 2014. DOF recommend they be put on the LRPMP and transferred to the City first.

Property #34	0072 044 100	Leased to Safequest - Shelter
Property #35	0055 072 100	Leased to Bi Bett - Recovery Program
Property #36	0055 074 040	Leased to Bi Bett - Recovery Program
Property #37	0058 022 040	Leased to Bi Bett - Recovery Program

#### **Disposition Plan Section**

The LRPMP includes a section that outlines the disposition process for each Successor Agency property. Activities under the Disposition Plan include pre-development work to position for-sale properties to realize their full market potential; marketing and

outreach; and negotiation of sale contract terms and price, subject to final approval by the Successor Agency and Oversight Board.

Once sold, the properties could potentially be privately developed for uses consistent with the City of Vallejo General Plan, zoning ordinance, Downtown Specific Plan development guidelines and Vallejo Waterfront Planned Development Master Plan.

The LRPMP designates properties to be retained by the City for future development in accordance with redevelopment plan objectives. Prior to sale to a third party developer, the City may have to enter into “compensation agreements” with each of the taxing entities that share in property tax increment revenue of the Successor Agency. The LRPMP commits the City to doing so, if and to the extent required by applicable law.



RESOLUTION NO. \_\_\_\_

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR  
AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF  
VALLEJO APPROVING A LONG-RANGE PROPERTY MANAGEMENT  
PLAN FOR THE DISPOSITION AND USE OF FORMER  
REDEVELOPMENT AGENCY PROPERTIES**

WHEREAS, in accordance with the Redevelopment Dissolution Law (AB1x 26, enacted June 28, 2013, as amended by AB 1484, the City Council of the City of Vallejo (“City”) elected and determined that the City should become the successor agency (“Successor Agency”) to the former Redevelopment Agency of the City of Vallejo (the “Redevelopment Agency”) commencing upon the dissolution of the Redevelopment Agency on February 1, 2012; and

WHEREAS, the Dissolution Law requires the Successor Agency to expeditiously wind-down the affairs of the former Redevelopment Agency, as directed by the oversight board created pursuant to Section 34179 of the California Health and Safety Code (“Oversight Board”); and

WHEREAS, following the successful completion of certain statutory prerequisites, the Successor Agency received a Finding of Completion from the State of California Department of Finance (“Department of Finance”) by letter dated October 16, 2013; and

WHEREAS, Health and Safety Code Section 34191.5(b) states that the Successor Agency shall prepare a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former Redevelopment Agency, which shall be submitted to the Oversight Board and the Department of Finance for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion; and

WHEREAS, Health and Safety Code Section 34191.5, subdivision (c)(1) sets forth the required contents of the Long-Range Property Management Plan and subdivision (c)(2) sets forth the permissible uses of the subject real properties; and

WHEREAS, the permissible uses include retention of properties for governmental use pursuant to Health and Safety Code Section 34181(a), retention of properties for future development, sale of properties and use of properties to fulfill an enforceable obligation; and

WHEREAS, Successor Agency staff have prepared a Long-Range Property Management Plan (the “Plan”) in accordance with the requirements of Health and Safety Code Section 34191.5, and the Successor Agency Board and Oversight Board have reviewed and considered the Plan; and

WHEREAS, once approved, the Plan will allow the City to receive and retain properties to fulfill existing enforceable obligations pursuant to Health and Safety Code Section 34191.5(c)(2); and

WHEREAS, once approved, the Plan will allow the City to receive and retain properties for future development pursuant to Health and Safety Code Section 34191.5(c)(2); and

WHEREAS, once approved, the Plan will allow the Successor Agency to proceed with the sale of various properties pursuant to Health and Safety Code Section 34191.5(c)(2); and

WHEREAS, the governing board of the Successor Agency has determined it is in the best interest of the Successor Agency to proceed with the disposition and use of former Redevelopment Agency properties pursuant to the Plan; and

WHEREAS, the Oversight Board has determined it is in the best interest of the taxing entities to proceed with the disposition and use of former Redevelopment Agency properties pursuant to the Plan; and

WHEREAS, the Oversight Board has determined that the nine properties known as the “Southern Waterfront” should be developed pursuant to prior redevelopment plans and transferred to the City to be held for development subject to appropriate compensation agreements for the reasons discussed in the staff report accompanying this resolution and reflected in Revised Long Range Property Management Plan; and

WHEREAS, The State Department of Finance made comments and requested technical changes to the Long-Range Property Management Plan dated May 2014, and those changes have been incorporated into the Revised Long-Range Property Management Plan dated June 17, 2015.

**NOW THEREFORE**, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Vallejo hereby resolves as follows:

1. The Revised Long-Range Property Management Plan attached to the Staff Report accompanying this Resolution is hereby approved.
2. Successor Agency staff is hereby authorized to make such minor, technical and clarifying revisions to the Long-Range Property Management Plan as are deemed necessary to carry out the purposes and intent of this Resolution and the Dissolution Law.
3. Successor Agency staff is hereby authorized and directed to transmit the approved Revised Long-Range Property Management Plan and this Resolution to the State Department of Finance for its final review and approval in accordance with the requirements of Health and Safety Code Section 34191.5.
4. Successor Agency staff is hereby authorized to convey property to the City of Vallejo pursuant to the approved Revised Long-Range Property Management Plan and to take all

other actions as provided for and authorized by the approved Long-Range Property Management Plan, including without limitation, the continued management of those properties designated for retention by the Successor Agency and the disposition of those properties designated for sale by the Successor Agency.

5. Successor Agency staff is hereby further authorized to take all actions necessary with respect to the implementation of the Revised Long-Range Property Management Plan consistent with this Resolution and its basic purposes.

PASSED AND ADOPTED AT A REGULAR MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO ON JUNE 25, 2015 BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Erin Hannigan, Chair

ATTEST:

---

Dawn G. Abrahamson, Secretary



---

**DATE:** June 25, 2015  
**TO:** Chairperson and Members of the Oversight Board  
**FROM:** Kathleen Diohep, Economic Development Manager

**SUBJECT:** ADOPT A RESOLUTION APPROVING THE FIRST AMENDMENT TO GRANT AGREEMENT BETWEEN THE SUCCESSOR AGENCY OF THE CITY OF VALLEJO AND THE GREATER VALLEJO RECREATION DISTRICT FOR DEVELOPMENT OF THE NORTH VALLEJO COMMUNITY CENTER

---

### **RECOMMENDATION**

Adopt a resolution approving the First Amendment to Grant Agreement between the Successor Agency of the City of Vallejo and the Greater Vallejo Recreation District (GVRD) for renovation of the North Vallejo Community Center in the amount of \$1,755,100.

### **REASONS FOR RECOMMENDATION**

The North Vallejo Community Center has deteriorated over the years and requires renovations that include a new roof, heating and air conditioning, parking lot, ADA upgrades, new lighting, rest room renovations, flooring, court yard improvements and other necessary repairs. The existing Grant Agreement between the Redevelopment Agency and GVRD contemplated the demolition of the existing community center and construction of a new facility. GVRD is now proposing to extensively renovate the building instead of demolishing it, allowing GVRD to move forward with the improvements immediately at a substantially lower cost to GVRD. The renovations and improvements will allow GVRD to operate the facility at a greater capacity and provide an improved facility for the enjoyment of the surrounding community and those wishing to rent the facility.

### **BACKGROUND AND DISCUSSION**

Under the Master Lease between GVRD and the City of Vallejo, GVRD currently leases and operates the North Vallejo Community Center for the purpose of providing recreation, cultural, educational and vocational programs for people of all ages. In February 2002, the Redevelopment Agency of the City of Vallejo approved a Grant Agreement between the Redevelopment Agency and the Greater Vallejo Recreation District for the development of the North Vallejo Community Center in the amount of \$1,800,000. The existing facility had become obsolete for its intended purposes and GVRD proposed to replace the existing facility with a new facility. The North Vallejo Community Center is located within the Flosden Acres Redevelopment Project Area and was identified as a project to be completed as part of Amendment #2 to the Flosden Acres Redevelopment Plan. On March 8, 2011, the Redevelopment Agency extended by Letter Agreement, the schedule of performance of the Grant Agreement to require construction to begin by August 31, 2015. To date, \$44,900 was spent on preliminary drawings, leaving a remainder of \$1,755,100.

The grant funds were to be expended for the predevelopment, development, construction and expenses related to this project. GVRD was to obtain additional funding needed to complete the demolition and construction of a new facility. GVRD has continued to operate the facility and now proposes to extensively remodel the facility with the remaining grant funds rather than demolish the building.

The First Amendment to Grant Agreement allows GVRD to spend these funds on renovations of the North Vallejo Community Center that include a new roof, heating and air conditioning, parking lot, ADA upgrades, new lighting, rest room renovations, flooring, court yard improvements and other necessary repairs. The amendment does not change the total amount of the grant or the time frame for use of the funds.

On June 29, 2011, the Governor signed into law AB1X 26 (the "Dissolution Act") which immediately suspended most activities of Redevelopment Agencies prior to their elimination effective October 1, 2011. A Successor Agency to the City of Vallejo Redevelopment Agency was established with the City Council members sitting as the Board. AB1X 26 also established the Oversight Board to the Successor Agency to the Vallejo Redevelopment Agency to review and approve most actions of the Successor Agency. The grant to GVRD for the North Vallejo Community Center, in the amount of \$1,755,100, was identified as an enforceable obligation of the former Redevelopment Agency, and approved as such by the Successor Agency Board and the Oversight Board. The First Amendment to the Grant Agreement was approved by the Successor Agency on June 23, 2015.

### **FISCAL IMPACT**

The payment of \$1,755,000 is from the Redevelopment Property Tax Trust Fund ("RPTFF") for ROPS 15-16A.

### **ENVIRONMENTAL REVIEW**

This Grant Amendment is a primarily fiscal action which is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378. The proposed remodel of the North Vallejo Community Center is exempt from CEQA pursuant to CEQA Guideline Section 15301 because it is a negligible expansion of an existing use consisting of interior and exterior remodeling and restoration of the facility to bring it up to current safety standards.

### **ATTACHMENTS**

1. Attachment A – Resolution
2. Attachment B – First Amendment to Grant Agreement

### **CONTACT**

Kathleen Diohep, Economic Development Manager, 707-553-7283, [Kathleen.Diohep@cityofvallejo.net](mailto:Kathleen.Diohep@cityofvallejo.net)

OVERSIGHT BOARD RESOLUTION NO. \_\_\_\_\_ N.C.

BE IT RESOLVED by the Oversight Board for the Successor Agency of the City of Vallejo as follows:

THAT WHEREAS, under the Master Lease between the Greater Vallejo Recreation District and the City of Vallejo, the Greater Vallejo Recreation District currently leases and operates the North Vallejo Community Center for the purpose of providing recreation, cultural, educational and vocational programs for people of all ages; and

WHEREAS, the Redevelopment Agency negotiated with the Greater Vallejo Recreation District a Grant Agreement in the amount of \$1,800,000 from the Flosden Acres Redevelopment Project budget in February 2002 for predevelopment, development, construction and expenses related to the demolition of the existing facility and the construction of a new facility; and

WHEREAS, this project is located within the Flosden Acres Redevelopment Project Area and had been identified as a project to be completed as part of Amendment #2 to the Flosden Redevelopment Plan; and

WHEREAS, on March 8, 2011, the Redevelopment Agency extended by Letter Agreement, the schedule of performance of the Grant Agreement to August 31, 2015; and

WHEREAS, to date, \$44,900 has been spent on preliminary drawings, leaving a remainder of \$1,755,100; and

WHEREAS, on June 29, 2011, the Governor signed into law AB1X 26 (the "Dissolution Act") which immediately suspended most activities of Redevelopment Agencies prior to their elimination effective October 1, 2011; and

WHEREAS, a Successor Agency to the City of Vallejo Redevelopment Agency was established with the City Council members sitting as the Board; and

WHEREAS, the Dissolution Act requires Successor Agencies to prepare a Recognized Obligations Payment Schedule ("ROPS") which sets forth the Successor Agency's enforceable obligations and scheduled payments for such enforceable obligations for each six-months; and

WHEREAS, the development of the North Vallejo Community Center was identified as an enforceable obligation of the former Redevelopment Agency, and on the ROPS 15-16A schedule the Successor Agency and the Oversight Board approved \$1,755,000 as an enforceable obligation for this purpose to which the State Department of Finance did not object; and

WHEREAS, the Greater Vallejo Recreation District desires to amend the Grant Agreement to allow the funds to be expended on an extensive renovation of the facility rather than demolition of the existing facility and construction of a new facility, in order to allow the development to proceed at a cost savings to the Greater Vallejo Recreation District; and

WHEREAS, a First Amendment to the Grant Agreement between the Successor Agency of the City of Vallejo and the Greater Vallejo Recreation District was negotiated to expend the funds for the renovations that include a new roof, heating and air conditioning, parking, lot, ADA upgrades, new lighting, rest room renovations, flooring, court yard improvements and other necessary repairs that will bring the facility up to current safety standards; and

WHEREAS, on June 23, 2015, the Successor Agency authorized the Executive Director to execute the First Amendment to the Grant Agreement between the Successor Agency of the City of Vallejo and the Greater Vallejo Recreation District; and

WHEREAS, the Oversight Board has considered the request of the Greater Vallejo Recreation District and the draft First Amendment to the Grant Agreement and finds that the expenditures of the \$1,755,000 for the purposes identified in the First Amendment are consistent with the purposes and intent for which the Grant Agreement was first entered.

NOW THEREFORE BE IT RESOLVED, that the Oversight Board of the Successor Agency of the Former Vallejo Redevelopment Agency approves the attached First Amendment to the Grant Agreement between the Successor Agency of the City of Vallejo and Greater Vallejo Recreation District.

**FIRST AMENDMENT TO  
GRANT AGREEMENT BETWEEN SUCCESSOR AGENCY OF THE CITY OF  
VALLEJO AND GREATER VALLEJO RECREATION DISTRICT FOR  
DEVELOPMENT OF NORTH VALLEJO COMMUNITY CENTER**

This First Amendment to the Principal Agreement made and entered into on February 5, 2002, as extended by the Letter Agreement dated March 8, 2011, and collectively referred to hereafter as “Agreement, between the Greater Vallejo Recreation District, a California public organization, therein referred to as Grantee, and the City of Vallejo, a municipal corporation, therein referred to as Grantor, is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Grantee and Grantor do mutually agree as follows:

1. Recitals, third paragraph shall be modified to read: Whereas, Grantee proposes to renovate the existing facility (the Project) which is owned by the City of Vallejo and leased to GVRD pursuant to the Master Lease, as it may be amended, for the purpose of providing recreation, cultural, educational, and vocational programs for people of all ages, and
2. Section 1.8 “PROJECT” of the Agreement shall be modified to read: “PROJECT” means renovations to include a new roof, heating and air conditioning, parking lot, ADA upgrades, new lighting, rest room renovation, flooring, court yard improvements, and other necessary repairs.
3. Section 1.12 “PREDEVELOPMENT COSTS” of the Agreement shall be modified to read: “PREDEVELOPMENT COSTS” means expenses including consultant and other services required to prepare plans, specifications, and documentation for the Project prior to renovations. Work may include but shall not be limited to any necessary pre-architectural, pre-engineering, and environmental review.
4. Section 2.1 FUNDING of the Agreement shall be modified to read: Subject to the terms and conditions of this Agreement, Grantor agrees to provide a grant to Grantee. The proceeds of the grant shall only be used by Grantee to pay for the costs of predevelopment work, renovation, development, construction and other expenses directly related to the Project including construction management and costs associated with complying with Grantor funding requirements.
5. Section 2.2 AMOUNT OF FUNDING of the Agreement shall be modified to read: Subject to the conditions set forth in Article 3, Grantor agrees to make and Grantee agrees to accept the Grant in an amount not to exceed One Million, Seven Hundred Fifty-Five Thousand, One Hundred Dollars (\$1,755,100). Grantor agrees to disburse these funds over a one year period or earlier at Grantor’s discretion in accordance with a disbursement



plan as outlined in Article 3.

**6.** Section 2.3 USE OF FUNDS of the Agreement shall be modified to read: Proceeds of the Grant shall only be used for expenses directly related to renovations of the existing facility on the Site. Expenses include any necessary predevelopment, planning, and construction costs to complete the Project as described more particularly in the Revised Exhibit A, Performance Schedule. No portion of the Grant shall be used to pay for any costs of operation and maintenance of GVRD or the North Vallejo Community Center.

**7.** Section 3.1 CONDITIONS PRECEDENT TO DISBURSEMENT. Grantor shall not be obligated to make any disbursements of proceeds or take any other action except as otherwise provided for unless all of the following conditions are satisfied.

a) There exists no Event of Default (as defined in Section 8.1) nor any act, failure, omission or condition that would constitute an Event of Default;

b) Grantee shall submit to Grantor for its approval a proposed budget, including costs of renovations and any architectural, engineering, planning and other necessary costs for the Project; and

c) Grantee shall submit to Grantor copies of invoices for costs of renovations as described in Section 5.1 and any other documentation reasonably requested by Grantor;

d) Grantee has submitted to Grantor for approval a development budget, including costs of renovations and construction of the Project, as well as evidence that it has adequate financing to complete the Project. Such evidence shall include copies of bids obtained from qualified general contractors pursuant to applicable competitive bidding requirements and any other information reasonably requested by Grantor;

e) Grantor has approved the form of construction contract to be entered into between Grantee and its general contractor(s);

f) Grantee has obtained all necessary approvals from the appropriate governmental entities for the proposed plans and specifications for the Project;

g) Grantee has submitted to Grantor copies of the contract bonds provided by Grantor's general contractor in connection with construction contract, which bonds shall include a payment bond in the amount equal to one hundred percent (100%) of the construction contract price, as well as a faithful performance bond, also in the amount equal to one hundred percent (100%) of the contract price, provided however, that Grantor may waive such requirement upon submission of evidence reasonably satisfactory to Grantor that such contractor has sufficient financial resources or Grantee will be providing other satisfactory assurances to ensure that the work will be completed; and

h) Grantee has submitted evidence reasonably satisfactory to Grantor that it has or reasonably expects to have commitments for financing the ongoing operation and maintenance of the North Vallejo Community Center upon completion of renovation.

**8.** Section 5.1 CONFIGURATION OF THE PROJECT shall read: Grantee shall renovate the Project in accordance with the Plans and Specifications and any and all Project approvals, including without limitation, any environmental mitigation measures incorporated into the Project.

Project renovations include a new roof, heating and air conditioning, parking lot, ADA upgrades, new lighting, rest room renovation, flooring, court yard improvements, and other necessary repairs.

**9.** Amendment to Section 5.17 PROJECT OWNERSHIP shall read: The City of Vallejo owns the Property and shall also own the Project after completion of renovations and acceptance by the City.

**10.** 7.1 Insurance Requirements. Grantee agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance Requirements for Consultant." Failure to maintain required insurance at all times shall constitute a default and material breach.

**11.** Amendment to Section 9.3 TERM OF THIS AGREEMENT shall read: This Agreement shall commence on the date set forth above in the First Amendment and shall remain in full force and effect. The terms and conditions contained in the Master Lease or any other agreement for the subject property shall continue to apply to the Project.

**12.** Amendment to Section 9.8 NOTICES, DEMANDS AN COMMUNICATIONS shall read: Formal notices, demands and communications between Grantee and Grantor shall be sufficiently given and shall not be deemed given unless dispatched by personal delivery or by express or certified mail, postage prepaid, return receipt requested, or by personal or express delivery service with a delivery receipt, the principal offices of Grantee and Grantor as follows:

**GRANTOR:** Successor Agency of the City of Vallejo  
555 Santa Clara Street  
Vallejo, CA 94590  
Attention: Executive Director

**GRANTEE:** Greater Vallejo Recreation District  
395 Amador Street  
Vallejo, CA 94590  
Attention: General Manager

**13. Revised Term of the Agreement.** The Agreement term is currently scheduled to expire on July 31, 2003 and extended by the Letter Agreement dated March 8, 2011. As of the date of this First Amendment, the term of the Agreement is extended to and shall expire on September 1, 2016.

**14. Revised Exhibit.** A revised Exhibit A, entitled, "Schedule of Performance – GVRD North Vallejo Community Center," is hereby added to the Agreement to read as shown in Exhibit A of this First Amendment.

**15. Integration.** This First Amendment contains the entire agreement between the parties with respect to its subject matter and supersedes whatever oral or written understanding they may have had prior to the execution of this First Amendment. This First Amendment shall not be amended or modified except by a written agreement executed by each of the parties. Except as specifically revised herein, all terms and conditions of the Agreement, and all prior amendments, if any, shall remain in full force and effect, and Consultant shall perform all duties, obligations and conditions required under the Agreement.

**16. Inconsistencies.** In the event of any conflict or inconsistency between the provisions of this First Amendment and the Agreement, and any prior amendment, if any, the provisions of this First Amendment shall control in all respects.

**17. Ambiguities.** The parties have each carefully reviewed this First Amendment and have agreed to each term of this First Amendment. No ambiguity shall be presumed to be construed against either party.

**18. Counterparts.** This First Amendment may be executed by the parties in one or more counterparts all of which collectively shall constitute one document and agreement.

(SIGNATURES ARE ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have entered into this First Amendment on the day and year first hereinabove appearing.

**GREATER VALLEJO RECREATION,  
DISTRICT,**  
a California public organization

**CITY OF VALLEJO**  
a municipal corporation

BY: \_\_\_\_\_  
Shane McAfee  
General Manager

BY: \_\_\_\_\_  
Daniel E. Keen  
Executive Director

BY: \_\_\_\_\_  
Chester A. Rogaski  
Legal Counsel for Greater Vallejo  
Recreation District

DATE: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Dawn G. Abrahamson  
City Clerk

DATE: \_\_\_\_\_

APPROVED AS TO CONTENT:

(City Seal)

\_\_\_\_\_  
Andrea J. Ouse  
Community and Economic  
Development Director

APPROVED AS TO FORM AND  
INSURANCE

\_\_\_\_\_  
Claudia Quintana  
City Attorney

## EXHIBIT A

### SCHEDULE OF PERFORMANCE GVRD – NORTH VALLEJO COMMUNITY CENTER

<b><u>Action</u></b>	<b><u>Date</u></b>
1. Complete the planning necessary to begin Improvements including: a) New roof b) Heating and air conditioning c) Parking lot d) ADA upgrades e) New lighting f) Rest room renovation g) Flooring h) Court yard improvements i) Other necessary repairs	July 31, 2015
2. Solicit quotes and bids and enter into contract for improvements	September 16, 2015
3. Obtain all necessary approvals and permits as required	Prior to commencement of work
4. Complete 50% of improvements and submit a progress report to Successor Agency staff	January 31, 2016
5. Complete improvements	August 1, 2016
6. Complete all paperwork to close projects Such as invoices, Notice of Completeness	September 1, 2016