

**AGENDA**

**REGULAR MEETING**

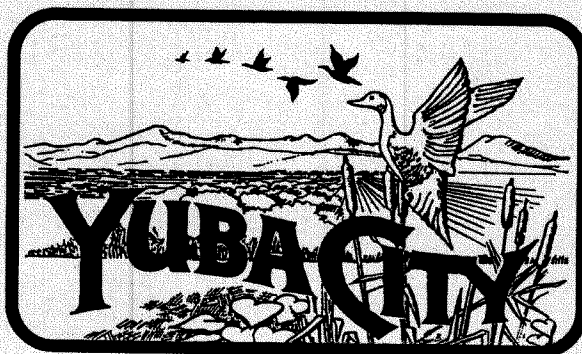
**REDEVELOPMENT AGENCY  
CITY OF YUBA CITY**

**AUGUST 1, 2006  
7:00 P.M.  
COUNCIL CHAMBERS**

**ERIC HELLBERG  
Chairperson**

**JOHN MILLER  
Vice-Chairperson**

**DAVE DOOLITTLE  
Director**



**KAREN  
CARTOSCELLI  
Director**

**RORY RAMIREZ  
Director**

**STEVEN JEPSEN  
Executive Director**

**TIMOTHY HAYES  
City Attorney**

**Council Chambers Wheelchair Accessible  
CITY HALL  
1201 Civic Center Blvd., Yuba City, CA**

*If you need assistance in order to attend the City Council meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the City Council, the City is happy to assist you. Please contact City offices at 530/822-4601 at least 72 hours in advance so such aids or services can be arranged.*

*City Hall TDD: 530-822-4732*

AGENDA  
REGULAR MEETING  
REDEVELOPMENT AGENCY – CITY OF YUBA CITY  
AUGUST 1, 2006 – 7:00 P.M.

- CALL TO ORDER

- ROLL CALL

\_\_\_\_\_ Chairperson Hellberg  
\_\_\_\_\_ Vice Chairperson Miller  
\_\_\_\_\_ Director Cartoscelli  
\_\_\_\_\_ Director Doolittle  
\_\_\_\_\_ Director Ramirez

1. PUBLIC HEARINGS

A. Sale of Town Center Property (continued from the meeting of July 5, 2006)

Recommendation: Conduct a public hearing and adopt a resolution approving a Disposition and Development Agreement with Main Street Ventures—Project II, LLC to sell approximately 1.13 acres located at the northwest corner of Plumas Boulevard and Franklin Avenue and make findings in connection therewith.

2. APPEARANCE OF INTERESTED CITIZENS

Members of the public may address the Yuba City Redevelopment Agency Board of Directors on items of interest that are within the Redevelopment Agency's jurisdiction whether or not such items of interest are on the agenda for this meeting. Public comment on public hearing agenda items will be permitted during those hearings.

3. CONSENT CALENDAR

A. Minutes of Redevelopment Agency Meeting

Recommendation: Approve the Redevelopment Agency minutes of July 5, 2006.

4. BUSINESS FROM THE BOARD

5. ADJOURNMENT

Adjourn the Redevelopment Agency to the regular meeting of the City Council.

**Date:** August 1, 2006  
**To:** Chairman and Directors, Redevelopment Agency  
**From:** Laura Duncan, Deputy City Manager

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**Subject:** Sale of Town Center Property (**continued from 7/5/06**)

**Recommendation:** Conduct a public hearing and adopt a resolution approving a Disposition and Development Agreement with Main Street Ventures Project II, LLC to sell approximately 1.13 acres located at the northwest corner of Plumas Boulevard and Franklin Avenue and make findings in connection therewith.

**Alternative:** Not adopt the proposed resolution

**Fiscal Impact:** Agency to receive approximately \$285,000.

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## **BACKGROUND AND DISCUSSION**

The Redevelopment Agency has received an offer from Main Street Ventures Project II, LLC (Developer) to purchase a piece of property in the Town Center. Developer is interested in acquiring approximately 1.13 acres located at the northwest corner of Plumas Boulevard and Franklin Avenue to develop a professional/medical office building. The development shall consist of a two-story building, approximately 17,000 square feet along with associated landscaping, pedestrian and vehicular ingress and egress and surface parking lot improvements. A Disposition and Development Agreement (DDA) will be the contract for the sale.

Construction of the project will start within 30 days after issuance of a building permit and complete construction within 15 months following the date of commencement of construction. The developer will be responsible for construction of improvements on Franklin Avenue including the underground of over head utilities. Developer will pay the full cost of the undergrounding and will be reimbursed by the Agency for the portion of cost not directly related to this property. Estimated cost is approximately \$175,000 and will be verified with engineering at time of construction. Reimbursement will be made from sale proceeds of this parcel. Agency will recapture this expense through future sale of property on the northeast corner directly across from this site. The Section 33433 Report that was prepared in June 2006 did not include this cost. The cost information from that Report has been adjusted in this staff report in order to reflect this cost.

Sales price of the land was based on an appraisal prepared by Hardey/Associates, Inc. a real estate valuation and consulting business. They are an experienced company that has previously prepared appraisals in Yuba City and most recently in the Town Center. The proposed sales price represents the market value of the property as described in the appraisal summary report (attachment B) of June 5, 2006.

This public hearing had been previously noticed for July 5, 2006. Due to last minute comments received from Developer's attorney and with little time for adequate review, staff asked for a continuation of this public hearing until August 1, 2006. The Agency voted to continue this agenda item until the August 1, 2006 meeting. Most of the comments were of a technical nature and addressed by Redevelopment Counsel to the satisfaction of all parties.

Attached for your review are the proposed DDA (attachment C) and 33433 Report (attachment D), which have been made available to the public for review as required by law. A public hearing notice was published in the newspaper. The DDA is the agreement between the Redevelopment Agency and the Developer, which specifies obligations of both parties related to the sale and development of the property.

The DDA becomes the instrument that legally governs the relationship between the Agency and the Developer until development has been completed. In this DDA there is no proposed public subsidy for the project.

The Section 33433 Report of the Health and Safety Code includes:

1. The cost to the Agency to develop the property.
2. The estimated value of the interest to be conveyed determined at the highest and best use under the redevelopment plan.
3. The estimated value of the interest to be conveyed determined at the fair reuse value of the property. If the fair market value differs from the fair reuse value, an explanation must be provided for the difference.
4. An explanation of why the sale will assist in the elimination of blight.
5. A finding that the sale of the property is consistent with an agency's adopted Implementation Plan.

Both of these documents have been reviewed and approved by staff and legal counsel for both the Agency and the Developer.

## **FISCAL IMPACT**

The 33433 report provides information on the cost to the Agency to develop the property and the resources to be generated from the implementation of the DDA. The cost to the Agency includes acquisition, demolition and administration. Acquisition and demolition costs were incurred by the Agency in the fall of 1990 when the Del Monte Cannery site was first acquired. Overall, as shown in the 33433 report, the total cost to the Agency is estimated at \$141,481 or \$265,424 on a net present value basis. When the cost for under grounding is included, the total cost increases to \$316,481 or \$440,424 on a net present value basis.

With the exception of the cost to prepare the agreement (estimated at \$15,000) none of these are out of pocket costs to the Agency. As stated above, the acquisition and demolition costs were incurred in 1990. The cost for under grounding will be deducted from the sale proceeds and will be recouped from the future sale of property.

The Agency will transfer the Property to the Developer for \$5.79 per square foot. The proceeds from sale of the property are estimated at \$285,000.

Based on the sale of the property and having development occur, the total resources to be generated by the DDA in tax increment are estimated at \$1,872,000. The tax increment is based on the period when the Agency can collect tax increment, which ends in 2038-39.

When the resources to be generated from the agreement are included, the net cost of the agreement to the Agency is a positive \$1.6 million on a future value basis. The net cost to the Agency on an NPV basis is a positive \$534,125.

## **RECOMMENDATION**

City and Agency Staff have reviewed the offer submitted by Main Street Ventures Project II, LLC. In accordance with Section 33000 et seq. of the Health and Safety Code, staff has published the required 14-day notice prior to this public hearing and subsequent Council action.

The Developer's development proposal is consistent with the Central City Specific Plan and Revitalization Strategy adopted by the City Council in 1992. In addition, this project is in keeping with our overall objectives for the Town Center development that lead to new investment and an increase in employment opportunities. Staff recommends adoption of the attached Resolution authorizing the sale of the property to Main Street Ventures Project II, LLC.

## **ATTACHMENTS (\*Please see the City Council packet, the attachments are the same.)**

- A. Redevelopment Agency Resolution
- B. \*Summary letter from Appraiser
- C. \*Disposition and Development Agreement
- D. \*Section 33433 Report

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF  
THE CITY OF YUBA CITY APPROVING AND  
AUTHORIZING THE EXECUTION OF A DISPOSITION  
AND DEVELOPMENT AGREEMENT BETWEEN THE  
REDEVELOPMENT AGENCY OF THE CITY OF YUBA  
CITY AND MAIN STREET VENTURES--PROJECT II, LLC**

**WHEREAS**, the Redevelopment Agency of the City of Yuba City (the "Agency") is carrying out the Redevelopment Plan (the "Redevelopment Plan") for the Yuba City Redevelopment Project; and

**WHEREAS**, the Agency has received a proposed Disposition and Development Agreement (the "DDA") from Main Street Ventures--Project II, LLC, a California limited liability company (the "Developer") which provides for the sale of certain real property as more specifically described in the DDA (the "Site") to the developer for construction of a two-story, approximately 17,000 square foot office building with associated landscaping, pedestrian and vehicular ingress and egress and surface parking lot improvements (the "Project"); and

**WHEREAS**, the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*) provides in Section 33431 that any sale or lease of Agency property may be made only after a public hearing of the Agency after publication of notice as provided by law; and

**WHEREAS**, the Community Redevelopment Law further provides in Section 33433 that before any property acquired, in whole or in part, with tax increment monies, is sold or leased for development pursuant to a redevelopment plan, such sale or lease shall first be approved by the legislative body after a public hearing, that notice of the time and place of the hearing shall be published in a newspaper of general circulation in the community twice for at least two (2) successive weeks prior to the hearing, and that the Agency shall make available for public inspection a copy of the proposed sale or lease and a summary of the financial aspects of the proposal; and

**WHEREAS**, notice of a joint public hearing by the City Council of the City of Yuba City (the "City Council") and the Agency was published in the Appeal-Democrat on June 21, 2006 and June 28, 2006; and

**WHEREAS**, the Agency has prepared a report (the "Report") pursuant to Section 33433 of the Health and Safety Code containing a copy of the proposed DDA and a summary describing the cost of the DDA to the Agency, the value of the property interest to be conveyed, the purchase price and other information required by said Section 33433, and said report was made available to the public for inspection; and

**WHEREAS**, on July 5, 2006 the Agency Board and the City Council opened a joint public hearing to consider and act on the disposition and development of the Site pursuant to the DDA and the City Council approved the DDA; and

**WHEREAS**, the Agency Board and City Council continued the July 5, 2006 public hearing to August 1, 2006, on which date the public hearing was held;

**NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF YUBA CITY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The Agency hereby finds and determines that the sale of the Site to the Developer, and development of the Project on the Site pursuant to the DDA will assist in the elimination of blight within the redevelopment project area. This finding is based upon the fact that the Site is being sold for purposes of development on the Site of a two story office building and associated improvements, in accordance with and in implementation of the Redevelopment Plan. This finding is further based upon the additional facts and information contained in the Report.

**Section 2.** The Agency hereby finds and determines that the consideration for the Site to be paid by the Developer pursuant to the DDA is not less than the fair market value at its highest and best use in accordance with the Redevelopment Plan. This finding is based upon the facts and information contained in the Report.

**Section 3.** The Agency hereby finds and determines that the acquisition and sale of the Site pursuant to the DDA is consistent with the Implementation Plan for the Yuba City Redevelopment Project. This finding is based on the facts contained in the Report.

**Section 4.** The Agency hereby approves the sale of the Site pursuant to the DDA and authorizes and directs the Executive Director to execute the DDA substantially in the form attached hereto. The Executive Director and Secretary of the Agency are hereby authorized and directed to take such further actions and execute such documents as are necessary to carry out the DDA on behalf of the Agency, including without limitation any grant deed(s), and all other actions and documents necessary for the sale and development of the Site in accordance with the DDA.

**PASSED AND ADOPTED** this 1st day of August, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Executive Director

ATTEST:

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Secretary

MINUTES  
CITY OF YUBA CITY  
REDEVELOPMENT AGENCY  
JULY 5, 2006

- CALL TO ORDER

The Redevelopment Agency of the City of Yuba City was called to order by Chairperson Hellberg at 9:28 p.m.

- ROLL CALL

Present: Directors Cartoscelli, Doolittle, Miller, Ramirez, and Chairperson Hellberg  
Absent: None

1. PUBLIC HEARINGS

A. Sale of Town Center Property

Chairperson Hellberg opened the public hearing. Director Cartoscelli moved to continue the public hearing and authorization of the sale of 1.13 acres located at the northwest corner of Plumas Boulevard and Franklin Avenue by the Redevelopment Agency of the City of Yuba City to Main Street Ventures—Project II, LLC, to the August 1, 2006 Redevelopment Agency Meeting. Director Ramirez seconded the motion that passed with the following vote:

AYES: Directors Cartoscelli, Doolittle, Miller, Ramirez and Chairperson Hellberg  
NOES: None  
ABSENT: None

2. APPEARANCE OF INTERESTED CITIZENS

None.

3. CONSENT CALENDAR

Director Ramirez moved to adopt the consent calendar as presented. Director Cartoscelli seconded the motion that passed with a unanimous vote.

A. Minutes of Redevelopment Agency Meeting

Approved the Redevelopment Agency minutes of June 6, 2006.

4. BUSINESS FROM THE BOARD

None.

5. ADJOURNMENT

At 9:30 p.m. adjourned the Redevelopment Agency to the regular meeting of the City Council.

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ERIC N. HELLBERG  
CHAIRPERSON

ATTEST:

\_\_\_\_\_  
SECRETARY

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