



## STAFF REPORT

**Date:** October 28, 2014  
**To:** Bryan H. Montgomery, City Manager  
**From:** Paul Abelson, Finance Director

Approved and Forwarded to City Council, as the Board of the Successor Agency to the Oakley Redevelopment Agency:

Bryan Montgomery, City Manager

**SUBJECT:** Resolution Approving the Long Range Property Management Plan

### Background and Analysis

State Law requires the Successor Agency to move forward with the winding down of the Redevelopment Agency's affairs as expeditiously as possible. ABx1 26, as amended by AB 1484 (collectively referred to as the Dissolution Act), provides that once the Agency has complied with numerous State requirements and obtained a Finding of Completion, it may propose a plan for managing and ultimately disposing of its assets. The Plan must be approved by the Agency Board, the Oversight Board and the State Department of Finance before any of the properties can be disposed.

The advantage to the Successor Agency's proposing a Plan is that it allows properties to be retained or disposed of for the redevelopment purposes that they were acquired for, and includes consideration of both the Agency's and City's planning documents in determining how to maximize value from each property's disposition. Furthermore, they can be managed and/or disposed of with deliberation rather than simply selling them quickly on the open market.

The attached Long Range Property Management Plan conforms to all of the Dissolution Act requirements as to what the Plan is required to contain, including detailed inventories related to each property's history, characteristics, zoning, and purpose for which it was acquired, among others. Staff's recommendations reflect the Law's intent for the Agency to seek to maximize value and remain true to the Agency's Redevelopment Plan and the City's planning objectives as outlined in its General Plan, Specific Plans, and/or other relevant planning policy documents. The Plan recommends many of the properties be conveyed to the City for government use or projects consistent with the Agency's and City's guiding planning documents, while a few are identified for future sale.

Staff seeks your approval of the Plan, after which it will be presented to the Oversight Board for their approval, and the State Department of Finance, for theirs.

**Subject: Resolution Approving the Long Range Property Management Plan**

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**Fiscal Impact**

After all approvals are received, proceeds from the sale of properties not being retained for governmental use, to meet an enforceable obligation, or restricted by bond covenants will be used to fund projects or pay obligations of the Successor Agency; if otherwise unencumbered and no Agency obligations remain, they will be remitted to the County Auditor Controller for distribution to the other local Taxing Agencies pursuant to the Dissolution Act.

**Recommendation and Alternative**

Staff recommends the Board adopt the attached Resolution approving the Long Range Property Plan.

**Attachments**

1. Resolution
2. Property Management Plan

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

**A RESOLUTION OF THE CITY COUNCIL, AS THE BOARD OF THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY, APPROVING A LONG RANGE PROPERTY MANAGEMENT PLAN**

**WHEREAS**, pursuant to Health and Safety Code Section 34173(d), the City of Oakley is the Successor Agency to the Oakley Redevelopment Agency (Successor Agency); and

**WHEREAS**, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a Long Range Property Management Plan (Property Management Plan) that addresses the disposition and use of the real properties of the former redevelopment agency; and

**WHEREAS**, Health and Safety Code Section 34191.5(b) also requires the Successor Agency to submit the Property Management Plan to the Successor Agency's Oversight Board and the State Department of Finance for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion pursuant to Health and Safety Code Section 34179.7; and

**WHEREAS**, the Department of Finance issued the Successor Agency a Finding of Completion on August 15, 2014; and

**WHEREAS**, the Agency has prepared the attached Property Management Plan containing all the information required under Health and Safety Code Sections 34191.5, and its recommendations for the management and disposition of the former Redevelopment Agency's properties.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council, as the Board of the Successor Agency of the Oakley Redevelopment Agency

1. Approves the attached Property Management Plan,
2. Directs the Executive Director to schedule and present the Property Management Plan to the Oversight Board for their approval.
3. Upon final receipt of an approval from the Department of Finance, authorizes the Executive Director to take the actions necessary to implement the Plan.

The foregoing resolution was adopted at a regular meeting of the Successor Agency Board, held on the 28<sup>th</sup> day of October 2014, by the following vote:

AYES:

NOES:

ABSTENTION:

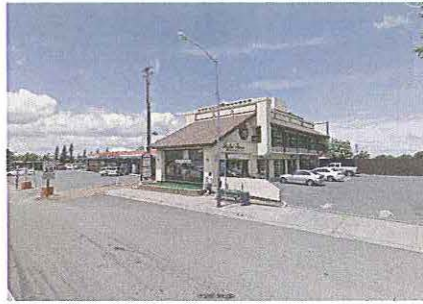
ABSENT:

APPROVED: \_\_\_\_\_  
Randy Pope, Chair

ATTEST:

\_\_\_\_\_  
Libby Vreonis, Secretary

# Long-Range Property Management Plan



*Prepared by*

**Successor Agency to the  
Oakley Redevelopment Agency**

**October 2014**



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## **Introduction**

This document constitutes the Long-Range Property Management Plan (PMP) of the Successor Agency of the former Oakley Redevelopment Agency, prepared in accordance with Health and Safety Code Section 34191.5.

The former RDA was dissolved on February 1, 2012, pursuant to ABX1 26 (as amended by AB 1484), collectively referred to as “the Dissolution Act.” The Dissolution Act governs the dissolution of the former RDA, which includes the disposition of its former real property and property interests.

The State Department of Finance has already approved the conveyance of the Civic Center Corporation Yard property to the City, and that parcel has been conveyed. Prior to the passage of AB 1484, the Agency also entered into Purchase and Sale Agreements to sell two additional properties, through a public bid process. The sales were approved by the Successor Agency Board, the Oversight Board, and not objected to by DOF. Both properties have been sold; and because the properties were purchased with tax exempt bond proceeds, the proceeds of the sales have been used to complete intended public projects.

As this plan is being prepared, the Successor Agency RDA owns a remaining eight (8) improved properties and seven (7) unimproved (collectively, the “Properties”). The ultimate dispositions of each of the Properties are the subject of this PMP prepared in accordance with the Dissolution Act. Figure 1 provides a general location map of the Properties within the City of Oakley.

All of the Properties are located within the boundaries of the Oakley Redevelopment Project Area and are subject to the provisions of the Oakley Redevelopment Plan (last Amended and Restated on October 8, 2001), the Oakley General Plan, the City’s zoning and land use regulations, as set out in City codes and ordinances, and some are also subject to the Downtown Specific Plan and/or the River Oaks Crossing Specific Plan. Furthermore, many of the Properties were purchased with the proceeds of tax exempt debt, which may restrict the manner of disposition and further restricts the ultimate use of sale proceeds, for properties disposed of in a cash sale.

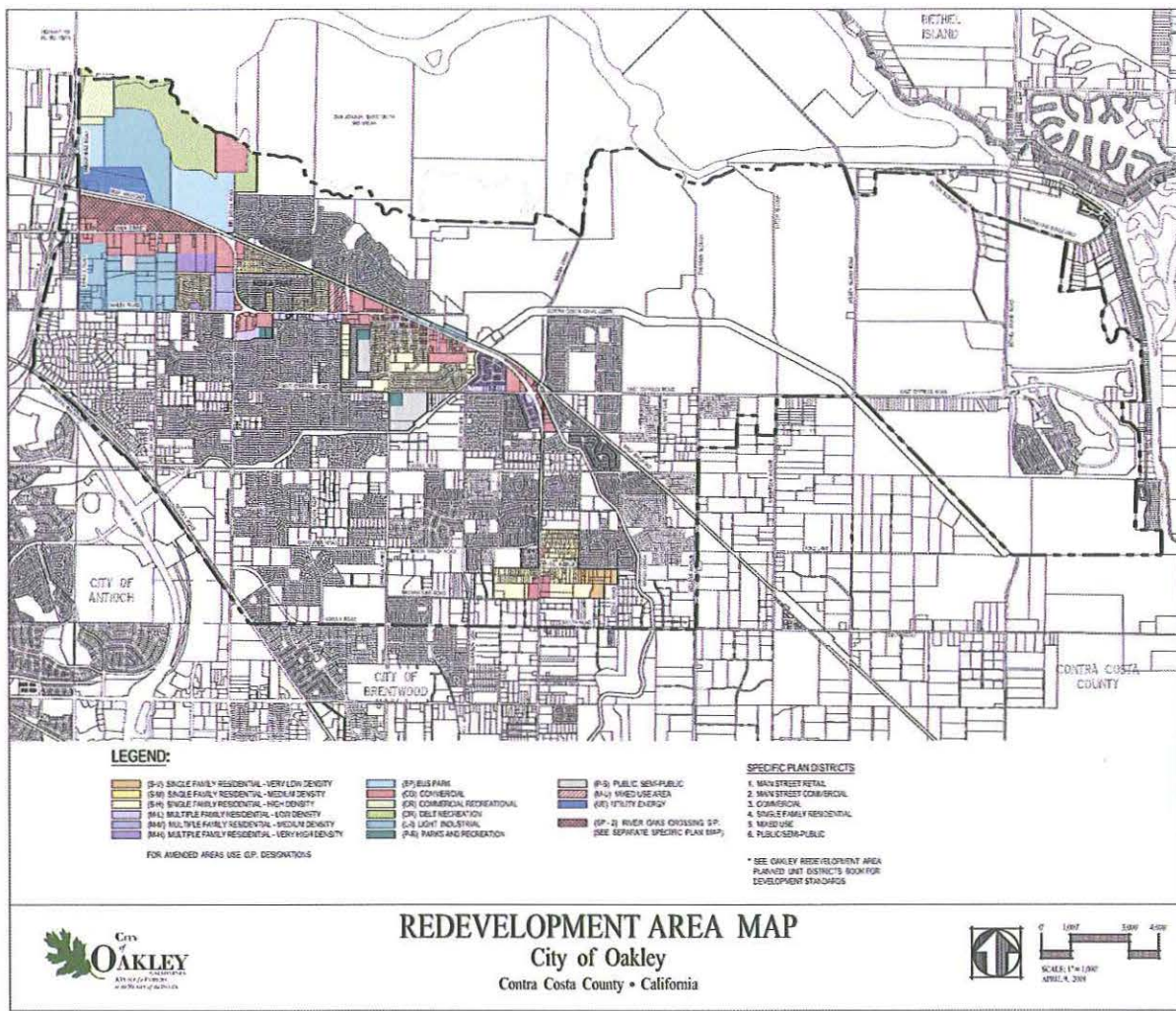
The Successor Agency is now responsible for the disposition of the Properties in accordance with the procedures and requirements of the Dissolution Act, and in particular with Health and Safety Code Sections 34191.1, 34191.3, 34191.4(a), and 34191.5 (copies of which are attached as Appendix A).

This PMP has been prepared for presentation to the City Council, serving in its separate capacity as the governing board of the Successor Agency (SA Board), as well as to the Oversight Board of the Successor Agency (Oversight Board), and ultimately for submission to the Department of Finance (DOF) for its approval.

In accordance with Health and Safety Code Section 34191.5 (c), Part I of this PMP contains an inventory of specified information about each of the Properties, and Part II addresses and sets forth the proposed plan for disposition and uses of each of the Properties. In addition, accompanying this PMP is the information checklist required by DOF (Appendix C), and Staff plans to also include the optional DOF tracking worksheet with the transmittal of the PMP to DOF, when that time comes.



Figure 1: Redevelopment Project Area (Highlighted Parcels)



## **Overview of Oakley and Its Redevelopment History**

The City of Oakley, incorporated in July 1999, is one of California's youngest cities. Residents enjoy a charming area with an abundant housing supply, quality schools, and a friendly atmosphere that truly make Oakley, "A Place for Families in the Heart of the Delta."

Today a landscape of gently rolling fields, orchards, and vineyards gives us a glimpse of Oakley's agricultural past. From a quiet Delta farming town, Oakley has blossomed into a growing community of landscaped parks, abundant recreational opportunities, shopping centers, and planned business and commercial development.

In 1989, while still in the County Unincorporated Area, the Contra Costa County Redevelopment Agency formed the Oakley Redevelopment Project Area covering much of the commercial areas on State Highway 4 (now Main Street), and in selected adjacent areas of much older neighborhoods and industrial areas unable to successfully attract private funds sufficient to "spark" sorely needed redevelopment. Like most redevelopment project areas, it took time to begin receiving tax increment sufficient to incent redevelopment activities, and in the meantime, the citizens decided it was time act and establish greater local control in the area.

A group of engaged citizens completed a study to incorporate and the residents voted in 1998 to form the new City and on July 1, 1999, the City of Oakley was born. A new City Council was seated, new services were established, and in all key respects the citizens established a new level of "ownership" of their community.

In 2001, the City completed the negotiation with the County Redevelopment Agency for the jurisdictional transfer of the Oakley Redevelopment Project Area to the City's newly formed Oakley Redevelopment Agency. Shortly thereafter, the Agency approved an updated and restated Oakley Redevelopment Plan, adding and incorporating several additional mostly industrial parcels into the Project Area.

In 2003, the Oakley RDA issued its first debt in an amount sufficient to refund the County's prior debt and a little more, which was made available primarily for infrastructure projects and for advancing planning activities to facilitate future development.

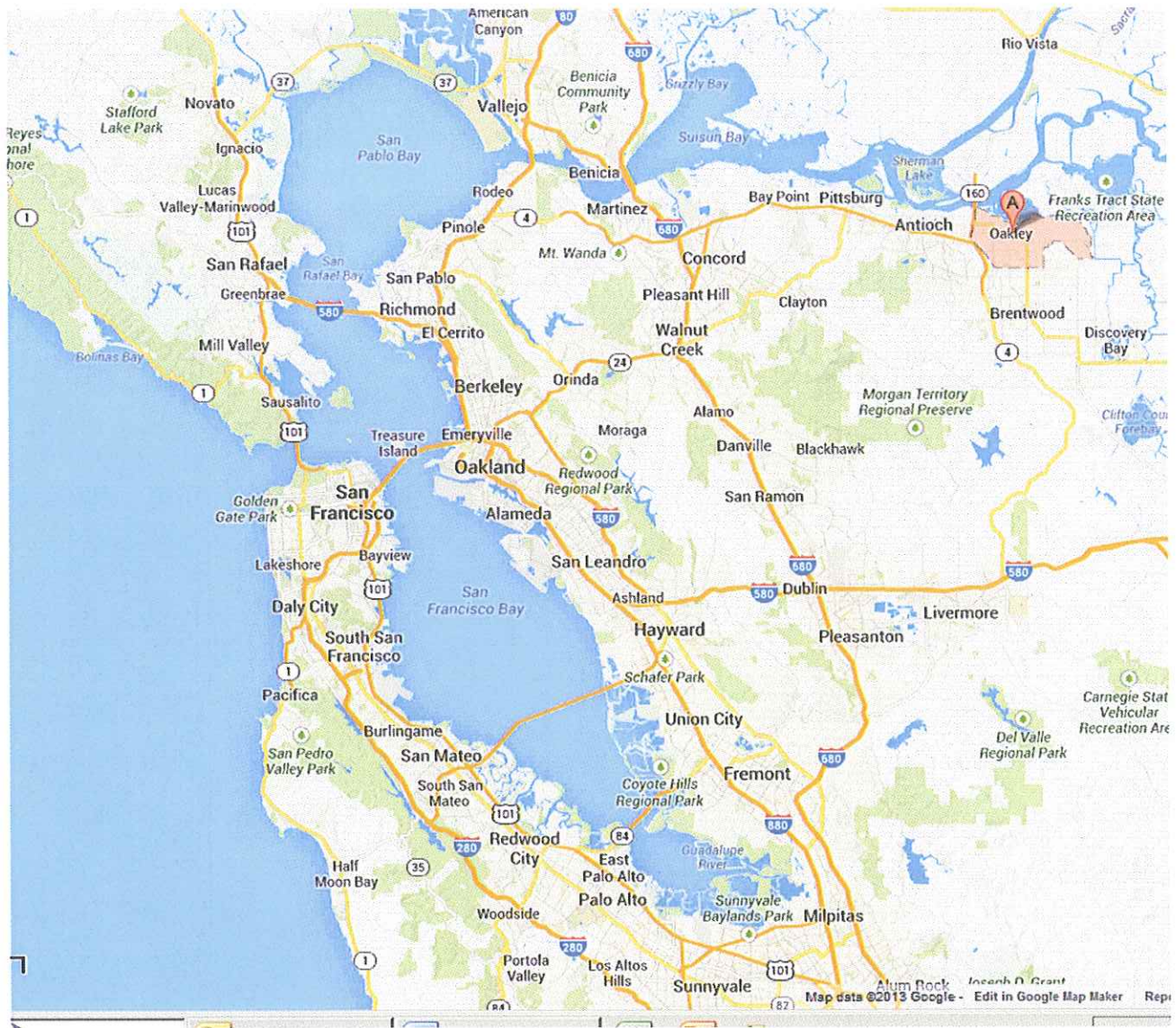
In 2008, the Oakley RDA issued its second debt, its first major debt for projects. The intent was for the proceeds to be used for a number of major infrastructure projects. In fact, there were more projects than there were funds, and so the Agency sought to advance those that appeared more available and added the greatest community benefit. Given that property values had plummeted in the recession, in some cases, this meant acquiring property for future roadway projects, promising infrastructure and improvements to incent private investment, and adjusting plans to position the Agency for the most advantageous future outcomes.

Major accomplishments during this time include the following:

- Creation of the River Oaks Crossing Specific Plan – a plan intended to facilitate development of approximately 77 acres for commercial, restaurants and hotel uses. (Completed in June 2008)
- Working with the DuPont Company to assist in the remediation of 98% of its retired concrete manufacturing plant and future development of its 378 acres of commercial and industrial property (A *Request for Interest* is currently ongoing for most of the property; and a Power Plant application is near to obtaining its final approvals).
- In 2007, the City completed the construction of the Civic Center Plaza, home to City Hall, the Oakley Police Department, Black Bear Diner, and the Civic Center Community Park and Amphitheater. The Plaza serves as the anchor for the City's plans to revitalize and beautify the historic downtown section of Main Street, and as a demonstration project for the City's Downtown Specific Plan design elements. Because the development resides in the heart of the Downtown Project Area, the Redevelopment Agency participated in portions of the development project, most notably the development of the Black Bear Diner building, which the Successor Agency owns today. (Completed)
- Worked with private investors to incent private development of two new restaurants, a Downtown Public Parking Lot, and a Downtown Plaza across from City Hall. In conjunction, the Agency has completed the reconstruction of the first of three segments along Main Street, which when all is completed will create a pedestrian-friendly downtown core, and incented the private rehabilitation of a major strip mall and large food market on adjacent properties. (Approvals finalized in 2011, work completed predominantly in 2011 and 2012. A Developer is currently constructing the food market for its future tenant).

- Since 2001, facilitated affordable housing construction, rehabilitation, and preservation, including:
  - Construction of 434 new affordable units; with another 75 units approved but not yet constructed.
  - Home buyer loans, assistance and improvement to 5 below moderate income families
  - Maintained compliance of the County RDA's prior affordable housing projects.

**Figure 2:** Regional Proximity Map showing Oakley’s location in the Bay Area. Oakley’s location in the far eastern part of Contra Costa County affects its real estate values. Values in Oakley are greater than those in the Central Valley, but tend to be less than in the more central and/or urban Bay Area job centers.



**Part I: Property Inventory**

The following is the required inventory information for each of the Properties owned by the Successor Agency. This inventory is organized to address the specific PMP inventory subsections listed in Health and Safety Code Section 34191.5(c)(1), (e.g. item "A" provides the required information from HSC Section 34191.5(c)(1)(A) and so forth). There are 15 properties and property interests described below, including:

Property 1 – At approximately 3080-3090 Main Street; comprised of the Downtown Public Plaza and Public Parking Lot

Property 2 – 3960 Main Street; right of way and 0.56 acre parcel

Property 3 – 3540 Main Street; right of way and 0.12 acre parcel

Property 4 – 3510 Main Street; right of way and 3,000 square foot office building on approximately 0.25 acres.

Property 5/6 – 3350 and 3354 Main Street; These are contiguous parcels, each 0.12 acres in size, and together currently serving as a small public parking lot.

Property 7 – 3330 Main Street; improved 5,300 square foot commercial building on a 0.23 acre parcel.

Property 8 – 3980 Empire Avenue (Southeast Corner of Laurel and Empire); unimproved 0.4 acre parcel

Property 9 – 3201 Main Street; improved 6000 square foot commercial building leased to a restaurant.

Property 10 – At approximately 1731 Main Street; two unimproved contiguous parcels totaling approximately 1 acre.

Property 11 – 1033 Main Street; 0.5 acre unimproved parcel

Property 12 – 5400 Neroly Road; 2.2 acre unimproved parcel

Property 13 - 101 Carol Lane; 0.37 acre unimproved parcel

Property 14 (Group)- Aggregation of Rights of Way, Traffic Signals, and Park  
Rehabilitation Improvements – all currently used for Governmental  
Purposes.

Property 15 – 3667 Main Street – Public Parking Lot

As described, the geographic proximity of each of the Properties within the City is depicted mostly along Main Street (along the pinkish areas shown in Figure 1 on page 5). A closer view of the Downtown and River Oaks Crossing/DuPont Areas are shown on Figures 3 and 4 below, respectively.

Figure 3 - Downtown Area

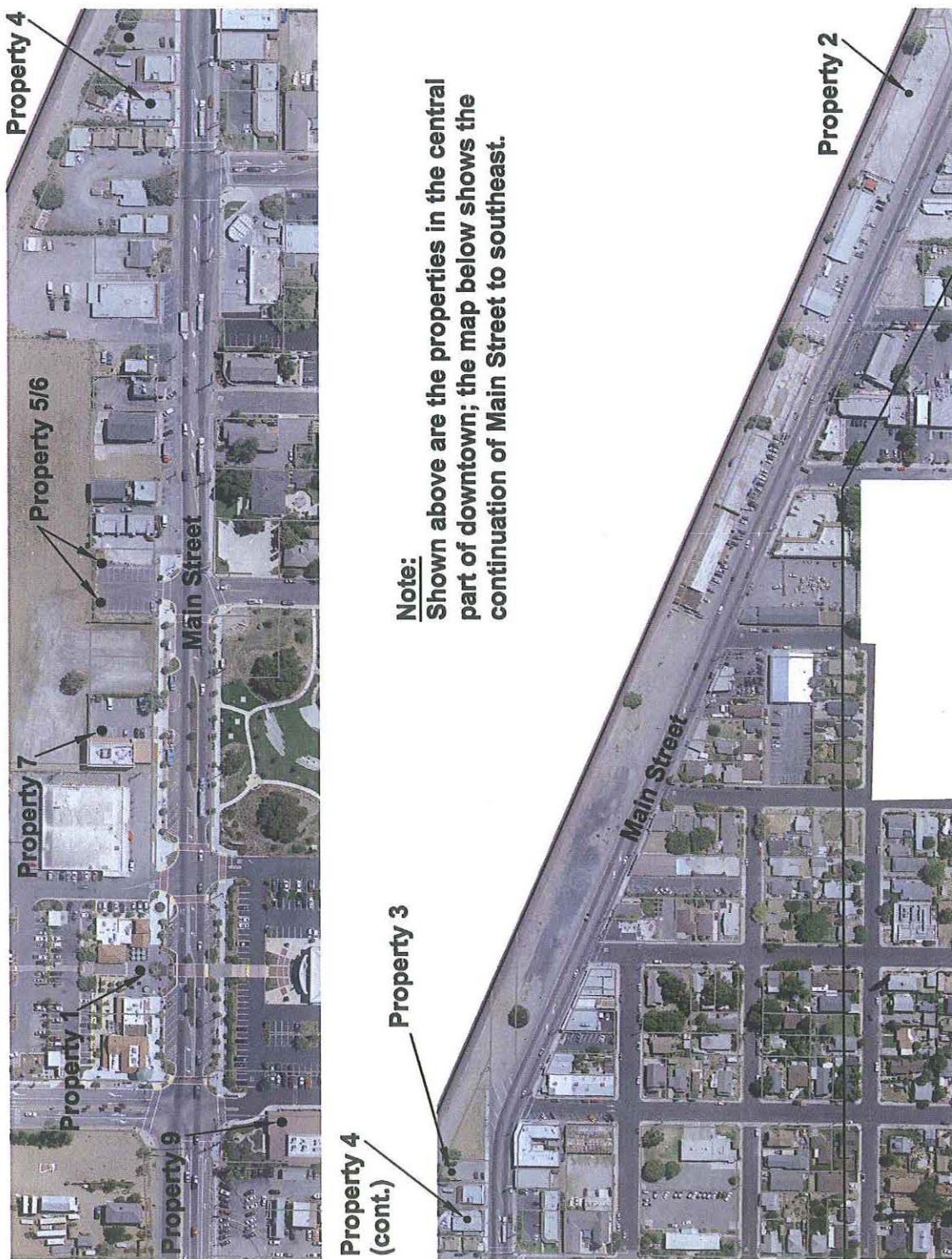




Figure 4 – River Oaks Crossing Specific Plan Area



\*Specific Plan Area is the larger two areas outlined in **Darker Blue**; the **Red** box shows the approximate location of properties 11 &12; and the **Light Blue** box shows the location of property 10.

**Property 1 –**

Property 1 (Public Plaza and Public Parking Lot) is located at/in 3080-3090 Main Street in the heart of the Downtown (see Figure 3).

- (A) *Acquisition Information.* Property #1 was a part of the purchase of a larger 6.56 acre parcel that included 30,000+ square feet of commercial buildings. The larger property was purchased for \$6 million with proceeds of the Agency's 2008 tax-exempt Tax Allocation Bonds as part of a legal settlement in April 2011.
- (B) *Purpose of Acquisition.* The purchase of the larger property ultimately was for redevelopment of the Downtown area. An eminent domain action to purchase land for infrastructure improvements was litigated and the settlement was purchase of the whole property. The Agency sought to beautify the existing buildings for later sale, and incited the redevelopment of the property frontage. The incentives for both the sales and development included development of the Plaza and Public Parking areas that make up Property 1.
- (C) *Parcel Data.* APNs 037-200-012 and -015. The acreage totals approximately 2.4 acres, with 0.25 acres of Plaza, and 2.15 acres of Public Parking. This Property is subject to contractual restrictions by the related Development and Disposition Agreements and RFP/Sale Documents.
- (D) *Current Value.* We believe the estimated current value to be \$0, as no purchaser would purchase a maintenance obligation with no revenue opportunity; and none of the adjacent property owners would purchase property that has no further development/business potential. The highest and best use is that required by the existing contractual and deed-recorded obligations: as a Public Plaza and Public Parking Lot.
- (E) *Revenues Generated by the Property and/or Contractual Requirements.* The property is encumbered by deed-recorded promises of a Downtown Public Plaza and Public Parking Lot on this site included in Development and Disposition

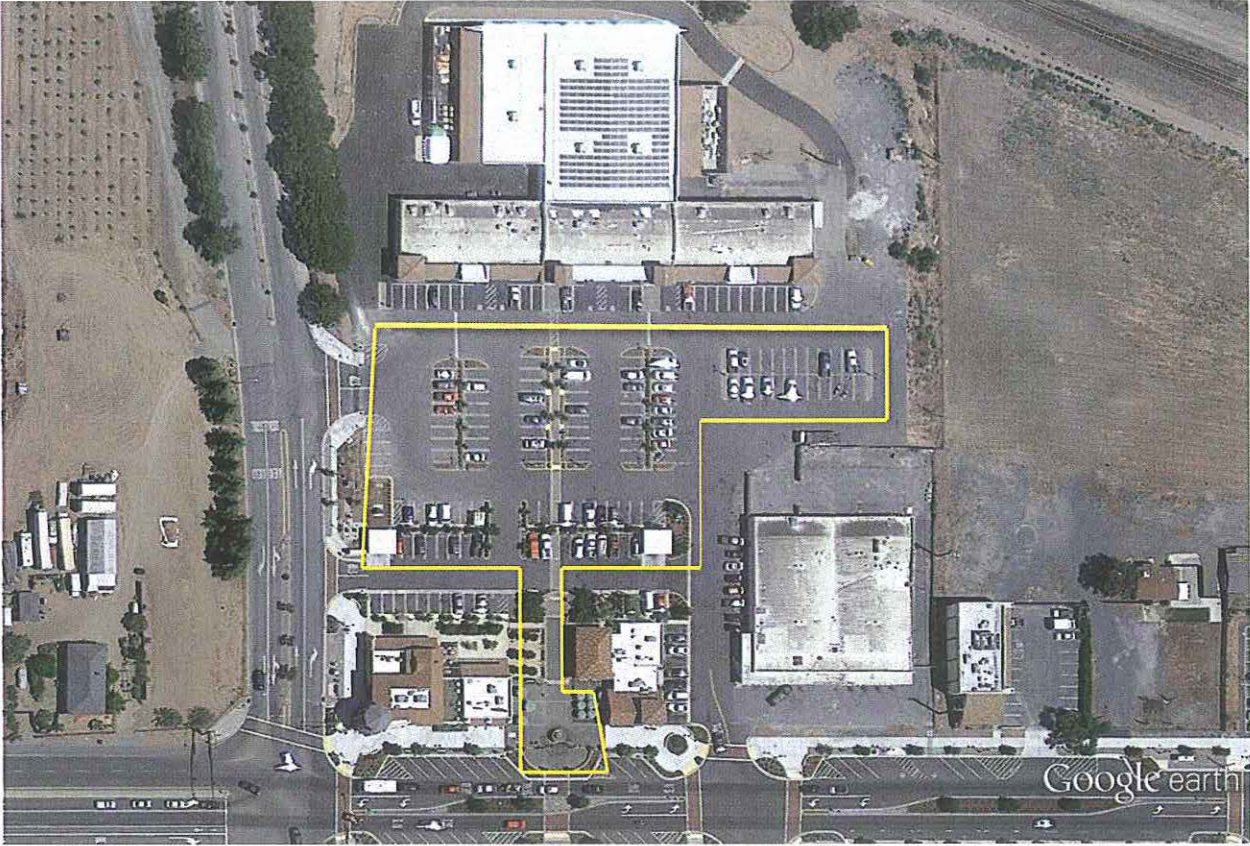
Agreements and documented in the public record. There is no lease revenue, but the adjacent property owners have all agreed to participate in funding the majority of the maintenance of the public improvements through formal Agreements. Disposition for any other purpose would not only cause irreparable harm to the adjacent property owners, it would also remove public assets that provide significant community benefits. Furthermore, if there was a sale for cash, the proceeds would be subject to Internal Revenue Code (IRC) restrictions on the use of proceeds from tax-exempt bonds.

(F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with this property.

(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Retaining the current uses as a Public Plaza and Public Parking Lot advance the Redevelopment Plan and City planning objectives to enhance the Downtown area and potential for transit-oriented development in the surrounding area.

(H) *History of Development Proposals and Activity.* The two older (circa 1950's) commercial buildings on the larger 6.56 acre property have been sold to new owners – one who has received a re-façade, the other who has now been razed and a new building is under construction. This saved the Successor Agency \$500,000 of improvement costs previously obligated in other Development and Disposition Agreements (DDA's). Both of the new owners have or are increasing the size of their buildings. Two other private investors constructed new restaurants on adjacent property, and pursuant to their DDA's, the Agency promised to construct the Plaza and improve and rehabilitate the Parking Area into a Public Parking Lot. There are no proposals to further develop Property 1, due to the contractual restrictions.

**Aerial View – Property 1 (Public Plaza and Parking Lot)**



**Property 2 –**

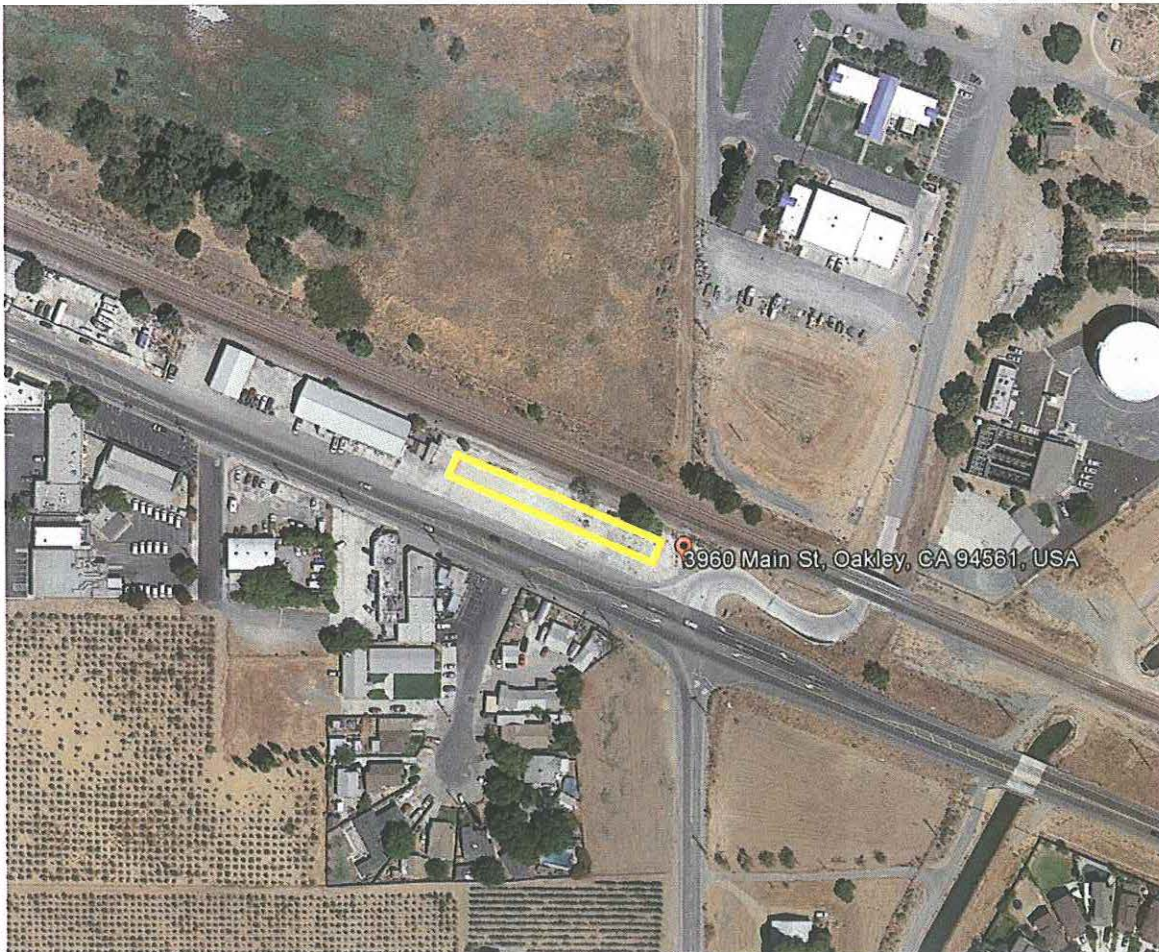
Property 2 is located at 3960 Main Street in the Downtown area (see Figure 3). The Property is a shallow strip of land between the railroad tracks and Main Street, and is largely undevelopable. City Planning Documents call for the improvement and widening of Main Street in the Downtown area and the necessary dedication leaves a remainder too small to support a viable, separate development project.

- (A) *Acquisition Information.* The parcel was purchased for \$378,431 in January 2010, during the depth of the recession. The owners, facing financial difficulty and knowing the property would be a part of a future infrastructure project, offered to sell it to the Agency. The Property was purchased with proceeds of the Agency's 2008 tax-exempt Tax Allocation Bonds for later use to complete the widening and improvement of Main Street in the Downtown.
- (B) *Purpose of Acquisition.* The purchase of the property was to obtain the right-of-way needed for the future Main Street improvement and widening project.
- (C) *Parcel Data.* APNs 035-181-004 and 005. The acreage totals approximately .5 acres. As mentioned above, the physical attributes of the parcel and future dedication renders the remainder without a viable commercial development option. It is possible that the remainder could be paved and used as a future public parking lot, or landscaped as part of a Downtown beautification project.
- (D) *Current Value.* We believe the estimated current value to be \$0, as no purchaser would purchase a maintenance obligation with no development potential and no revenue opportunity. The adjacent properties are all early 1900's packing sheds, waiting for a redevelopment opportunity, or small business/property owners across the street who would likely only have an interest in additional parking, if anything. None of those owners have expressed an interest in purchasing the property for additional parking – largely because it is cost prohibitive for them to do so as individuals. The property has no further development/business potential.

- (E) *Revenues Generated by the Property and/or Contractual Requirements.* No revenues are currently generated by the Property, and none are expected in the future. If a portion of the property is ever sold, use of the proceeds would be subject to Internal Revenue Code (IRC) restrictions on the use of proceeds from tax-exempt bonds. The Property has no other outstanding contractual restrictions, but the City's Planning Documents call for the improvement and widening of Main Street in the Downtown area that will require dedication of a significant portion of the Property.
- (F) *Environmental Contamination and Remediation.* There was a building on site at the time of acquisition, and testing for environmental contamination prior to the purchase. No contamination was found, and the building was razed. There are no known contamination or remediation issues with this property.
- (G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Retaining the current anticipated use as dedication towards the improvement and widening of Main Street in the Downtown area advances City and Agency planning objectives. A small amount of parking on this site may be possible that could support a proposed commuter train platform. There is also potential for some transit oriented development nearby, but it would require some property assemblage, and residential development is prohibited on the north side of Main Street in this area.
- (H) *History of Development Proposals and Activity.* There has been a recent inquiry regarding the property. A new property owner who has acquired the neighboring packing shed has indicated an interest in combining his property with this one to facilitate a development. It is not yet clear what kind of development would be proposed or whether it would in fact be buildable, given the geographical constraints. No specific proposal has been submitted for the neighboring property. Other than this recent contact, there have been no ground-up development proposals or activity for this parcel or any adjacent properties for many years. Several property owners in the vicinity utilized the Agency's prior façade improvement grant program to improve their building

facades, and one other owner in the vicinity completed a full building re-façade; but otherwise, there have been no new plans to build in the area.

**Aerial View – 3960-62 Main Street (shown net of estimated dedication for sidewalk and future Main Street widening).**



Street View – 3960 Main Street (lot with rail road tracks behind)



Street View – Neighboring Properties and view towards Downtown





**Property 3 –**

Property 3 is located at 3540 Main Street in the Downtown area (see Figure 3). The Property is an unimproved lot in the Downtown between the railroad tracks and Main Street. City Planning Documents call for the improvement and widening of Main Street in the Downtown area and the necessary dedication leaves a remainder too small to support a viable development project

- (A) *Acquisition Information.* The parcel was obtained from the County as part of the jurisdictional transfer of the Oakley Redevelopment Project to the new Oakley Redevelopment Agency in 2001. At the time it contained a building leased to a small antiques/thrift shop; however, when the shop closed, the Agency determined that the cost/benefits of rehabilitation for another renter, through the period until it would have to be demolished in favor of the Main Street improvement project, didn't warrant the funds. The building was taken down in May 2011.
  
- (B) *Purpose of Acquisition.* The purchase of the property was to obtain the right of way needed to improve and widen Main Street.
  
- (C) *Parcel Data.* APN 037-160-024. The acreage totals approximately 0.12 acres. As mentioned above, the physical attributes of the parcel and future dedication, which would reduce its size even further, renders the remainder without a viable commercial development option. It is possible that the remainder could be paved and used as a future public parking lot, or landscaped as part of a downtown beautification project.
  
- (D) *Current Value.* We believe the estimated current value to be \$0, as no purchaser would purchase a maintenance obligation with no revenue opportunity. The adjacent properties are small, and either vacant or expected to need redevelopment following the Main Street improvement project. Potential purchasers could also include small business/property owners across the street that would likely only have an interest in additional parking, if anything. None of those owners have expressed an interest in purchasing the property for

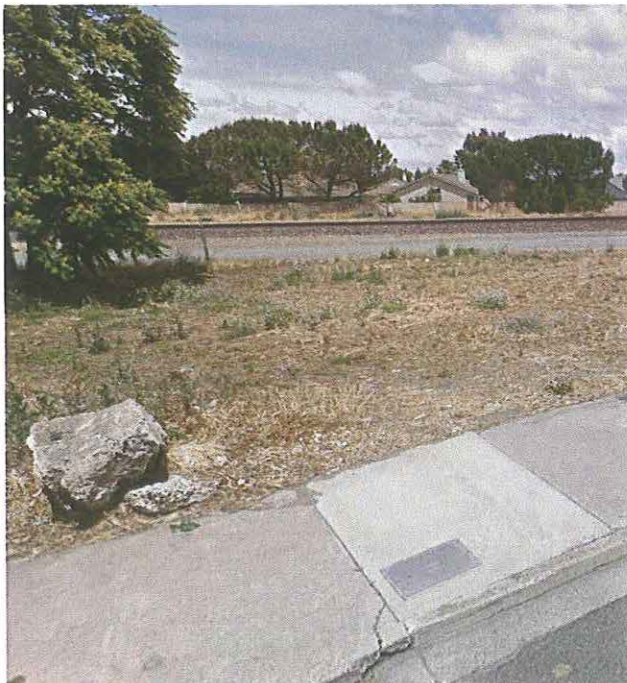
additional parking – largely because it is cost prohibitive for them to do so as individuals. The property has no further development/business potential on its own. There is potential for a small assemblage, but the Agency does not own or control all of the properties. This potential is discussed further below under Property #4.

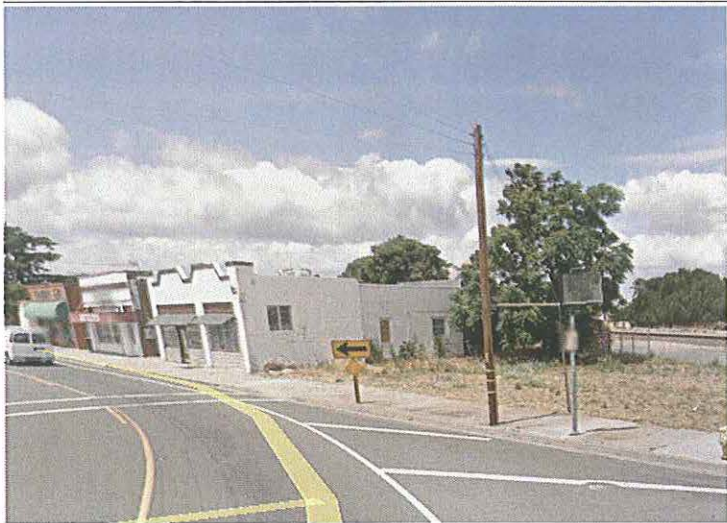
- (E) *Revenues Generated by the Property and/or Contractual Requirements.* No revenues are currently generated by the Property, and none are expected in the future. The Property has no outstanding contractual restrictions, but the City's Planning Documents call for the improvement and widening of Main Street in the Downtown area that will require dedication of a significant portion of the Property.
- (F) *Environmental Contamination and Remediation.* There was an assessment for contamination prior to the building's removal, and there was no site contamination. There are no known remaining contamination or remediation issues with this property.
- (G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Retaining the current anticipated use as dedication towards the improvement and widening of Main Street in the Downtown area advances City and Agency planning objectives.
- (H) *History of Development Proposals and Activity.* There have been no recent ground-up development proposals or activity for this parcel or any adjacent properties.

Aerial View – 3540 Main Street (showing remnant after estimated street dedication)



Street Views – 3540 Main Street (note: dedication will take sidewalk plus ~20 ft of depth for future street widening).





**Property 4 –**

Property 4 is located at 3510 Main Street in the Downtown area (see Figure 3). The Property is an improved lot in the Downtown between the railroad tracks and Main Street. The building frontage on Main Street will need to come down eventually, as City Planning Documents call for the improvement and widening of Main Street in the Downtown area and the necessary dedication extends well beyond the front door of the building. The back side of the property, nearer the railroad tracks, may be developable into a small future commercial project if an opportunity for an assemblage with other parcels became possible; however, the Agency doesn't own the adjacent parcels and no other development inquiries or proposals have been made since the City incorporated in 1999. It is also worth mentioning that to develop the back side of the property will require addressing slope and clean up issues, which will materially affect potential investment returns.

- (A) *Acquisition Information.* The parcel was purchased for \$455,807 in January 2009. At the time it contained a small stove/heating retail business that was folding, and the building was going into foreclosure.
  
- (B) *Purpose of Acquisition.* The purchase of the property was to obtain the right of way needed for the future Main Street improvement and widening project.
  
- (C) *Parcel Data.* APN 037-160-022. The acreage totals approximately 0.2 acres. As mentioned above, the physical attributes of the parcel and future dedication renders the remainder with significant challenges to overcome if it is to be redeveloped on a stand-alone basis. While the existing building will need to eventually be removed to make way for the roadway improvements, it is possible that the remainder of the parcel (which we estimate at 7,000 square feet) could be assembled with another adjacent parcel (or two).
  
- (D) *Current Value.* We believe the building and front area should be retained by the City for the future roadway improvement project (although the SA could retain and maintain the property – and collect any rents - until then). The building will have to be taken down when the widening project proceeds; and we believe the

current value of the remnant to be very small. For all of the reasons described above, the current value of the remnant is limited to a future speculative value at best. With prime frontage selling for \$8-\$10/square foot, the value of non-prime, speculative property with no current income is not currently estimable. In addition, the current market rate tenant is using the remnant part of the property for parking, so the sale of the remnant separately could jeopardize the continued occupancy of the building.

It is worth noting that Properties #3 and #4 are separated by one parcel, and the owner of the in-between parcel could conceivably assemble that parcel with properties #3 and/or #4 to create a small developable parcel. It's not clear the value of the assemblage would be enough to make such a development feasible as even the overall assembled properties would be small and narrow; but such a development might be possible. To our knowledge, no one has ever expressed an interest to the City or Agency in developing these properties in that way.

(E) *Revenues Generated by the Property and/or Contractual Requirements.* There have been a number of smaller tenants in the building, although several have had to be evicted for a variety of failures. The most stable tenant has been the Chamber of Commerce, who pays \$1/yr rent and rents ~1,000 square feet of space. The building also currently has a thrift shop tenant on a short term lease, paying \$850/month rent for the remaining 2,000 square feet of space. As the property was acquired using tax exempt bond proceeds; if a portion is ever sold, use of the proceeds would be subject to Internal Revenue Code (IRC) restrictions. Other than the leases and the IRC restrictions, the Property has no other outstanding contractual restrictions.

(F) *Environmental Contamination and Remediation.* While it is an older building, there are no known contamination or remediation issues with this property.

(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Retaining the current anticipated use as dedication towards the improvement and widening of Main Street in the Downtown area advances City and Agency

planning objectives.

(H)*History of Development Proposals and Activity.* There have been no recent ground-up development proposals or activity for this parcel, or any adjacent properties.

**Aerial Views – 3510 Main Street with shape showing future developable portion after dedication of sidewalk plus ~20 feet of depth for future roadway widening (and Property 3 above, nearby)**

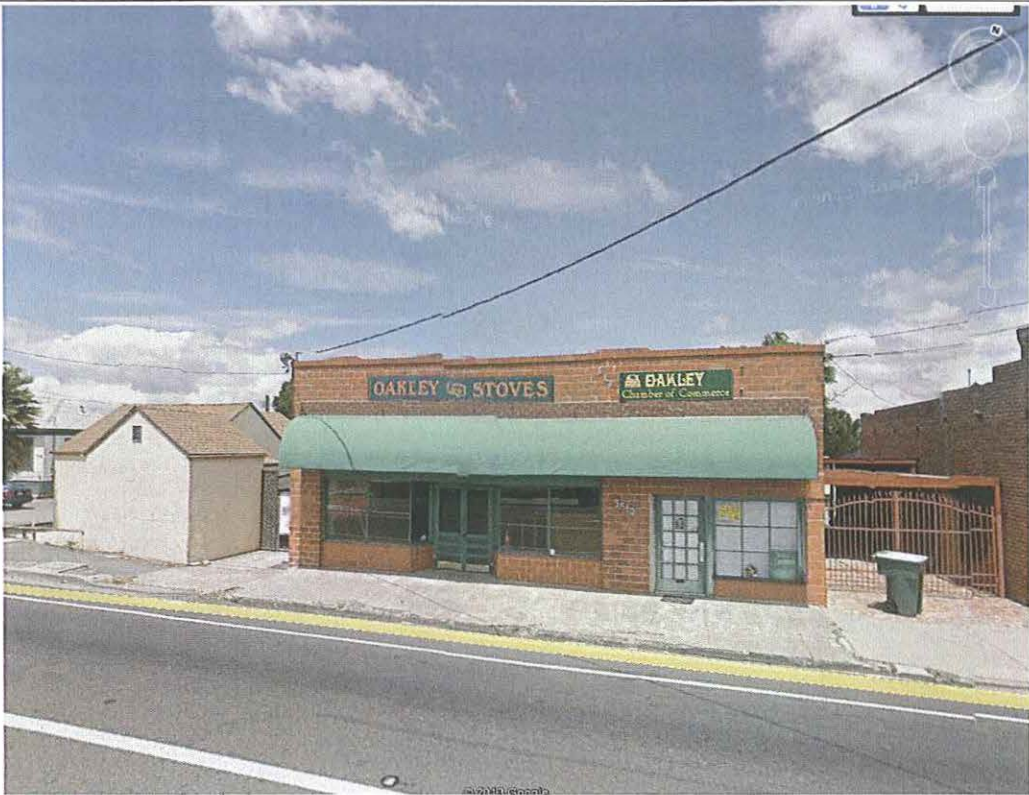




Street Views – 3510 Main Street (Oakley Stoves Bldg)







**Property 5 –**

Property 5 is located at 3350 Main Street in the Downtown area (see Figure 3). The Property is a small paved lot in the Downtown on Main Street currently providing 9 public parking spaces. By itself, it is not large enough to support a stand-alone development project. It is adjacent to 3354 Main Street (Property 6 below), which is another small paved lot currently providing 9 public parking spaces. Unfortunately, even the two parcels combined would create too small of a parcel to support a stand-alone development project. Current discussions are that the Properties 5 & 6 would best be utilized as an extension of Norcross Ave. to the north and for access to properties there.

(A) *Acquisition Information.* The parcel was purchased for \$156,220 in June 2009. At the time it contained a small home that was rented. The acquisition was funded using tax exempt bond proceeds.

(B) *Purpose of Acquisition.* The purchase of the property was to obtain the right of way needed for a future downtown infrastructure project (connecting back side properties to Main Street and a future Main Street By-Pass).

(C) *Parcel Data.* APN 037-160-008. The acreage totals approximately 0.12 acres. As mentioned above, the parcel is too small to develop on a stand-alone basis, and is too small to develop even with the adjacent Agency owned Property 6.

(D) *Current Value.* The highest and best use for the Property is as a public parking lot or the extension of Norcross Ave. to property behind. That property is not in development, nor has the City ever received an inquiry or proposal to develop it. Furthermore, the owner of the property behind, which is developable, already holds a permanent easement through this property (so he would not need to purchase this property to ensure public access to his own).

(E) *Revenues Generated by the Property and/or Contractual Requirements.* There are no revenues from the property at present, or any expected in the future. Only costs to beautify and maintain. As the property was acquired using tax exempt bond

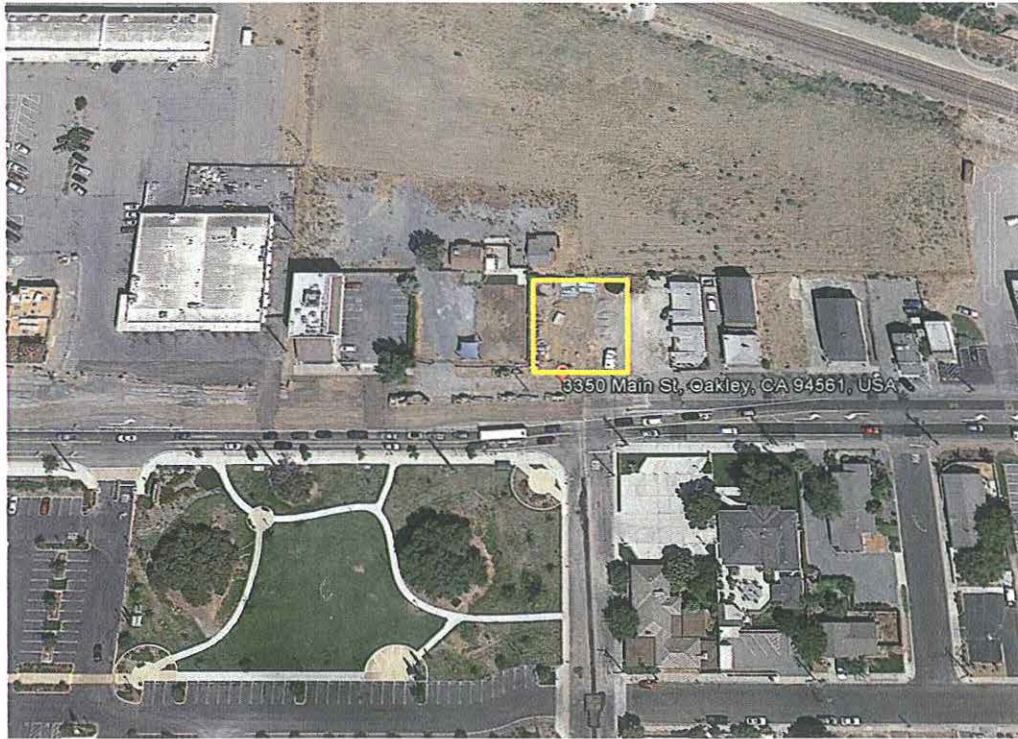
proceeds; if a portion is ever sold, use of the proceeds would be subject to Internal Revenue Code (IRC) restrictions. In addition, as mentioned above, there is an easement which effectively precludes future development on the site.

(F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with this property.

(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Retaining the current use as a public parking lot advances City and Agency planning objectives to making a pedestrian-friendly, improved and welcoming Downtown.

(H) *History of Development Proposals and Activity.* There have been no recent ground-up development proposals or activity for this parcel or any adjacent properties.

Aerial View – 3350 Main Street prior to paving



Parking lot on 3350 and 3354 Main Street



**Property 6 –**

Property 6 is located at 3354 Main Street in the Downtown area (see Figure 3). The Property is a small paved lot in the Downtown on Main Street currently providing 9 public parking spaces. By itself, it is not large enough to support a stand-alone development project. It is adjacent to 3350 Main Street (Property 5 above), which is another small paved lot currently providing 9 public parking spaces. Unfortunately, even the two parcels combined create too small of a parcel to support a stand-alone development project. Providing public parking does provide a community benefit and will make the future development of smaller parcels nearby more feasible, since their parking requirements could be reduced (or even eliminated) because of the proximity of existing public parking. To date, there are no proposed developments on any of the smaller nearby parcels.

- (A) *Acquisition Information.* The parcel was purchased for \$126,637 in April 2010. At the time it was an unimproved lot. The acquisition was funded using tax exempt bond proceeds.
  
- (B) *Purpose of Acquisition.* The purchase of the property was to obtain the right of way needed for a future downtown infrastructure project (connecting back side properties to Main Street and a future Main Street By-Pass).
  
- (C) *Parcel Data.* APN 037-160-009. The acreage totals approximately 0.11 acres. As mentioned above, the parcel is too small to develop on a stand-alone basis, and is too small to develop even with the adjacent Agency owned Property 5.
  
- (D) *Current Value.* The highest and best use for the Property is as a public parking lot or additional access to the property behind. That property is not in development, nor has the City ever received an inquiry or proposal to develop it. Furthermore, the owner of the property behind, which is developable, already holds a permanent easement through this property (so he would not need to purchase this property to ensure public access to his own).

- (E) *Revenues Generated by the Property and/or Contractual Requirements.* There are no revenues from the property at present, or any expected in the future. Only costs to beautify and maintain. As the property was acquired using tax exempt bond proceeds; if a portion is ever sold, use of the proceeds would be subject to Internal Revenue Code (IRC) restrictions. This property, is included in the photos above for property #5, and is subject to the same easement that effectively precludes any future development of the property.
- (F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with this property.
- (G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Retaining the current anticipated use as a public parking lot advances City and Agency planning objectives to making a pedestrian-friendly, improved and welcoming Downtown.
- (H) *History of Development Proposals and Activity.* There have been no recent ground-up development proposals or activity for this parcel or any adjacent properties.

Aerial View – 3354 Main Street prior to paving



Parking lot on 3350 and 3354 Main Street



**Property 7 –**

Property 7 is located at 3330 Main Street in the Downtown area (see Figure 3). The Property is a two-story commercial building in the Downtown on Main Street. The building is older, run down, and might ultimately need to be torn down. The building is currently rented month-to-month for \$1,500/month; and there is a cell tower hidden in the roofline that provides monthly rent of approximately \$1,000 after the cost of utilities. The property is immediately next to what will be a new Grocery Outlet store, so Property 7 is well located. Unfortunately, a number of factors reduce its likely value: it's dated, suffers from poor orientation and design, and needs a substantial amount of deferred maintenance. There have been no proposals to develop the property, but two local real estate investors have inquired over the last several years as to when it might be for sale.

- (A) *Acquisition Information.* The Property was purchased for \$629,195 in May 2011. At the time it was a dilapidated building going into foreclosure. The acquisition was funded using tax exempt bond proceeds.
  
- (B) *Purpose of Acquisition.* The RDA already owned the neighboring parcel that included an old, 1950's era grocery store. This property was acquired with the thinking that owning and redeveloping both properties together would better facilitate the Main Street realignment project and result in a more attractive redevelopment opportunity overall.
  
- (C) *Parcel Data.* APN 037-160-027. The acreage totals approximately 0.24 acres.
  
- (D) *Current Value.* The Property has not been appraised, nor has there been any effort to date to market it. The highest and best use for the Property is commercial. The property is well located and has frontage on the newly completed Main Street Improvement Project. The building has value, but is not currently best configured to maximize value as a Downtown building. It's likely that, in time, it'll be demolished and the land redeveloped into something that better matches the improvements in the nearby Oakley Plaza commercial development. In good condition, using current incomes and *potential* rents, the



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current value is probably in the \$400,000-\$450,000 range; although the interiors of the vacant space need significant tenant improvement, which reduces our estimated value significantly and makes any significant near term increase in net revenue unlikely. Using current rents and current condition, the value is more in the range of \$300,000-\$350,000. The value of the land alone is probably \$8-10 per square foot, or \$80,000-\$100,000. It is worth considering that the community might realize more benefit from paying for the demolition and then selling the clean parcel for development, or selling at a lower price to someone who will redevelop the Property in the near-term.

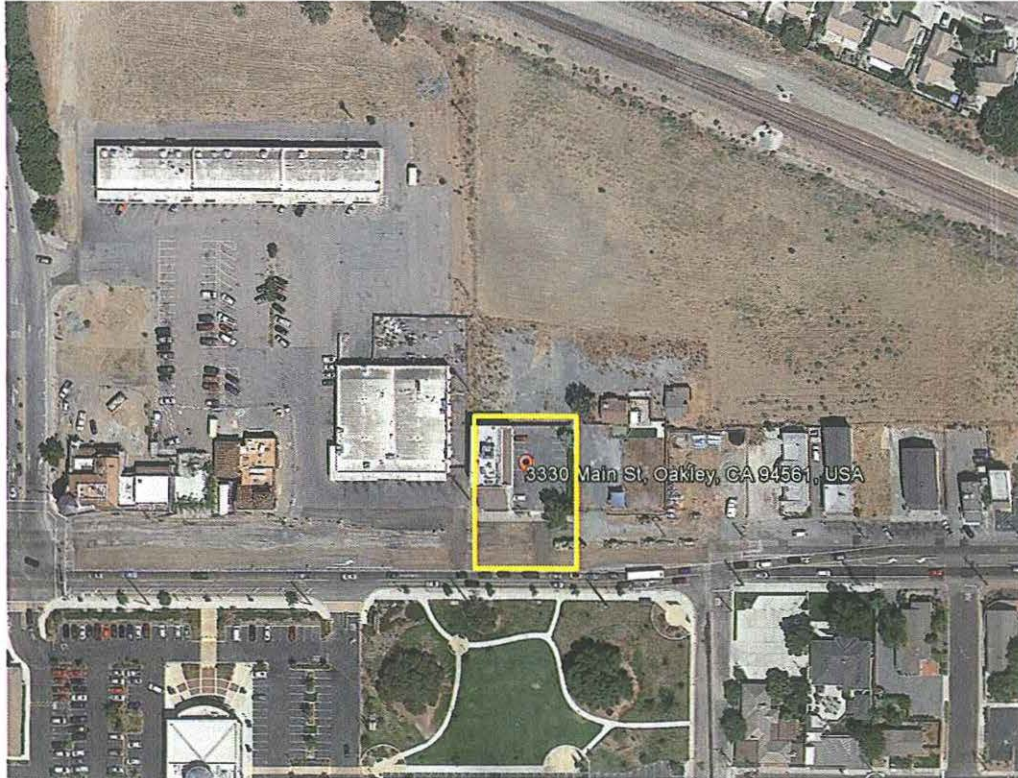
The Agency received two inquiries since the dissolution as to when the Property might come up for sale; one earlier last year, one two years ago. No price was discussed, so it is unclear whether the potential purchasers would be willing to pay market value; or whether they were seeking a fire sale opportunity. It is worth noting that both inquiries were from owners of real estate investment businesses that seek profit from owning, improving and managing property, and both inquiries were regarding buying "the building", rather than acquiring the property for redevelopment.

- (E) *Revenues Generated by the Property and/or Contractual Requirements.* The property currently generates rents of approximately \$30,000/year. Other than the potential restrictions regarding honoring the leases, there are no contractual requirements inhibiting the disposition of the property. As the property was acquired using tax exempt bond proceeds; if a portion is ever sold, use of the sale proceeds will be subject to Internal Revenue Code (IRC) restrictions.
- (F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with this property.
- (G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Selling the property to someone for redevelopment consistent with the Redevelopment Plan and Downtown Specific Plan would advance City and

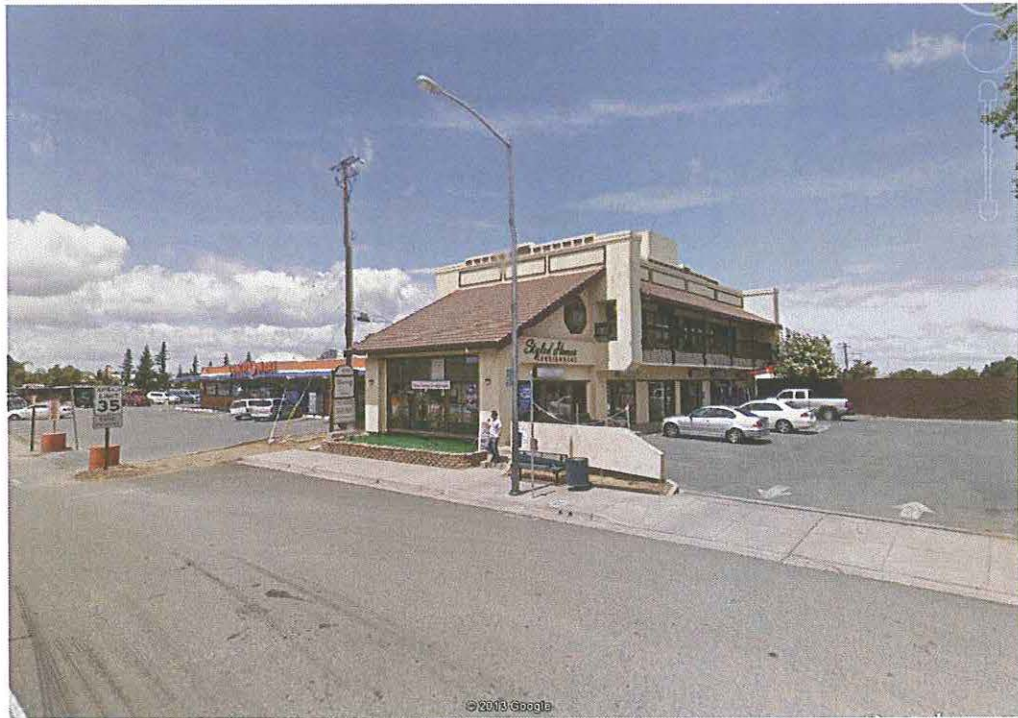
Agency Downtown planning objectives for the Downtown.

(H) *History of Development Proposals and Activity.* There have been no recent development proposals for this parcel.

**Aerial View – 3330 Main Street**



Street Views – 3330 Main Street



**Property 8 –**

Property 8 is located at 3980 Empire Avenue. The Property is a remnant parcel originally deeded to the RDA for no cost. The parcel is too small to develop on its own, and was intended to be available to dedicate towards an assemblage as an economic development incentive. There have been no proposals to develop the parcel, or the adjacent property.

(A) *Acquisition Information.* The parcel was accepted for no cost and deeded directly to the Redevelopment Agency, since the Agency was, at the time, the primary vehicle for economic development activities in the City.

(B) *Purpose of Acquisition.* This property was accepted with the intention of using it as an incentive to economic development.

(C) *Parcel Data.* APN 034-010-033. The acreage is a narrow remnant totaling approximately 0.4 acres.

(D) *Current Value.* The property has not been appraised, nor has there been any effort to date to market it. The highest and best use for the Property is commercial, but it is undevelopable on its own. Its resale value is likely de minimus even to the adjacent property owner, who would likely accept it for free – with no obligation for accelerating the property's development. The highest Community benefit would likely come from deeding the property to the City and letting the City use it to incent development of the larger (3 acre) adjacent parcel when possible.

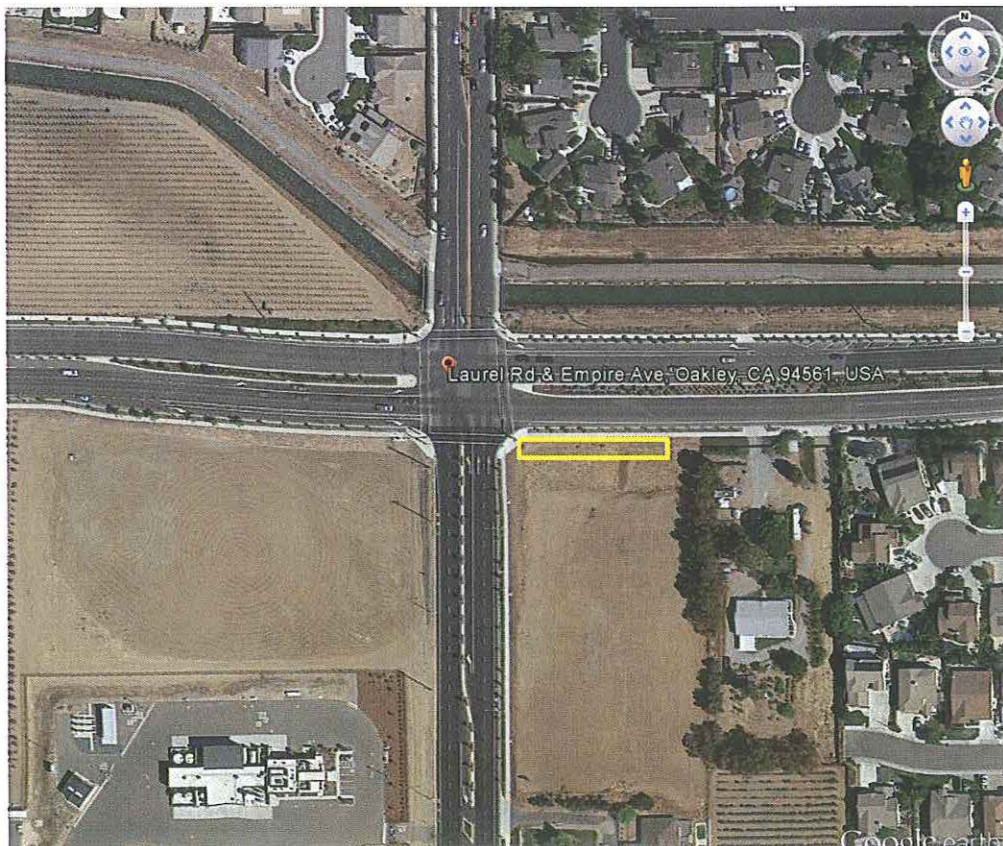
(E) *Revenues Generated by the Property and/or Contractual Requirements.* The property currently generates no revenues and has no contractual encumbrances that we know of.

(F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with this property.

(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.*  
Selling or conveying the property to an adjacent property owner conditioned on property development someone for economic development consistent with City zoning and the General Plan would advance City planning objectives.

(H) *History of Development Proposals and Activity.* There have been no development proposals for this parcel.

**Aerial view – 3980 Empire Ave., with shape showing property owned by Successor Agency**



Street View – 3980 Empire Avenue frontage and Adjacent Property



**Property 9 –**

Property 9 is located at 3201 Main Street in the Downtown area (see Figure 3). The property is a single story 6,000 square foot restaurant in the Civic Center development Downtown. The property is leased under a long-term lease and operated as a Black Bear Diner franchise location. The building shares the Civic Center Plaza parking lot with the other residents of the development (which includes City Hall, the retail office of Oakley Disposal Service (an independent collection service), and the Civic Center Park and Amphitheater).

- (A) *Acquisition Information.* The land was purchased from the County as part of the jurisdictional transfer agreement when the Oakley Redevelopment Agency was formed and took over the assets and liabilities of the Oakley Project Area in 2001. There was no singular price established for the purchase. At the time it was part of a larger vacant parcel. The building was constructed in 2007 by the Agency using taxable bond proceeds and tax increment.
  
- (B) *Purpose of Acquisition.* Not sure for the original acquisition. We expect the larger parcel was acquired by the County for Downtown improvement and redevelopment. It was acquired years prior to the Oakley Agency's formation.
  
- (C) *Parcel Data.* APN 035-090-078. The acreage totals approximately 0.25 acres.
  
- (D) *Current Value.* The Property has not been appraised, nor has there been any effort to date to market it. The highest and best use for the Property is commercial. The property is well located and has frontage on the newly completed Main Street Improvement Project. Current rents are \$12,500/month, triple net, and are at or near market value. It is worth noting that with Successor Agency property tax revenues still well below obligated expenses; these rents are currently of great value to the Agency. The shared parking arrangement will likely affect the value of the Property.
  
- (E) *Revenues Generated by the Property and/or Contractual Requirements.* The property currently generates rents of approximately \$150,000/year, on a triple net basis.

Other than the potential restrictions regarding honoring the lease, there are no contractual requirements inhibiting the disposition of the property. Given the location of the property, at such time that the Agency can afford the loss of the rental stream – the City may in fact be the preferred buyer and discussions of how to compensate the other affected local agencies pursuant to the Dissolution Act may then be most appropriate.

(F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with this property.

(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Not applicable for this property; the property has already been developed to advance Redevelopment and City planning objectives.

(H) *History of Development Proposals and Activity.* Development of the property is completed.

**Aerial View – 3201 Main Street**





Street Views – 3201 Main Street



**Property 10 –**

Property 10 is comprised of several small contiguous unimproved parcels located at 1731 Main Street. The property was previously remediated for hazardous contamination (it had long ago been an auto salvage yard). Future development is possible, but is limited by Department of Toxic Substances Control (DTSC) conditions. The parcels could conceivably be developed as a unit, but is bordered on all sides by vacant developable land owned by a single corporate owner (who is not a developer). What is obvious is that the Agency's property will provide much more value being incorporated into a single larger development of the surrounding property than it ever could via a stand-alone sale. Prior to the recession, the Agency was in discussions with a developer to contribute the property as an incentive to development of the larger parcel; but the recession made the development unfeasible (it was planned that the Agency's parcel with its limited authorized uses, would be a good location for a commercial development entryway or parking area). There are no current proposals to develop the parcel, but we are aware that the developer remains interested in developing the adjacent property and incorporating this property into the plan, if possible.

- (A) *Acquisition Information.* The parcels were accepted from the County as part of the jurisdictional transfer in 2001, and more than \$1 million was invested in its remediation, which was completed several years ago.
  
- (B) *Purpose of Acquisition.* The property was accepted with the intention that the Agency would 1) remediate the prior contamination, and then 2) dispose of it in such a way as to incent its return to productive use. Clearly, if it could be used as an incentive to economic development that would likely provide the greatest community benefit.
  
- (C) *Parcel Data.* APN 037-100-013, 019 and 023. The acreage totals approximately 1 acre.
  
- (D) *Current Value.* The property has not been appraised, nor has there been any effort to date to market it. The highest and best use for the Property is

commercial, but its uses are restricted by the DTSC conditions. Its resale value is likely *de minimus* even to the adjacent property owner; but its conveyance to accelerate and improve the development of the adjacent property would be of value to the community. As mentioned above, the Developer who was working on developing the adjacent property prior to the recession remains interested in incorporating the parcel in his future development.

(E) *Revenues Generated by the Property and/or Contractual Requirements.* The property currently generates no revenues – only maintenance expenses (weed abatement; parcel taxes) and other than the DTSC conditions, it has no contractual encumbrances that we know of.

(F) *Environmental Contamination and Remediation.* As mentioned above, there was contamination on the site, and it has been remediated. While available for public use again, DTSC has placed conditions/limitations on its uses.

(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Selling or conveying the property to an adjacent property owner conditioned on property development consistent with the General Commercial zoning and Commercial General Plan land use designation would advance City and Agency planning objectives.

(H) *History of Development Proposals and Activity.* There was a proposal on the surrounding property prior to the recession, and it included use of the Agency's property as part of the site's entryway and parking.

**Aerial view – 1731 Main Street, with shape showing property owned by Successor Agency**



**Street View – 1731 Main Street frontage and Adjacent Property**



**Property 11 –**

Property 11 is located at 1033 Main Street across the street from the River Oaks Crossing Specific Plan area (see Figure 4). The Property is an undeveloped parcel, zoned commercial with frontage on Main Street. It lies adjacent to a dilapidated trailer park on one side, and other Agency owned property on the others (Property 12 below). The Agency has cleared the Property, and while dedications and roadway and right of way improvements will be required in the future, the remainder of the property is developable. There have been no proposals to develop the property, but if a developer is found for the surrounding properties, this property and property 13 below, would both likely be a desirable additions for an assemblage.

- (A) *Acquisition Information.* The parcel was purchased for \$415,000 in December 2009. At the time it held two rental homes, and the owner was facing foreclosure. The acquisition was via short sale. The Agency owned the neighboring property, and the owner approached us regarding a negotiated short sale. The property never hit the market. The acquisition was funded using tax exempt bond proceeds.
  
- (B) *Purpose of Acquisition.* The RDA already owned and had cleared the neighboring parcel. This property was acquired with the thinking that redeveloping both properties together might result in a more attractive redevelopment opportunity and with those portions not required for roadway and right of way improvements, the remainder might be used to incent faster development of larger surrounding properties and result in a better project overall.
  
- (C) *Parcel Data.* APN 037-050-013. The acreage totals approximately 0.5 acres.
  
- (D) *Current Value.* The property has not been appraised, nor has there been any effort to date to market it. The highest and best use for the Property is commercial; and it is located in an area identified by the City as its primary future commercial area. By itself, it's not likely to sell at all, as it is too small to gain the economies of scale necessary to either attract business to the area, or to serve as a meaningful light industrial site. If combined with adjacent and/or nearby properties, the value of the land could be worth as much as \$8-10 per

square foot, or \$175,000 – \$200,000 *before* reduction for required dedications, and before discounting for its proximity to the trailer park. It is more likely that no one would buy it, and that the Agency will one day be approached to dedicate the property towards a new commercial development, public parking area, or other improvement to incent or enhance the faster development of a larger project on nearby property.

(E) *Revenues Generated by the Property and/or Contractual Requirements.* The property currently generates no rents; only maintenance costs (weed abatement; parcel taxes). There are no contractual requirements inhibiting the disposition of the property; although the proceeds from a sale would be subject to IRC use of proceeds restrictions.

(F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with this property.

(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* The property was acquired and the old buildings demolished. A portion of the property will need to be dedicated for roadway and other public improvements. Selling or using the remainder of the property to incent a desirable commercial development, consistent with the Redevelopment Plan and River Oaks Crossing Specific Plan would advance City and Agency planning objectives.

(H) *History of Development Proposals and Activity.* There have been no recent development proposals for this parcel.

**Aerial View – 1033 Main Street**



Street View – 1033 Main Street



Trailer park next door:





**Property 12 –**

Property 12 is located at 5400 Neroly Road across the street from the River Oaks Crossing Specific Plan area (see Figure 4), and adjacent to Property 11. The Property is an undeveloped parcel, zoned commercial with frontage on Main Street and on Neroly Road. It lies adjacent to a dilapidated trailer park on one side, the other Agency owned property in between, and a larger privately owned unimproved parcel behind. The property was previously an old PG&E station and storage yard, gone to disuse. The Agency has cleared the property, and while roadway and right of way improvements remain to be installed, the remainder of the property is developable. There have been no proposals to develop the property, but if a developer is found for the surrounding properties, this property (and property 12 above) would likely be desirable additions.

(A) *Acquisition Information.* The parcel was purchased for \$1,410,000 in January 2010. At the time it held several old and out of use buildings and it was an eyesore. PG&E agreed to sell the property through a friendly condemnation. The acquisition was funded using tax exempt bond proceeds.

(B) *Purpose of Acquisition.* This property was acquired so that after clearing the old buildings and remediating any minor clean up, if needed, those portions of the property not required for roadway and right of way improvements would be used to incent development of larger surrounding properties, provide public parking and or a transit stop, consistent with the Redevelopment Plan and River Oaks Crossing Specific Plan.

(C) *Parcel Data.* APN 037-050-014. The acreage totals approximately 2.2 acres.

(D) *Current Value.* The Property has not been appraised, nor has there been any effort to date to market it. The highest and best use for the Property is commercial; and it is located in an area identified by the City as one of the City's primary future commercial areas. If combined with adjacent and/or nearby properties, the value of the land could be worth as much as \$8-10 per square foot, or \$750,000 – \$950,000 before reduction for required dedications, and before discounting for its proximity to the trailer park. It is far more likely that the

highest long-term Community Benefit would be achieved by combining with property 12 above, and used to incent or enhance the faster development of a larger project on nearby property.

(E) *Revenues Generated by the Property and/or Contractual Requirements.* The property currently generates no recurring rents, and there are some recurring maintenance costs (weed abatement; parcel taxes). There are no contractual requirements inhibiting the disposition of the property; although, the proceeds from a sale would be subject to IRC use of proceeds restrictions.

(F) *Environmental Contamination and Remediation.* This property was a former maintenance and storage site for PG&E. There are no known contamination or remediation issues with this property. The property was tested at acquisition and was cleared of contamination prior to acquisition and demolition work.

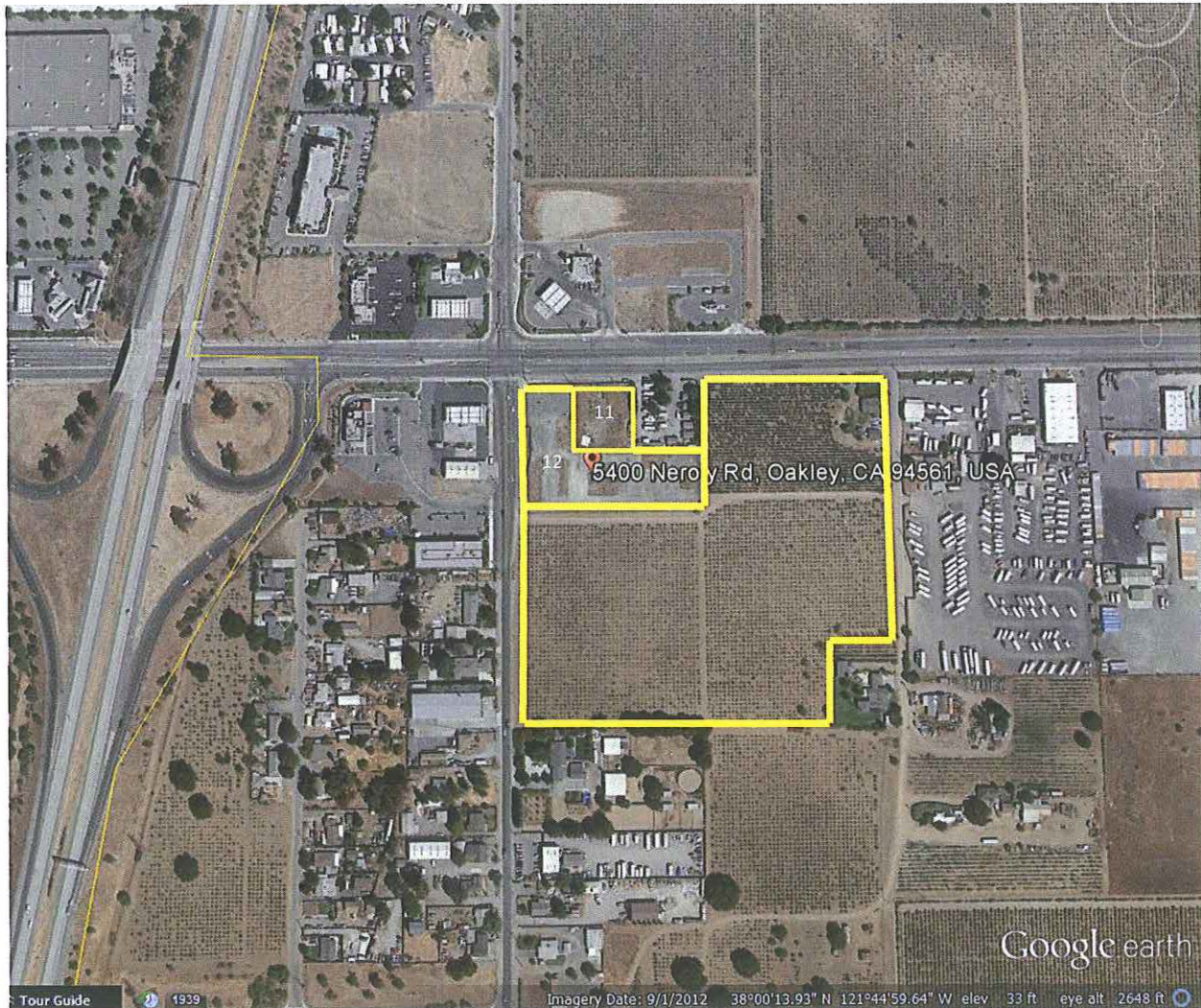
(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* The property was acquired and the old buildings demolished. A portion of the property will need to be dedicated for roadway and other public improvements. Selling or using the remainder of the property to incent a desirable commercial development, consistent with the Redevelopment Plan and River Oaks Crossing Specific Plan would advance City and Agency planning objectives.

(H) *History of Development Proposals and Activity.* There have been no recent development proposals for this parcel.

**Aerial View – 5400 Neroly Road, showing its proximity to the (rectangular) 248 acre Du Pont Redevelopment site and to the (triangular) 76 acre River Oaks Crossing site.**



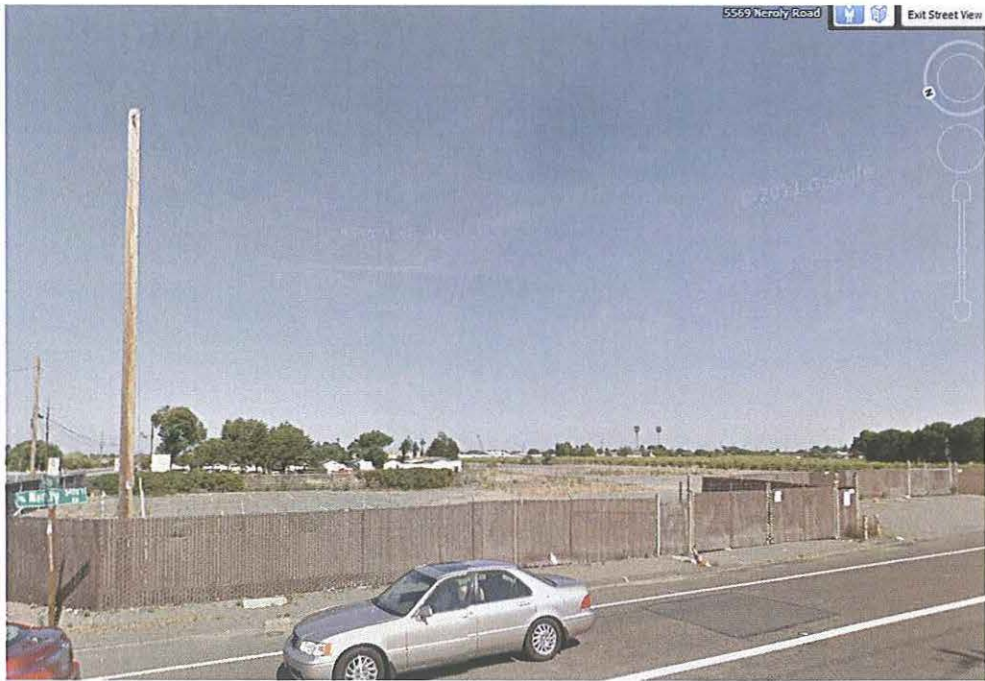
**Aerial View – 5400 Neroly Road, with shapes showing property 11, 12 and the ~15-acre property adjacent, that is zoned General Commercial (C) district.**



Aerial View Closer Up, showing Properties 12 and 13 (and the trailer park)



Street View – 5400 Neroly Road



**Property 13 -**

Property 13 is located at 101 Carol Lane. The Property is an undeveloped parcel, zoned commercial with frontage on Main Street and Carol Lane. It lies adjacent to a developable unimproved parcel that was acquired by the City in 2012. Property 13 was previously owned by the City, and deeded to the RDA at no cost when it had greater power to negotiate development agreements – but the adjacent property owner wasn't interested in selling. The owner had a material easement through the heart of the property (see image below), rendering the Agency impotent to successfully arrange its development. Since the City purchased the adjacent property, the two properties were advertised for sale as a developable unit, and a buyer has stepped forward to purchase and develop them for commercial uses.

- (A) *Acquisition Information.* Property 13 was obtained from the County as part of the jurisdictional exchange at the City's incorporation in 1999, for use in a future roadway project. Title was transferred to the Agency in 2005, because under State Law, the Agency had greater flexibility in negotiating the future development of the portion not needed for the roadway. Such development never materialized.
  
- (B) *Purpose of Acquisition.* This property was acquired for a future roadway project and development. The City saw an enhanced future development opportunity if it were assembled with the neighboring property, and so transferred the property to the Agency for that purpose.
  
- (C) *Parcel Data.* APN 037-132-038. The acreage totals approximately 0.37 acres.
  
- (D) *Current Value.* The property has not been appraised. The highest and best use for the Property is commercial. Unfortunately, it remains encumbered by an easement that prohibits its stand-alone development. On a stand-alone basis, it probably would be considered effectively valueless with the easement that encumbers it. If combined with the adjacent City owned property (which would add 0.38 acres and eliminate the need for the easement), the two parcels may be sold for a single price of \$339,000. This value is pursuant to an option the City

Council approved, subject to the Property's inclusion in, and final approval of, this Property Management Plan.

- (E) *Revenues Generated by the Property and/or Contractual Requirements.* The property currently generates no recurring rents, and there are some recurring maintenance costs (weed abatement; parcel taxes). There are no contractual requirements inhibiting the disposition of the property; however, the easement that runs through the middle of the property renders it undevelopable without its being a part of an assemblage.
- (F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with this property.
- (G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* Disposing of the property for commercial development would advance City and Agency planning objectives.
- (H) *History of Development Proposals and Activity.* The Property (along with the adjacent City owned parcel) is subject to an option for sale, conditioned upon its inclusion in this Plan and its final approval, and the purchaser/developer has plans for a small commercial development on this and the adjacent parcel.



101 Carol Lane – with the driveway and easement clearly shown.



**Property 14 –**

Property 14 is an aggregation of all the Agency’s Pavement, Rights of Way, Traffic Signals, Park Rehabilitation Improvements and Other Public Improvements – all currently used for governmental purposes. We have included these in this PMP so that the Successor Agency, Oversight Board and DOF may approve their conveyance to the City.

(A) *Acquisition Information.* The property and rights in question have been acquired from the County (in the jurisdictional transfer), in the course of completing public improvement projects in what was the Project Area, and in rehabilitating City Parks with Housing related grants previously awarded to the Agency.

(B) *Purpose of Acquisition.* Government purposes. Roadways, rights of way, traffic signalization, other improvements, parks.

(C) *Parcel Data.* Not applicable for this item.

(D) *Current Value.* These assets have not been appraised, but they are on the books at the following carrying values:

Pavement	\$10,537,134
Rights of Way	\$ 529,343
Traffic Signals	\$ 289,673
Park Rehabilitation Improvements	\$ 637,216
Other Public Improvements	<u>\$ 964,387</u>
 Total	 <u>\$ 12,957,753</u>

*\*The Long Range Property Management Plan also contemplates that any new infrastructure assets created through the completion of enforceable obligations shall, on completion, be transferred to the City, consistent to what is recommended for Property 14.,*

(E) *Revenues Generated by the Property and/or Contractual Requirements.* No revenues; and the City currently provides the appropriate maintenance.

(F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with these assets/properties.

(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.*  
All of the assets are either already in use to advance these objectives, or have been acquired specifically for the purpose of advancing these objectives.

(H) *History of Development Proposals and Activity.* Not applicable for this item.

**Property 15 –**

Property 15 is a public parking lot located at 3667 Main Street. The Property provides public parking in a commercial area otherwise greatly underserved. The surrounding property is generally made up of smaller commercial buildings/stores. On street parking is poor, and the public parking lot provides a safe, available place for patrons visiting the area.

- (A) *Acquisition Information.* Two properties were actually acquired in order to provide a “drive-through” lot, with an adequate number of spaces. The first was the Main Street frontage property, acquired in September 2008 for \$156,220. The Agency then purchased a home that came up for sale on the back side of the property (E. Ruby Street) that provided the “drive-through” capability. The home was purchased in February 2009 for \$ 91,371. Both acquisitions were funded with tax exempt bond proceeds.
- (B) *Purpose of Acquisition.* Public Parking.
- (C) *Parcel Data.* The property is at 3667 Main Street.
- (D) *Current Value.* The property’s highest and best use is as a parking lot. There has been no appraisal of the property, and it would be difficult to find an interested buyer as the property has little development potential. No efforts have been made to market the property, and no one has expressed interest in using it for any other purpose.
- (E) *Revenues Generated by the Property and/or Contractual Requirements.* The property generates no revenues, but as with any public parking lot, requires maintenance. There are two contractual requirements for the property: 1) The Purchase Agreement specifies that the purchase is for a public parking lot and requires the Agency to build it (and presumably that it remains a parking lot); and 2) should any portion of the property ever be sold, the proceeds from the sale would be subject to IRC use of proceeds restrictions.

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(F) *Environmental Contamination and Remediation.* There are no known contamination or remediation issues with this property. There was an examination of the house on the E. Ruby Street portion of the land, and there was some contamination found. It was remediated prior to construction of the parking lot.

(G) *Potential for Transit Oriented Development and Advancement of Planning Objectives.* The properties were developed into a public parking lot to advance Redevelopment and City planning objectives.

(H) *History of Development Proposals and Activity.* There have been no development proposals or activity on this property; and no future development is likely as long as the area remains in its current configuration and services small commercial enterprises of the type currently in the area.

Aerial View – 3667 Main Street



Street View – 3667 Main Street



Street View of Small Business Area Served



**Part II: Property Disposition and Use**

This part of the PMP addresses and sets forth the planned use or disposition of each of the Properties in the manner described in Health and Safety Code Section 34191.5(c)(2). The following table summarizes the four types of permitted disposition/use that are authorized by that code section to be proposed in the PMP, plus we have added a category to use where the use of proceeds from the sale of a property for cash is restricted by Federal Law.

**Table 1:** Permitted Uses/Disposition of Successor Agency Real Property under a Long Range Property Disposition Plan (HSC Section 34191.5)

<b>Plan Category</b>	<b>Use/Disposition Purpose of Property</b>	<b>Property Transferee</b>
Enforceable Obligation	Use Consistent with Enforceable Obligation Terms	Designated Enforceable Obligation Recipient
Governmental	Governmental Use in Accordance with Section 34181(a)	Appropriate Public Jurisdiction
Approved Redevelopment Plan Project	Direct use, or Liquidation and Use of Proceeds, for Project Identified in Approved Redevelopment Plan	Host Community (City or County)
Other Liquidation(1)	Distribution of Sale Proceeds as Property Taxes to Affected Taxing Agencies	Approved Purchaser
Other Liquidation of Property Originally Purchased with Tax-Exempt Bond Proceeds(2)	Use of Sale Proceeds to Complete Tax Exempt Public Capital Projects or Defeasance Related Bonded Indebtedness	Approved Purchaser

(1) *Current Law regarding the sale of Surplus Property, and Oversight Board Policy adopted consistent with that Law, calls for other liquidations to occur using an RFP process. Several of the properties in this PMP will be sold or disposed of for cash or other terms that maximize Community Value, and the expectation of this PMP, is that such sale will not be limited to the use of an RFP process. Any number of viable means might be used to market the property and/or negotiate to maximize Community Value.*

(2) *This category added to reflect the circumstance where the use of the proceeds from the sale of a property originally acquired with tax-exempt bond proceeds for cash, is restricted by Federal Law.*



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**Summary of Oakley Property Disposition and Uses under the PMP:**

As required by HSC 34191.5(c)(2), the PMP identifies in the detail that follows, that:

- 1) 3 of the Properties are needed to be retained for purposes or fulfilling an enforceable obligation; and
- 2) 7 of the Properties are dedicated for governmental use purposes (infrastructure and/or economic development).
- 3) 0 of the Properties are identified for direct use, or liquidation and use of the proceeds, for a project identified in an approved redevelopment plan.
- 4) 2 of the Properties are categorized for other liquidation, with the proceeds of sale available for distribution to affected taxing entities.
- 5) 3 of the Properties are categorized for other liquidation, with the use of any cash proceeds subject to restrictions because the properties were purchased using tax-exempt bond proceeds.

**Redevelopment and Planning Documents Referred to in this Section**

The Appendix to this report includes the following Oakley Redevelopment Agency and City of Oakley planning documents, along with a brief description of their purpose and contents:

**Restated and Amended Oakley Redevelopment Plan (October 2001)**

The Oakley Redevelopment Plan is the guiding document for redevelopment activities the Agency pursued prior to its dissolution January 31, 2012. It contained a list of redevelopment goals and projects focused primarily on redevelopment and economic development in the City's industrial and Downtown areas, including incenting private investment, improving roadways and circulation, developing area plans to encourage the long term success of the redevelopment efforts and to reduce the costs associated

with private development in these areas. The Plan also included acquiring property, and as needed, installing or mitigating fees for infrastructure and utilities, in order to further these objectives.

### **Downtown Specific Plan**

The Oakley Downtown Specific Plan is the guiding document for the development/redevelopment of the City's Downtown area. It includes sections not only on zoning and use, but provisions governing design, landscaping, parking needs, and land-use, all provisions established to encourage consistent, orderly development, and to give investor/developers assurance regarding the standards applicable to future development on surrounding properties. The Downtown Specific Plan describes and provides the City's vision for the redevelopment of the Downtown.

### **River Oaks Crossing Specific Plan**

The River Oaks Crossing Specific Plan was developed to pre-approve development criteria and entitlements for the City's industrial and primary future retail development area in the eastern part of the City. The Plan includes approvals for up to 650,000 square feet of retail, restaurants, and a hotel on the north side of Main Street. It also includes consideration of the redevelopment of the adjacent Du Pont industrial site, and further development/redevelopment of ~100 acres on the south side of Main Street.

### **Oakley's General Plan**

Oakley's General Plan is the City's guiding planning document for all aspects of land use in the City.

**Long-Term Planned Use/Disposition of Each Oakley PMP Property Interest**

This PMP anticipates economic conditions may not be immediately conducive for private development on some or all of the properties that maximizes community benefits; however, the long term, optimal planned use of each Property is described below in Table 2, followed by detailed explanations supporting each recommendation/decision/designation.

**Table 2:** Long-Term Recommended Planned use/Disposition of Each Oakley PMP Property and/or Property Interest

<b>Property</b>	<b>Recommended Disposition</b>	<b>Disposition Plan Category</b>	<b>Planned Use</b>
#1. 3080-3090 Main Street- Public Plaza and Public Parking Lot	Transfer to the City of Oakley to meet obligations of existing agreements with business owners.	Enforceable Obligation	Public parking lot and public plaza
#2. 3960-3962 Main Street – right of way and unimproved parcel	Transfer to the City of Oakley for roadway dedications and to care for undevelopable remnants	Governmental	Roadway and public parking or landscaped remnants
#3. 3540 Main Street – right of way and unimproved parcel	Transfer to the City of Oakley for roadway dedications and to incent future economic development, if possible	Governmental	Roadway and economic development incentive, if possible.
#4. 3510 Main Street – right of way and office building	Transfer to the City of Oakley for roadway dedications and to incent future economic development, if possible	Governmental	Roadway and economic development incentive, if possible.

**Long Range Property Management Plan**  
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#5. 3350 Main Street – unimproved parcel	Transfer to the City of Oakley for use as public parking lot and to ensure compliance with agreement to provide adjacent property owner with Main Street access into perpetuity.	Enforceable Obligation	Public parking lot and easement/Main Street access for property owner behind.
#6. 3354 Main Street – unimproved parcel	Transfer to the City of Oakley for use as public parking lot and to ensure compliance with agreement to provide adjacent property owner with Main Street access into perpetuity.	Enforceable Obligation	Public parking lot and easement/Main Street access for property owner behind.
#7. 3330 Main Street – 3,500 sf leased commercial building	Liquidation via cash sale. It is unclear whether more long-term Community Value will be realized by removing the building and selling the lot, or by selling the building in its current state.	Other Liquidation of Property Originally Purchased with Tax-Exempt Bond Proceeds	Sale as commercial building/development site.
#8. 3980 Empire Ave – unimproved parcel	Transfer to the City of Oakley to incent future economic development	Governmental	Future economic development

#9. 3201 Main Street – 6,000 sf leased restaurant building	Transfer ownership to the City of Oakley in exchange for compensation pursuant to H&S Code section 34180(f); or liquidation in a cash sale.	Other Liquidation	Restaurant
#10. 1731 Main Street – unimproved parcel	Transfer to the City of Oakley to incent future economic development	Governmental	Commercial use - for parking or public access to surrounding property's future development.
#11. 1033 Main Street – unimproved parcel	Liquidation in manner to maximize Community Value. That may be as an economic development enhancement, dedication for a public use, or by cash sale.	Other Liquidation of Property Originally Purchased with Tax-Exempt Bond Proceeds	A portion of the property likely to be for public use; the remainder likely private commercial development.
#12. 5400 Neroly Road – unimproved parcel	Liquidation in manner to maximize Community Value. That may be as an economic development enhancement, dedication for a public use, or by cash sale.	Other Liquidation of Property Originally Purchased with Tax-Exempt Bond Proceeds	A portion of the property likely to be for public use; the remainder likely private commercial development.
#13. 101 Carol Lane – Unimproved Parcel	Re-convey to City so that it can be included in a proposed sale for commercial development.	Other liquidation	Commercial development.

#14. (Group) Aggregation of Rights of Way, Traffic Signals, and Park Rehabilitation Improvements – all currently used for governmental purposes	Transfer to the City of Oakley	Government	Infrastructure/current government uses.
#15. 3667 Main Street – Public Parking Lot	Transfer to the City of Oakley	Enforceable Obligation	Remain a public parking lot, pursuant to the original Purchase and Sale Agreement when acquired.

**Detailed Reasons for Long-Term Planned Use/Disposition of Each Oakley PMP Property and/or Property Interest**

**Property 1** – The public parking lot and public plaza that make up Property 1 must be maintained pursuant to agreements with the surrounding businesses. Development and Disposition Agreements require the public parking lot and plaza’s existence, and agreements with the businesses to participate in maintaining the property require the Agency’s continued involvement. Conveying the property to the City allows the City to step in and take on/manage these obligations.

**Property 2** – Property 2 is bound by the railroad tracks/right of way and after considering the setback required for future Main Street widening, is too shallow to provide a meaningful development opportunity. Conveying the property to the City for the future roadway work, and letting the City resolve what to do with the remnant, is beneficial to the Agency, as it eliminates the cost of maintaining the remnant, payment of property taxes, and carrying the liability risks that come with owning a vacant parcel.

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**Property 3** – Property 3 is bound by the railroad tracks/right of way and after considering the setback required for future Main Street widening, is too small to provide a meaningful development opportunity. Conveying the property to the City for the future roadway work, and letting the City resolve what to do with the remnant, is beneficial to the Agency, as it eliminates the cost of maintaining the remnant, payment of property taxes, and carrying the liability risks that come with owning a vacant parcel.

**Property 4** - Property 4 is bound by the railroad tracks/right of way and after considering the setback required for future Main Street widening, leaves a remnant that is severely development challenged. Its elevation is would require a significant amount of fill to even facilitate a downslope building; and the remainder is insufficient in size to create both a building and provide required parking. Conveying the property to the City when the time comes for the future roadway work, preserves rents for the Successor Agency; and when conveyed, will leave the City to determine how to dispose of it (most likely, as a potential economic development incentive - providing a means to encourage an assemblage with neighboring parcels in the future).

**Properties 5 & 6** – Properties 5 & 6 are currently developed as public parking lots (with some area left to landscape. As these are small parcels, and a perpetual easement ensuring a traffic access point to Main Street through them was granted to an owner of an adjacent property, obstructs future development. Conveying the property to the City is beneficial to the Agency, as it eliminates the cost of maintaining the remnant, payment of property taxes, and carrying the liability risks that come with owning a vacant parcel. In the short-term it provides community benefit in that it offers a small amount of additional Downtown public parking; in the longer-term it will either serve as public parking or possibly be a part of an extension of Norcross Avenue.

**Property 7** – Property 7 is an existing commercial building, and can be sold. The highest community value may be to raze the building and sell the lot for new development; and the Agency recommends working with a local professional to determine whether a straight sale of the building in its current state or removing the building will be better in the long-term for the Community. It is worth noting that the use of proceeds from any

sale for cash is restricted because the property was purchased with tax-exempt bond proceeds.

**Property 8** – Property 8 is, by itself, an undevelopable parcel. Its highest and best use would be development with its sole adjacent property (that is privately owned). Unfortunately, the adjacent property owner has not yet sought to sell or develop his property for commercial purposes – and we see no one else potentially willing to purchase the property. Conveying the property to the City is beneficial to the Agency, as it eliminates the cost of maintaining the remnant, payment of property taxes, and carrying the liability risks that come with owning a vacant parcel. It also places the parcel in the hands of the Agency now responsible for economic development in the City – to carry out what is eventually necessary to see the property used for its highest and best use.

**Property 9** – Property 9 is a commercial building currently leased to a Black Bear Diner franchisee. The building can ultimately be sold, or transferred to the City pursuant to Health and Safety Code section 34180(f), if agreements can be reached with the other taxing agencies. Its joint use of the Civic Center Plaza parking lot hinders its market value and a sale to the City is the most logical disposition.

**Property 10** – This property has limited use, as it previously was contaminated. DTSC limitations are such that its use as a parking lot or ingress/egress to a larger commercial development of adjacent property would contribute the most community value. With weakness still remaining in the commercial markets, our recommendation is to the transfer of the property to the City. Conveying the property to the City is beneficial to the Agency, as it eliminates the cost of maintaining the remnant, payment of property taxes, and carrying the liability risks that come with owning a vacant parcel. Most importantly, it also places the parcel in the hands of the Agency now responsible for economic development in the City – to carry out what is eventually necessary to see the property used for its highest and best use.

**Property 11 & 12** – Properties 11 and 12 are contiguous and developable on a stand-alone basis, or as part of an assemblage with a larger nearby parcel. A portion of the



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property will need to be dedicated for roadway improvements; however the remainder is most likely to be used for commercial development. Determining how to maximize community value will need further professional evaluation – whether through an assemblage, or as a private sale. It is worth noting that the use of proceeds of any sale for cash is restricted because the property was purchased with tax-exempt bond proceeds.

**Property 13** – Property 13 by itself is undevelopable as it is encumbered by an access easement through its middle. The property was deeded to the Agency by the City at no cost in 2005, as the Agency had more flexibility in negotiating development incentives at that time. The expectation was that the Agency or a private developer would be able to acquire the adjacent property for development, and an assemblage could be negotiated. Dissolution occurred first. The City, believing that because no tax increment was used to acquire the property and the Agency was now precluded from pursuing its prior economic development goals, thought the return of the property to the City was allowed and didn't need Department of Finance approval.

The City purchased the adjacent developable property in 2012 (after Dissolution), and with it the pre-existing easement. Because the City now controlled the adjacent property and easement, it offered the two properties for sale as an assemblage; and following receipt of an offer, was informed by the Department of Finance, that the Agency owned property would need to be presented in the Property Management Plan.

The sale documents were rescinded and converted to an option for the potential buyer. We recommend Property 13 be conveyed to the City and the sale allowed to proceed.

**Property 14** – All of the existing infrastructure previously owned by the Redevelopment Agency and in use at the time of dissolution, as a group that were not transferred to the City prior to dissolution make up Property 14 (these are made up of rights of way, traffic signals, and park rehabilitation improvements funded previously by State grants to the Redevelopment Agency for successful affordable housing projects). As a practical matter, these assets are not salable, and are already in use for governmental purposes. They should be conveyed to the City. (*The Long Range Property Management*

*Plan also contemplates that any new infrastructure assets created through the completion of enforceable obligations shall, on completion, be transferred to the City, consistent to what is recommended for Property 14.)*

**Property 15** - Property 15 is a public parking lot at 3667 Main Street. The property owner that made it possible consented to selling his property to the Redevelopment Agency based on the Agency’s promise that it would become a public parking lot. The Agency acquired the property and the parking lot was developed. Conveying the property to the City allows the City to step in and ensure the parking lot remains maintained. In addition it benefits the Successor Agency in that the City would become responsible for any maintenance cost, taxes, and liability associated with owning a public parking lot.

**Short-Term Planned Use/Disposition of Each Oakley PMP Property and/or Property Interest**

This PMP anticipates economic conditions may not be immediately conducive for private development on some or all of the properties that maximizes community benefits. As such, until the long term, optimal planned use as described in Table 2 becomes financially feasible for each respective Property; each Property will have the following short term use:

**Table 3:** Short-Term Action/Management Plan

Property(s)	Disposition	Short-Term Plan
Properties 1, 2, 3, 5, 6, 8, 10, 13, 14 & 15	All of these are recommended for transfer to the City under the Long-Term Plan.	Transfer these properties within 30 days of approval to reduce Agency costs and exposure to liability.

Property 4	Hold until the City needs the property for the future Main Street widening project; then convey to the City.	Holding the property until needed by the City allows the Agency to continue to collect month to month rents. The City's project could be several years from construction, and the current \$10,000/year in lease revenue exceeds building maintenance and taxes costs; so is worth retaining for the time being.
Properties 7, 11 & 12	<p>Portions of these three properties will be salable; however, we do not yet know what disposition will yield the greatest value. The details of their Long-Term disposition are still to be determined.</p> <p>(All three of these properties were originally purchased using tax-exempt bond proceeds and any proceeds from a cash sale are restricted for use to complete eligible projects or defease the related bonds.)</p>	Within 90 days of approval, we will begin consulting with development professionals regarding the best approach to maximizing value from these properties. All three have the potential to add greater value as part of a larger development or redevelopment project, than they might as a straight sale in the current market. A separate and final disposition recommendation will be developed and submitted to the Oversight Board and Department of Finance for approval.

## Long Range Property Management Plan

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Property 9	Transfer ownership to the City in exchange for compensation pursuant to Health & Safety Code section 34180(f); or liquidation in a cash sale.	The property is subject to a long-term lease providing (triple net) revenues of ~\$150,000/yr. The Successor Agency's property tax revenues alone are currently insufficient to cover its total expenses. The Plan is to hold this property until Successor Agency property taxes are sufficient to pay scheduled debt service on outstanding bonds, annual pass-throughs to local agencies (in full), and the annual administrative allowance for carrying out the duties of the Successor Agency; after which the long-term disposition would be expected to proceed.
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Principles and Guidelines for the Long-Term Ultimate Development and/or Disposition of Properties and Property Interests

Upon transfer pursuant to the is PMP, and the Redevelopment Dissolution Statutes, the Successor Agency will cause the Properties to be managed and disposed of according to the following principles and guidelines:

1. **Highest and Best Use.** Properties shall ultimately be disposed of with an objective of maximizing value to the community (aka community benefits), whether that be in dedication to a governmental use, use to incent public or private investment in high value community assets, or sale to the highest bidder with proceeds distributed to local agencies; if restricted by Federal Law, proceeds will be used for eligible and appropriate public projects, to satisfy remaining Successor Agency obligations, or to defease Successor Agency bonded indebtedness, as directed by the Oversight Board and approved by the Department of Finance.
2. **Qualified Real Estate Developer.** Each Property sold for development will be sold to a qualified real estate developer with the experience and financial capability to timely acquire and develop the Property in accordance with an approved Disposition and Development Agreement (DDA).
3. **Legislative Body Approval.** The Developer, the DDA and/or any other Sale or Amendment to a Sale Agreement, for each Property will be subject to approval by the City Council, as the Board of the Successor Agency, at a public meeting duly noticed in accordance with the notice procedures described in Health and Safety Code Section 33433(a).
4. **Not Surplus Property.** Because the Successor Agency is obligated to dispose of the Properties in accordance with this PMP and to satisfy goals, objectives and purposes of the City's General Plan and Specific Plans, if applicable, the Redevelopment Plan, and the Redevelopment Dissolution Statutes, the

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Properties are not “surplus” property of the City, and are not subject to the disposition requirements and procedures of the Surplus Lands Act (Government Code Section 54220 *et seq.*). Instead, disposition of the Properties by the Successor Agency and/or the City, in accordance with this PMP and to satisfy goals, objectives and purposes of the City’s General Plan and Specific Plans, if applicable, the Redevelopment Plan, and the Redevelopment Dissolution Statutes constitutes a “common benefit” that may take place under authority of Government Code Section 37350 and/or other disposition authority deemed appropriate by the Successor Agency. The provisions of the California Environmental Quality Act and Government Code Section 65402(a) regarding General Plan conformance will apply to the disposition of each Property subject to a DDA.

5. Separately Accounting of Sales Proceeds for Further Implementation. Any *unrestricted* net sales proceeds received by the Successor Agency from the long-term disposition of each property, resulting from the approval of this Property Management Plan or any subsequent approvals of amendments to the Plan, will be separately accounted for and may be used by the City, as Successor Agency, to fund the implementation of the Property Management and Disposition Plan, as funds to satisfy any remaining Agency obligations, including those to pay for costs (including reasonable staff and third party costs) for meeting those obligations, or as additional administrative allowance. *Restricted* net sales proceeds shall first be used for the IRC compliant eligible projects and obligations (including reasonable staff and third party costs) listed in the City, the Agency and Department of Finance’s Settlement Agreement dated July 8, 2014, and on any approved Recognized Obligations Payment Schedule, until completed, and then for the defeasance of the related debt.
  
6. Lease revenue – or other revenue – resulting from and during the short-term Management Plan shall be considered “other revenue” and shall remain available to the Successor Agency to maintain the Properties still in its possession, to implement the Property Management Plan, and to assist in paying for any administrative allowance in excess of available property tax revenues.

### **Timing of Disposition and Development**

While the timing and disposition and development of each Property will depend on property characteristics and development potential, market conditions, and the level of interest of the private real estate development and financing community, it is currently anticipated that such disposition and development may occur in accordance with the following milestone dates:

- Undevelopable Properties (or those with poor development or unmarketable characteristics) represent maintenance and risk liabilities; and those Properties that the City of Oakley agrees to accept, will be transferred to the City within 30 days of PMP approval.
- Properties that hold significant development or redevelopment potential shall be the subject of further evaluation by the Successor Agency, in collaboration with market experts, to best determine how and when to dispose of the property to realize the greatest community benefit and most timely development. Solicitations for interest and/or offers shall be pursued, and the results shall be presented to the City Council, as the Successor Agency Board, and to the Oversight Board for ultimate approval. Outreach to select the appropriate market experts to assist in this process should begin within 90 days of PMP approval.
- The Agency has two properties generating meaningful lease revenue that are not likely to be sold or redeveloped in the near-term. They shall be held for later sale or transfer so that, in the interim, the Agency can continue to benefit from the lease revenue.
- Properties and Property Interests that are encumbered by contractual obligations shall be offered to the City who has agreed generally to accept them, so long as it has determined it is capable of meeting those obligations.

**Estimated Property and Sales Tax Revenue**

While the property tax revenue and other fiscal benefits of the sale or development of each Property will also depend on market conditions and other financial factors, it is preliminarily estimated that upon ultimate disposition or disposition and development (as the case may be), each Property will generate annual property taxes and annual sales taxes receivable by the various taxing agencies as shown in Table 4.

Table 4: Estimate of Total Property and Sales Tax Revenue for All Taxing Entities

<b>Property</b>	<b>Annual Property Tax Estimate</b>	<b>Annual Sales Tax Estimate</b>
Properties 1, 2, 3, 5, 6, 14 & 15	None	None
Property 4	None	None
Properties 8, 10 & 13	To Be Determined	To Be Determined
Properties 7, 11 & 12	To Be Determined	To Be Determined
Property 9	\$18,503	\$187,000

\*Notes: The State of California receives 6.5% of sales; and the City receives 1% of sales; other sales taxes collected are for the County’s Measure J (.5%) and Proposition 172 (.5%), for a total of 8.5% overall. The property tax estimate above is calculated for only the 1% Proposition 13 ad valorem tax rate, and the sales tax amount was estimated using the full 8.5% total sales tax rate.

The assumptions and methods used to identify tax revenue estimates for each Property are as follows:

Properties 1, 2, 3, 4, 5, 6, 14 & 15 – all of these properties will be transferred to the City, and will generate no 1% property or sales taxes.

Properties 8, 10 & 13 – while none of these properties have immediate sales value, at such time that the City is successful in incenting development of adjacent properties, new property and sales taxes will be generated. Property 8 is likely a longer term effort, but the adjacent property owner has a larger developable parcel. There is no developer or development specifically contemplated at this time, but future tax



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revenues from its development could be substantial. Property 10 is surrounded by a property currently under option, but the economics of development and lack of a prospective anchor tenant leaves the timing of development in question. Incenting the Developer to move forward more quickly would result in significant property and sales taxes earlier than otherwise, but we don't know how much earlier. The property's DTSC restrictions prevent its development for economic purposes, but retail development of the adjacent site could yield from \$500,000 to \$1,000,000 or more in sales taxes. Property taxes would more likely be in the "up to \$100,000" range. Property 13 might be the first of these properties to be developed, and could yield up to \$10,000-\$15,000 in property taxes and up to \$100,000-\$150,000 in sales taxes.

Properties 7, 11 & 12 – All three of these properties have the potential to generate significant new tax revenues for all taxing entities. We are unable to estimate these amounts at this time, as the final disposition approach to maximize value is still to be determined.

- **Property Taxes:** If simply sold for 2014 Assessed Values, 1% property taxes for these three properties would total: \$6,532; \$4,180; and \$10,028, respectively. If developed/redeveloped, the value of the new developments could generate substantially more.
- **Sales Taxes:** Only one of these properties is currently developed, and it houses a thrift shop business. Its sales taxes are not estimable at this time, but are likely smaller (<\$25,000, representing taxable sales of <\$300,000). Sales taxes from these three properties' simple development/redevelopment could be in excess of \$300,000/year. If a larger development results, sales taxes could be in excess of \$5,000,000/year.

Property 9 – No change in value or tenant is assumed. No new taxes are expected. The current taxes for all taxing entities are estimated below.

- Property Tax Estimate: 2014 Assessed Value for land and improvements totals \$1,850,389. 1% of this is \$18,503.
- Sales Tax Estimate. The current tenant is averaging sales equal to approximately \$2.0 million annually. 8.5% of \$2.0 million is \$170,000.

The following City and Agency Planning Documents are incorporated herein by reference, and can be found on the City's website at the following addresses:

**Appendix A ----- Oakley General Plan**

[http://www.ci.oakley.ca.us/UserFiles/file/GeneralPlan/General%20Plan%202020\\_Updated%20January%2026,%202010.pdf](http://www.ci.oakley.ca.us/UserFiles/file/GeneralPlan/General%20Plan%202020_Updated%20January%2026,%202010.pdf)

**Appendix B ----- Oakley Downtown Specific Plan**

[http://www.ci.oakley.ca.us/UserFiles/file/planning/Downtown/DTSP\\_SP\\_reduced.pdf](http://www.ci.oakley.ca.us/UserFiles/file/planning/Downtown/DTSP_SP_reduced.pdf)

**Appendix C ----- River Oaks Crossing Specific Plan**

<http://www.ci.oakley.ca.us/UserFiles/file/planning/Specific%20Plans/ROC%20SP%20with%20CC%20Modifications.pdf>

**Appendix D ----- Oakley Redevelopment Plan**

The Redevelopment Plan can be found by using the City's Image Silo public records online program. Using the link below to get to the City Clerk's web page, simply select the "search for public records" related link, and then perform a global search for \*redevelopment plan\*; and use the pull down menu to review Redevelopment Agency Resolutions. The Amended and Restated Redevelopment Plan was adopted on Oct 8, 2001.

<http://www.ci.oakley.ca.us/subpage.cfm?id=580038>

Successor Agency: Oakley  
 County: Contra Costa

**LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA**

No.	Address or Description	APN	Property Type	Permissible Use	If Sale of Property, specify intended use of sale proceeds	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition	Estimated Current Value	Date of Estimated Current Value	Estimated Current Value Basis	SALE OF PROPERTY (if applicable)		Property Value
												Proposed Sale Value	Proposed Sale Date	
1	3080-3090 Main Street	037-200-012 and -015	Other	Fulfill Enforceable Obligation		Maintain public parking lot and plaza as required by existing contracts with adjacent property/business owners.	April 2011	Part of \$6 million paid for larger property	0	October 2014	Agency Estimate	n/a	n/a	
2	3960 Main Street	035-181-004 and -005	Vacant Lot/Land	Future Development		A portion of the property will ultimately be used for the widening of Main Street. The necessary dedication leaves a remainder too small to support a viable development project.	January 2010	378,431	0	October 2014	Agency Estimate	n/a	n/a	
3	3540 Main Street	037-160-024	Vacant Lot/Land	Future Development		A portion of the property will ultimately be used for the widening of Main Street. The necessary dedication leaves a remainder too small to support a viable development project.	2001	No record; obtained from the County as part of a Jurisdictional Transfer for no cost.	0	October 2014	Agency Estimate	n/a	n/a	
4	3510 Main Street	037-160-022	Commercial	Governmental Use		A portion of the property will ultimately be used for the widening of Main Street. The necessary dedication leaves a remainder too small to support a viable development project, but might be used to incent development on an adjacent parcel.	January 2009	455,807	0	October 2014	Agency Estimate	n/a	n/a	
5	3350 Main Street	037-160-008	Parking Lot/Structure	Fulfill Enforceable Obligation		The property is encumbered by an easement which prevents development.	June 2009	156,220	0	October 2014	Agency Estimate	n/a	n/a	
6	3354 Main Street	037-160-009	Parking Lot/Structure	Fulfill Enforceable Obligation		The property is encumbered by an easement which prevents development.	April 2010	126,637	0	October 2014	Agency Estimate	n/a	n/a	
7	3330 Main Street	037-160-027	Commercial	Sale of Property	Fulfill an Enforceable Obligation	The proceeds of the sale will be restricted to comply with bond covenants, as the property was originally purchased with tax-exempt bond proceeds. The proceeds would first be applied to meet bond funded enforceable obligations; and any remainder would be used to defease the bonded indebtedness.	May 2011	629,195	300,000-350,000	October 2014	Agency Estimate	To be determined	To be determined	
8	3980 Empire Avenue	034-010-033	Vacant Lot/Land	Governmental Use		Future economic development	Not sure, likely in 2001 when the Redevelopment Agency was formed.	unknown	0	October 2014	Agency Estimate	n/a	n/a	

Successor Agency:  
County:

**LONG RANGE PROPERTY MA**

Other Prop

No.	Address or Description	Purpose for which property was acquired	HSC 34191.5 (c)(1)(C)		HSC 34191.5 (c)(1)(D) Estimate of Current Parcel Value	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F) Has there been historic environmental contamination, studies, and/or remediation, and designation as a brownfield site for the property?	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H) Does the property have a history of previous development proposals and activity?
			Lot Size	Current Zoning		Annual Estimate of Income/Revenue	Are there any contractual requirements for use of income/revenue?		Does the property have the potential as a transit oriented development?	Were there advancements to the successor agency's planning objectives?	
1	3080-3090 Main Street	Redevelopment in the Downtown Area.	2.4 Acres	commercial	0	Deposits received to cover a majority of the maintenance costs.	Yes	No	No	Yes	No
2	3960 Main Street	Future Main Street Improvement and Widening	0.5 Acres	commercial	0	0	No	No	Yes	Yes	No
3	3540 Main Street	Redevelopment	0.12 Acres	commercial	0	0	No	No	Yes	Yes	No
4	3510 Main Street	Future Main Street Improvement and Widening	0.2 Acres	commercial	0	10,201	No	No	Yes	Yes	No
5	3350 Main Street	ROW for future downtown street to connect Main Street and what was to be a future Main Street By-Pass.	0.12 Acres	commercial	0	0	No	No	No	Yes	No
6	3354 Main Street	ROW for future downtown street to connect Main Street and what was to be a future Main Street By-Pass.	0.11 Acres	commercial	0	0	No	No	No	Yes	No
7	3330 Main Street	To facilitate a Main Street Improvement project.	0.24 Acres	commercial	80,000-100,000	30,000	No	No	No	Yes	No
8	3980 Empire Avenue	Economic development	0.4 Acres	commercial	0	0	No	No	No	Yes	No

Successor Agency: Oakley  
 County: Contra Costa

**LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA**

HSC 34191.5 (c)(1)(C)			HSC 34191.5 (c)(2)				HSC 34191.5 (c)(1)(A)				SALE OF PROPERTY (if applicable)		Property Va
No.	Address or Description	APN	Property Type	Permissible Use	If Sale of Property, specify intended use of sale proceeds	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition	Estimated Current Value	Date of Estimated Current Value	Estimated Current Value Basis	Proposed Sale Value	
9	3201 Main Street	035-090-078	Commercial	Sale of Property	Distribute to Taxing Entities	This property will eventually be disposed. It is most likely to be conveyed to the City for compensation pursuant to Health and Safety Code Section 34180(f).	Not sure, likely in 2001 when the Redevelopment Agency was formed.	unknown	To be determined	n/a	Not Provided	To be determined	To be determined
10	1731 Main Street	037-100-013,-019, and -023	Vacant Lot/Land	Governmental Use		Future economic development	In 2001 when the Redevelopment Agency was formed.	0	0	October 2014	Agency Estimate	n/a	n/a
11	1033 Main Street	037-050-013	Vacant Lot/Land	Governmental Use	Fulfill an Enforceable Obligation	This property will eventually be disposed. A portion will be used Right of Way and conveyed to the City, and remaining portions may be sold or used for future economic development. If sold, the proceeds of the sale will be restricted to comply with bond covenants, as the property was originally purchased with tax-exempt bond proceeds. The proceeds would first be applied to meet bond funded enforceable obligations; and any remainder would be used to defease the bonded indebtedness.	December 2009	415,000	To be determined	n/a	Not Provided	To be determined	To be determined
12	5400 Neroly Road	037-050-014	Vacant Lot/Land	Governmental Use	Fulfill an Enforceable Obligation	This property will eventually be disposed. A portion will be used Right of Way and conveyed to the City, and remaining portions may be sold or used for future economic development. If sold, the proceeds of the sale will be restricted to comply with bond covenants, as the property was originally purchased with tax-exempt bond proceeds. The proceeds would first be applied to meet bond funded enforceable obligations; and any remainder would be used to defease the bonded indebtedness.	January 2010	1,410,000	To be determined	n/a	Not Provided	n/a	n/a
13	101 Carol Lane	037-132-038	Vacant Lot/Land	Governmental Use		Future economic development	1999	unknown	0	October 2014	Agency Estimate	n/a	n/a

Successor Agency:  
County:

LONG RANGE PROPERTY MA

No.	Address or Description	Purpose for which property was acquired	HSC 34191.5 (c)(1)(C)		HSC 34191.5 (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)	Other Prope
			Lot Size	Current Zoning		Annual Estimate of Income/Revenue	Are there any contractual requirements for use of income/revenue?		Does the property have the potential as a transit oriented development?	Were there advancements to the successor agency's planning objectives?		
9	3201 Main Street	Economic development. It was a part of a larger parcel conveyed by the County Redevelopment Agency to the new Oakley Redevelopment Agency in 2001 when the new Agency was formed.	0.25 Acres	commercial	unknown	150,000	No	No	No	Yes	No	
10	1731 Main Street	To remediate hazardous contamination, and if possible, put the property back into productive use.	1 Acres	commercial	0	0	No	Yes	No	Yes	Yes	
11	1033 Main Street	Future Main Street improvement project and economic development.	0.5 Acres	commercial	To be determined	0	No	No	No	Yes	No	
12	5400 Neroly Road	Future Main Street/Neroly Road improvements and economic development.	2.2 Acres	commercial	To be determined	0	No	No	No	Yes	No	
13	101 Carol Lane	Economic development	0.37 Acres	commercial	0	0	No	No	No	Yes	Yes	

Successor Agency: Oakley  
 County: Contra Costa

**LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA**

No.	HSC 34191.5 (c)(1)(C)		HSC 34191.5 (c)(2)				HSC 34191.5 (c)(1)(A)				SALE OF PROPERTY <i>(If applicable)</i>		Property Value	
	Address or Description	APN	Property Type	Permissible Use	If Sale of Property, specify intended use of sale proceeds	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition	Estimated Current Value	Date of Estimated Current Value	Estimated Current Value Basis	Proposed Sale Value		Proposed Sale Date
14	Aggregated Rights of Way, Traffic Signals and Park Rehabilitation Improvements	Various	Vacant Lot/Land	Governmental Use		All are currently in governmental use.	Various	unknown, some were acquired by the County prior to the formation of the Oakley RDA	12,957,753	October 2014	Book	n/a	n/a	
15	3667 Main Street	A portion is 035-161-007; a portion is without an APN on the County Assessor's site.	Parking Lot/Structure	Fulfill Enforceable Obligation		Purchase and Sale Agreement was conditioned on the property being developed into a public parking lot.	A portion in Sept 2008; a portion in February 2009	247,591	0	October 2014	Agency Estimate	n/a	n/a	



Successor Agency:  
County:

**LONG RANGE PROPERTY MA**

Other Prope

No.	Address or Description	Purpose for which property was acquired	HSC 34191.5 (c)(1)(B)		HSC 34191.5 (c)(1)(C)		HSC 34191.5 (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)	Other Prope
			Lot Size	Acres	Current Zoning	Estimate of Current Parcel Value	Annual Estimate of Income/Revenue	Are there any contractual requirements for use of income/revenue?	Has there been historic environmental contamination, studies, and/or remediation, and designation as a brownfield site for the property?	Does the property have the potential as a transit oriented development?	Were there advancements to the successor agency's planning objectives?	Does the property have a history of previous development proposals and activity?		
14	Aggregated Rights of Way, Traffic Signals and Park Rehabilitation Improvements	Governmental use.	various	Acres	various	0	0	No	No	No	Yes	No		
15	3667 Main Street	Public Parking	approximately .30	Acres	commercial	0	0	No	Yes	No	Yes	No		