



## LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

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**Instructions:** Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

[Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov)

The subject line should state “[Agency Name] Long-Range Property Management Plan”. The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to [Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov).

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Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

### GENERAL INFORMATION:

Agency Name: **Imperial Beach Redevelopment Agency Successor Agency**

Date Finding of Completion Received: Pending

Date Oversight Board Approved LRPMP: February 13, 2013

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### Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

Yes  No

For each property the plan includes the purpose for which the property was acquired.

Yes  No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

Yes  No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

Yes  No

For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

Yes  No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

Yes  No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

Yes  No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

Yes  No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

Yes  No

The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Yes  No

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## ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.

There are three (3) real properties ("Properties") previously owned by the former Imperial Beach Redevelopment Agency ("Redevelopment Agency") that are included in the Long-Range Property Management Plan ("Plan") and that were identified in the Non-Housing Due Diligence Review by California Health and Safety Code ("H&S Code") Section 34179.5(c)(5)(C) of the Dissolution Act (i.e. Procedure 7 of the DDR). These Properties are all currently owned by the Imperial Beach Redevelopment Agency Successor Agency ("Successor Agency") and are located in the City of Imperial Beach, County of San Diego, State of California, and described as follows: (1) 741-849 Palm Avenue; (2) 735 Palm Avenue; and (3) 800 Seacoast Drive. No real property assets were identified in the Housing Due Diligence Review by H&S Code Section 34179.5(c)(5)(C) of the Dissolution Act (i.e. Procedure 7 of the DDR).

For each of the Properties, the Plan includes all of the information required by H&S Code Section 34191.5(c) of the Dissolution Act. Further, pursuant to H&S Code Section 34191.5(c)(2) of the Dissolution Act, the two Properties located on Palm Avenue are being held for anticipated sale and development pursuant to an agreement with a developer (these two Properties will be discussed jointly and together in the Plan and below as they relate to the same development project and are governed by the same agreement), the Property located on Seacoast Drive is being retained for current development pursuant to an agreement with a developer and a ground lease with a lessee, and all three Properties are being retained for purposes of fulfilling an enforceable obligation, as more specifically described in the Plan. Pursuant to agreements with developers, all three Properties are anticipated to be sold upon the complete satisfaction of certain conditions precedent. These Properties and their respective development projects are discussed in detail in the Plan and are summarized as follows:

1. **9<sup>th</sup> & Palm Property at 741-849 Palm Avenue and 735 Palm Avenue (APN 626-250-03, 04, 05 and 06)**  
– These two Properties will be discussed jointly and together in the Plan and herein as they relate to the same development project and are governed by the same agreement. These Properties were the subject of an Exclusive Negotiation Agreement entered into by and between the former Redevelopment Agency and Sudberry Properties, Inc. on September 23, 2009 (and subsequently amended on March 17, 2010, January 4, 2011 and June 1, 2011) and are currently the subject of a Disposition and Development Agreement (DDA) entered into by and between the City of Imperial Beach (“City”) and Sudberry-Palm Avenue, LLC, a California limited liability company (“Developer”) on December 14, 2011, which DDA was specifically assigned to and assumed by the Successor Agency, as discussed below.

The DDA pertains to these two Properties and additional land to be vacated by the City, comprising approximately 4.75 acres located generally at the south side of Palm Avenue (State Route 75), between 7<sup>th</sup> Street and 9<sup>th</sup> Street, in the City of Imperial Beach, California, (collectively defined in the DDA as the “Site”). The DDA concerns the sale of the Site to the Developer and the Developer’s associated development of (i) a privately owned “town center” of new construction combining retail with commercial space in a pedestrian-friendly environment, consisting of approximately 46,200 square feet of building area in seven (7) buildings (designated in the DDA as Parcels “A” through “G”), surface parking consisting of approximately 238 parking stalls, landscaping, hardscaping, lighting, driveways, and related improvements (collectively defined in the DDA as the “Private Improvements”), and (ii) certain off-site public improvements, including without limitation intersection improvements at Delaware Avenue, Palm Avenue and State Route 75 and all associated improvements, curb, gutter, landscaping, traffic signal, alley and undergrounding improvements required for the Project, and any other Cal-Trans requirements (collectively defined in the DDA as the “Public Improvements”), (the Private Improvements and the Public Improvements are collectively defined in the DDA as the “Project”). The DDA further contemplates the City’s ownership of the Public Improvements to be constructed on and off the Site pursuant to the DDA.

On September 12, 2012, after the publication of notice in a newspaper at least ten (10) days prior to the action, in accordance with H&S Code Section 34181(f) of the Dissolution Act, the Oversight Board to the Successor Agency adopted Resolution No. OB-12-10 approving, among other actions, (i) the terms of the DDA between the City and Developer, (ii) the sale and conveyance of the Property to Developer pursuant to the terms of the DDA for development of the Project; (iii) the City’s ownership of the public improvements constructed as part of the Project; and (iv) the Successor Agency’s retention of the residual proceeds received from the sale of the Property to Developer for the Successor Agency’s use in winding down the affairs of the former Redevelopment Agency pursuant to H&S Code Section 34177(e) of the Dissolution Act. In addition, the Oversight Board authorized and directed the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, to take all actions and sign any and all documents necessary to implement and effectuate the DDA and the actions approved by Resolution No. OB-12-10 including, without limitation, approving extensions of deadlines set forth in the DDA and the Schedule of Performance as determined necessary by the City Manager, or his or her designee, under the DDA, approving amendments to the DDA and its Attachments as determined necessary by the City Manager, or his or her designee, to effectuate the DDA, executing documents on behalf of the Successor Agency and City (including, without limitation, grant deeds and quitclaim deeds), and administering the Successor Agency’s and City’s obligations, responsibilities and duties to be performed pursuant to such Resolution.

Successor Agency staff then properly submitted notice of the Oversight Board’s adoption of Resolution No. OB-12-10 and associated approvals in connection with the DDA to the DOF, the County of San Diego and other agencies. The DOF never requested review of the Oversight Board’s adoption of Resolution No. OB-12-10 and associated approvals in connection with the DDA within the statutory review period provided under H&S Code Section 34179(h) of the Dissolution Act. Therefore, in accordance with Health and Safety Code Section 34179(h) of the Dissolution Act, the Oversight Board approvals set forth in Resolution No. OB-12-10 are considered effective. Additionally, H&S Code Section 34181(f) of the Dissolution Act, in connection with the Oversight Board actions pertaining to the Property and asset dispositions, states that Oversight Board actions are subject to review by the DOF pursuant to H&S Code Section 34179 except that the DOF may extend its review period from forty (40) days by up to sixty (60) days, and that if the DOF does not object such actions, and if no action challenging that action is commenced within sixty (60) days of the approval of the actions by the Oversight Board, then the actions of the Oversight Board shall be considered final and “can be relied upon as conclusive by any person.” The DOF never requested review of the Oversight Board actions taken pursuant to Resolution No. OB-12-10 within the statutory review period and no action challenging such Oversight Board actions was commenced within 60 days of

September 12, 2012, the date of the Oversight Board's approval of Resolution No. OB-12-10 in connection with the DDA. Therefore, in accordance with H&S Code Section 34181(f) of the Dissolution Act, the Oversight Board approvals set forth in Resolution No. OB-12-10 are considered final and can be relied on as conclusive by any person.

As permitted by Resolution No. OB-12-10, on December 5, 2012, the City took actions approving an extension of various dates and deadlines in the DDA, as determined necessary by the City Manager, and the City and Successor Agency took actions approving the transfer of the subject property from the City to the Successor Agency by Quitclaim Deed and approving execution of an Assignment and Assumption Agreement of the terms of the DDA to the Successor Agency. On January 17, 2013, a Quitclaim Deed was recorded transferring title of the property from the City to the Successor Agency. The DDA constitutes an enforceable obligation of the Successor Agency pursuant to the Dissolution Act.

2. **Seacoast Inn Property at 800 Seacoast Drive (APN 625-262-02)** – This Property is the subject of a Disposition and Development Agreement (DDA) entered into by and between the former Redevelopment Agency and Imperial Coast, L.P., a California limited partnership (“Developer”), on December 16, 2010. The DDA constitutes an enforceable obligation of the former Redevelopment Agency and now the Successor Agency pursuant to the Dissolution Act. The DDA provides for the acquisition of fee title of the Property by the Redevelopment Agency from the Developer, the payment by the Redevelopment Agency to the Developer for the cost of certain off-site Public Improvements and Plans, the ground leasing of the Property from the Redevelopment Agency to the Developer or its assignee Seacoast Inn, L.P., a California limited partnership (“Tenant”, “Lessee”, and “Assignee”) for the Developer’s or Assignee’s development of a full-service beachfront hotel and appurtenant parking facilities (“Hotel”), and the grant of an option to the Developer or its Assignee to purchase back fee title of the Property from the Redevelopment Agency upon the complete satisfaction of certain performance standards by the Developer or its Assignee, in accordance with the terms of the DDA. As of this date, the project provided for under the DDA is nearing completion of construction. The Property is owned by the Successor Agency and ground leased to Developer’s Assignee, Seacoast Inn, L.P., a California limited partnership, for one dollar (\$1.00) per year pursuant to the terms of a fifty-five (55) year term Ground Lease entered into by and between the Former Redevelopment Agency and Seacoast Inn, L.P.. Additionally, Assignee, Seacoast Inn, L.P. has the option to purchase the property back from the Successor Agency for one dollar (\$1.00) after certain conditions precedent are met. The Assignee, Seacoast Inn, L.P.’s right to exercise the option to purchase the Property is conditioned upon the following events:

- Commencing upon completion of the project until on or before Operating Year 10, the City of Imperial Beach’s receipt of transient occupancy taxes (“TOT”) from the operation of the Hotel on the Property, in the amount of at least THREE MILLION TWO HUNDRED TWO THOUSAND DOLLARS AND NO CENTS (\$3,202,000); and
- Commencing upon completion of the project and after Operating Year 10, the City of Imperial Beach’s receipt of TOT from the operation of the Hotel on the Property, in the amount of at least TWO MILLION THREE HUNDRED FIFTY-ONE THOUSAND DOLLARS AND NO CENTS (\$2,351,000).

It should be noted that the receipt of TOT was not intended to benefit then and would not benefit now either the former Redevelopment Agency or the Successor Agency. Other than the total amount of lease revenue (a maximum of \$55.00) and the total amount of sale proceeds received upon the Developer’s Assignee exercising its option to purchase the Property (a total of \$1.00), there is no direct financial benefit to the Successor Agency expected through the Successor Agency’s ownership and disposition of this Property.

In addition to the above Properties, the former Redevelopment Agency previously held title to real property located at 776 10<sup>th</sup> Street (Assessor Parcel Number 626-282-12 and commonly referred to as the 10<sup>th</sup> & Donax site). This property was acquired in May 2008 by the former Redevelopment Agency with Low and Moderate Income Housing Funds for the development of affordable housing pursuant to the California Community Redevelopment Law (“CRL”). After the former Redevelopment Agency purchased this property, the structure existing on the property was demolished and cleared by the former Redevelopment Agency to prepare the site for future development of affordable housing. Pursuant to H&S Code Section 34176(e) of the Dissolution Act, this property constitutes a “housing Asset” and, therefore, title and ownership of this property was transferred to the Imperial Beach Housing Authority (“Housing Authority”), which entity serves as the Successor Housing

Entity of the former Redevelopment Agency pursuant to H&S Code Sections 34176(b) and 34176(c) of the Dissolution Act. As required by H&S Code Section 34176(a)(2) of the Dissolution Act, on July 31, 2012, the Successor Agency staff provided to the DOF for review the list of housing asset transfers ("HAT List") that included, among other "housing assets", the 10<sup>th</sup> & Donax site as property being held by the Housing Authority as the Successor Housing Entity. On August 30, 2012, the DOF issued a letter to the Successor Agency specifically stating that, except for the items to which the DOF objected (which related to Housing Bond Proceeds only), the DOF "is not objecting to the remaining items, if any, listed on your Form." Therefore, the 10<sup>th</sup> & Donax site is properly held by the Housing Authority for the development of affordable housing. As such, the 10<sup>th</sup> & Donax site is (i) not identified in the DDRs by H&S Code Section 34179.5(c)(5)(C) of the Dissolution Act (i.e. Procedure 7 of the DDRs), although it is referenced in Procedure 3 of the Housing DDR as a "housing asset" pursuant to H&S Code Section 34176(e)(1) of the Dissolution Act transferred to the Housing Authority, and (ii) is not included in the Plan.

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**Agency Contact Information**

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|--------|--------------------|--------|--|
| Name:  | Gregory Wade       | Name:  |  |
| Title: | Deputy Director    | Title: |  |
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| Date:  |                    | Date:  |  |

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DETERMINATION ON LRPMP:  APPROVED  DENIED

APPROVED/DENIED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVAL OR DENIAL LETTER PROVIDED:  YES DATE AGENCY NOTIFIED: \_\_\_\_\_