

**IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY  
LONG RANGE PROPERTY MANAGEMENT PLAN  
AS REQUIRED BY HEALTH & SAFETY CODE SECTION 34191.5(b)**

**Seacoast Inn Property  
800 Seacoast Drive (APN 625-262-02)**

**Purpose:** To address the disposition and use of real properties of the former redevelopment agency

**Due:** No later than six (6) months following the issuance to the successor agency of the Finding of Completion

**Contents:** The Long Range Property Management Plan shall include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

- 1) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property
- 2) The purpose for which the property was acquired
- 3) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan
- 4) An estimate of the current value of the parcel including, if available, any appraisal information
- 5) 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
- 6) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts
- 7) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency
- 8) A brief history of previous development proposals and activity, including the rental or lease of the property

The Long Range Property Management Plan shall address the use or disposition of all of the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

- A. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county
- B. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph A (above), the proceeds from the sale shall be distributed as property tax to the taxing entities
- C. Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance

**Property:** Seacoast Inn Property (Pier South Hotel)  
**Date of Acquisition:** March 9, 2011; transferred to Successor Agency on December 28, 2012  
**Value at Acquisition:** \$5,760,000  
**Estimate of Current Value:** \$5,760,000 (this value is solely an estimate based on the Appraisal dated October 15, 2010. Since the Appraisal is over two years old, the value of the Property may likely have fluctuated).  
**Purpose of Acquisition:** To facilitate/effectuate redevelopment of a dilapidated 38-room hotel/motel into a four-story, 78-room, full-service hotel and restaurant

**Parcel Data:**

**Property Address:** 800 Seacoast Drive, Imperial Beach, CA 91932  
**Assessor Parcel No.** 625-262-02  
**Lot Size:** 49,400 square feet (1.134 acres)  
**Current Zoning:** C-2 Seacoast Commercial Zone (C/MU-2 per recent Zoning Amendment) per the City's Zoning Code, General Plan/Local Coastal Program and Sections 210 and 230 of the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project (Amendment No. 1). The property is also subject to a Specific Plan & General Plan Amendment approved by the City Council on December 5, 2007 which specifies the development of the site as a full-service, four-story hotel with restaurant and conference facilities (Ordinance No. 2007-1060).

**Estimate of Current Value:** \$5,760,000 (this value is solely an estimate based on the Appraisal dated October 15, 2010. Since the Appraisal is over two years old, the value of the Property may likely have fluctuated).

**Appraisal Date:** October 15, 2010

**Estimated Revenues:** Per DDA – Maximum of \$55.00 of lease revenue (\$1.00 per year) to Successor Agency over 55-years; \$11.00 in lease and sales revenue if Developer's Assignee exercises Purchase Option after 10 years (\$1.00 per year and \$1.00 purchase price)

**Environmental Contamination History:**

**Studies Conducted:** Geotechnical, Soils Report and Site Assessment  
**Remediation:** No contaminants identified, no remediation required  
**Brownfield Status:** N/A

**Transit-Oriented Development Potential:** This Property is currently under construction and nearing completion. However, the Property is located on Seacoast Drive, the first main-street and prime transit corridor running parallel to the coast of Pacific Ocean. This Property and the properties surrounding it

are zoned as Seacoast Commercial and Mixed-Use (C/MU-2) under the City's General Plan and Zoning Ordinance. Additionally, the San Diego Regional Association of Governments (SANDAG) has designated the entire segment of Seacoast Drive within the C/MU-2 Zone as a "Mixed-Use Transit Corridor" on their Smart Growth Concept Map. There are bus stops located throughout the corridor including one directly across the street and less than 70 feet from the newly-developed hotel. As such, this Property would easily meet the objectives of Transit-Oriented Development.

**Planning Objectives of the Successor Agency:** The planning objectives for this property are contained in the City's Zoning Code, General Plan/Local Coastal Plan and the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project (Amendment No. 1). The zoning, General Plan and Redevelopment Plan designation for this area is "C-2 Seacoast Commercial" which is intended to provide for land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the this area will be visitor serving retail such as specialty stores, surf shops, restaurants, hotels and motels. Additionally, both the Economic Development Plan and the Five-Year Implementation Plans adopted by the former Redevelopment Agency and now administered by the Successor Agency contain specific goals to increase visitor serving uses and promote recreation, hotel and resort oriented uses within the Seacoast Drive corridor.

**Development Proposal History:**

- November 21, 2007 – Development Agreement, Coastal Development Permit, Specific Plan Approval & EIR Certification by Imperial Beach City Council
- December 5, 2007 – Second Reading of Ordinances approving Development Agreement and Specific Plan
- April 10, 2008 – Coastal Commission approval (on appeal) of Coastal Development Permit A-6-IMB-07-131
- December 11, 2008 – Coastal Commission approval of revised findings for Coastal Development Permit A-6-IMB-07-131
- September-October 2010 – Demolition of existing structures
- December 1, 2010 – Imperial Beach Redevelopment Agency approval of DDA between the Imperial Beach Redevelopment Agency and Imperial Coast, L.P. and Addendum to the EIR
- December 16, 2010 – Execution of Disposition and Development Agreement (DDA) between Imperial Beach Redevelopment Agency and Imperial Coast, L.P.
- March 9, 2011 – Property Acquisition and Grant Deed Recordation pursuant to the terms the DDA
- March 10, 2011 – Ground Lease between Imperial Beach Redevelopment Agency and Seacoast Inn, L.P. executed pursuant to the terms of the DDA. Other closing documents required by the terms of the DDA executed by the Imperial Beach Redevelopment Agency and Seacoast Inn, L.P.
- March 28, 2011 – Commencement of construction

- October 3, 2012 – Imperial Beach Redevelopment Agency Successor Agency authorizes acceptance of the Property and reaffirms its rights and obligations under the DDA
- December 28, 2012 – Property transferred to Imperial Beach Redevelopment Agency Successor Agency

**Use or Disposition of the Property:**

This Property must be retained to fulfill an enforceable obligation pursuant to Assembly Bill No. X1 26 as amended by Assembly Bill No. 1484 (“Dissolution Act”). The retention of the Property is required pursuant to the terms of the Disposition and Development Agreement (“DDA”) executed on December 16, 2010, by and between the former Imperial Beach Redevelopment Agency (“Redevelopment Agency”) and Imperial Coast, L.P., a California limited partnership (“Developer”). The DDA and all related documents executed by the former Redevelopment Agency constitute enforceable obligations of the former Redevelopment Agency and now the Successor Agency pursuant to the Dissolution Act. Fee title of the Property is owned by the Successor Agency. In furtherance of the DDA, the Property is 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. on March 15, 2011. Pursuant to the DDA and the Ground Lease, Seacoast Inn, L.P. is obligated to develop and operate a full-service beach resort hotel and appurtenant parking facilities. At any time commencing upon completion of the project and ending upon expiration of the term of the Ground Lease, Seacoast Inn, L.P. may purchase the Property for one dollar (\$1.00) upon meeting certain conditions precedent.

The use of the Property for the purposes provided in the DDA and the Ground Lease constitute enforceable obligations as the Property is contractually obligated to a private third party through the underlying DDA that was executed on December 16, 2010. The Successor Agency intends, therefore, to honor the obligations and requirements of the DDA and all related documents executed by the former Redevelopment Agency and continue to lease the Property to the Seacoast Inn, L.P. pursuant to the Ground Lease, provided for under the terms of the DDA, for one dollar (\$1.00) per year. Further, pursuant to the DDA, Ground Lease and related documents executed by the former Redevelopment Agency, upon completion of the project and ending upon expiration of the term of the Ground Lease, Seacoast Inn, L.P. may purchase the Property from the Successor Agency for one dollar (\$1.00) upon meeting certain conditions precedent. If and when Seacoast Inn, L.P. exercises this option to purchase the Property and upon complete satisfaction of the conditions precedent, the Successor Agency similarly intends to honor the obligations and requirements of the DDA, Ground Lease and related documents executed by the former Redevelopment Agency and sell the Property to Seacoast Inn, L.P.

**Attachments:**

1. Disposition and Development Agreement – December 16, 2010
2. Ground Lease
3. Option Agreement