DATE:       October 7, 2013

TO:        Honorable Mayor and Members of the City Council through City Manager
           Honorable Chair and Members of the Petaluma Community Development
           Successor Agency Board through Executive Director

FROM:  Ingrid Alverde, Economic Development / Redevelopment Manager
        Sue Castellucci, Housing Program Specialist

SUBJECT:  Resolution of the Petaluma Community Development Successor Agency
           (PCDSA) Approving the Long Range Property Management Plan Pursuant to
           Health and Safety Code Section 34191.5

RECOMMENDATION

It is recommended that the Petaluma Community Development Successor Agency (PCDSA)
approve the Resolution Approving the Long Range Property Management Plan Pursuant to
Health and Safety Code Section 34191.5 (Attachment 1).

BACKGROUND

AB 1x 26 and AB 1484 lay out the procedures for dissolving redevelopment agencies statewide.
Among the requirements is a Long Range Property Management Plan (LRPMP) (Plan) to
describe how appointed successor agencies will divest remaining assets and properties. The law
requires that each successor agency develop a plan to maximize the benefit to the taxing agencies
that share in pool of taxes of the former redevelopment agency.

DISCUSSION

The former Petaluma Community Development Commission (PCDC) purchased properties to
implement projects and programs outlined in the Redevelopment and Implementation Plans for
the project area. In most cases, the former PCDC would transfer those properties to the City in
accordance with the City's standard policy. In March of 2011, the City Council and the PCDC
approved the transfer of various properties from the PCDC to the City of Petaluma (Attachment
2).

Agenda Review:

City Attorney  Finance Director  City Manager
The dissolution legislation nullified all asset and property transfers occurring after January 1, 2011. The Successor Agency is now required to transfer those properties and assets pursuant to a Long Range Property Management Plan (Plan) (Attachment 2).

In most cases, the former PCDC purchased the properties for governmental purposes. The Plan describes each property and the circumstances for, and the details of, each purchase. The Plan recommends that the PCDSA transfer each of the properties to the City of Petaluma except for one property with private development potential located on Industrial Avenue. The Petaluma Athletic Club currently leases the property for parking. The Plan recommends that PCDSA maintain ownership of the property and sell it at market rate as determined by an appraisal.

The Plan also includes a list of capital improvement projects that the former PCDC transferred to the City as part of its fixed asset reporting procedure in 2011. The DOF requested that the PCDSA include those assets, valued at $11,503,078 million in the Plan. Those assets serve a governmental purpose and should be transferred to the City.

The Oversight Board must also review and approve the Plan before it is submitted to the State Department of Finance (DOF) by November 1, 2013. The Oversight Board is scheduled to review the plan on October 9, 2013.

FINANCIAL IMPACTS

The transfer of properties from the PCDSA to the City of Petaluma for governmental purposes will not have a financial impact on the City. The City will share the proceeds generated by the sale of property for private development. The proceeds will depend on the private market and an appraisal.

ATTACHMENTS

2. Petaluma Community Development Successor Agency Long Range Property Management Plan
RESOLUTION NO.________

A RESOLUTION OF THE PETALUMA COMMUNITY DEVELOPMENT SUCCESSOR AGENCY, APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5

WHEREAS, as authorized by applicable law, the City of Petaluma has elected to serve as the Successor Agency to the former Petaluma Community Development Commission ("PCDC"); and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management plan ("Plan") to address the disposition and use of the real property of the former PCDC; and

WHEREAS, Health and Safety Code section 34191.5(c)(1) requires the Successor Agency to include an inventory of such real property detailing each property that was owned by the former PCDC when it was dissolved; and

WHEREAS, the former PCDC transferred various properties in 2011 prior to its dissolution; and

WHEREAS, those property transfers must now be reviewed by the State Department of Finance through a Long Range Property Management Plan. A copy of the Plan is attached to this Resolution as Exhibit "A"; and

WHEREAS, the Plan must be reviewed and approved by the Oversight Board of the Successor Agency and the State Department of Finance before any potential real estate transaction can occur; and

WHEREAS, the Successor Agency has received, reviewed and considered the Plan, and considered all written and oral staff reports and all written and oral public comments relating to the Plan; and

WHEREAS, the PCDSA finds that, the Plan was prepared in accordance with the requirements of Health and Safety Code Section 34191.5.

NOW, THEREFORE, BE IT RESOLVED BY THE PETALUMA COMMUNITY DEVELOPMENT SUCCESSOR AGENCY AS FOLLOWS:

Section 1. The Long-Range Property Management Plan attached to this Resolution as Exhibit "A" is hereby approved.
Section 2: Staff is authorized and directed to transmit the approved Plan and this Resolution to the Oversight Board for review and approval in accordance with the requirements of Health and Safety Code Section 34191.5.
LONG RANGE PROPERTY MANAGEMENT PLAN

PETALUMA COMMUNITY DEVELOPMENT SUCCESSOR AGENCY

CITY OF PETALUMA
11 English Street
Petaluma, CA 94952
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

INTRODUCTION

On June 27, 2012, Governor Brown signed Assembly Bill 1484, changing the procedures outlined in AB 1X 26 for dissolving redevelopment agencies. One of the key components of the new law was a requirement that all successor agencies develop a long-range property management plan (Plan) spelling out how the successor agency planned to transfer or sell properties owned by their former redevelopment agency.

As required by law, Petaluma established a successor agency called the Petaluma Community Development Successor Agency (Successor Agency) to wind down the affairs of Petaluma's former redevelopment agency, the Petaluma Community Development Commission (PCDC). As part of that action, the Successor Agency took ownership of the properties previously owned by the former PCDC. It is now required to sell or transfer those properties pursuant to this Plan. The Successor Agency is eligible to submit this Plan because it received a certificate of completion by the Department of Finance on May 29, 2013 (Attachment A), a prerequisite required by the new law.

In accordance with Health and Safety Code Section 34191.5 (c) and the checklist provided by the Department of Finance (Attachment B), this Plan contains an inventory of the former PCDC's property and a description of the proposed disposition of the land.

SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY:

<table>
<thead>
<tr>
<th>No</th>
<th>Address</th>
<th>Size (sf)</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>129 Petaluma Boulevard No., APN 006-281-039</td>
<td>5,100</td>
<td>public park</td>
</tr>
<tr>
<td>2</td>
<td>120 Western Avenue, APN 006-363-023</td>
<td>9,030</td>
<td>portion of parking garage</td>
</tr>
<tr>
<td>3</td>
<td>0 Rocca Drive, APN 006-423-037</td>
<td>150</td>
<td>flood control mitigation</td>
</tr>
<tr>
<td>4</td>
<td>5 Vallejo Street, APN 007-019-032</td>
<td>11,500</td>
<td>flood control mitigation</td>
</tr>
<tr>
<td>5</td>
<td>10 Vallejo St., APN 007-042-017</td>
<td>5,000</td>
<td>flood control mitigation</td>
</tr>
<tr>
<td>6</td>
<td>0 Cedar Grove Park APN 006-051-080</td>
<td>130,680</td>
<td>flood control mitigation / future public park</td>
</tr>
<tr>
<td>7</td>
<td>Lakeville Street, APN 006-051-083 (adjacent to Petaluma River)</td>
<td>2,514</td>
<td>flood control mitigation</td>
</tr>
<tr>
<td>8</td>
<td>0 Lakeville St., APN 007-071-007</td>
<td>7,653</td>
<td>flood control mitigation</td>
</tr>
<tr>
<td>9</td>
<td>Auto Center Drive (2 parcels)</td>
<td></td>
<td>right of way / street</td>
</tr>
<tr>
<td></td>
<td>APN 007-412-060; 007-412-066</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Industrial Avenue, APN 150-020-036</td>
<td>87,120</td>
<td>developable vacant land</td>
</tr>
</tbody>
</table>
Acquisition Information.
This property was acquired in 1985 for $65,227. The property is located in the downtown area of Petaluma and was purchased as part of the City’s River Walk Pedestrian concourse, also known as the Golden Concourse. The Successor Agency staff determined that this property has a $0 value to it because it is a public park.

Purpose of Acquisition.
This parcel was purchased for a public park to be named after one of Petaluma’s beloved mayors, Helen Putnam. This park, Putnam Plaza, was acquired using redevelopment funds for one of many pedestrian improvements through the Central Business District, a redevelopment project area.

Parcel data.
The property address is 129 Petaluma Boulevard. The assessor parcel number is 006-281-039. The lot size is 5,100 s.f. It is currently zoned CS – Civic Space.
Current Value.
There is no appraisal information on this parcel as it is a public park. The estimated value for resale is $0.

Revenues generated by the Property; Contractual Requirements.
The property does not generate any lease, rental, or other revenue. There is no contractual requirement related to this property.

Environmental Contamination & Remediation.
To the Successor Agency’s knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the property.

Potential for Transit Oriented Development and Advancement of Planning Objectives.
The property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.
Parcel #2

120 Western Avenue

Acquisition Information
This property was acquired on November 4, 1977 by the former PCDC for $102,000. The property is located on the corner of Western and Keller Street and was purchased as one of the parcels for the development of the Keller Street Garage. The Successor Agency staff determined that this property has a $0 value to it because it is a public facility.

Purpose of Acquisition.
One of the major accomplishments of the Central Business District, a redevelopment project area, was the development of approximately 400 parking spaces in the Keller Street Garage. This parcel was purchased by redevelopment funds as the last piece of property to be acquired for development of the city owned garage. The other parcels were already city-owned parking lots.
Parcel Data.
The property address is 120 Western Avenue. The assessor parcel number is 006-363-023. The lot size is 9,030 s.f. It is currently zoned CF – Civic Facility.

Current Value.
There is no appraisal information on this parcel as it is a public facility. The estimated value for resale is $0.

Revenues generated by the Property; Contractual Requirements.
The property does not generate any lease, rental, or other revenue. The Keller Street Garage was built with funds generated from a Parking district. The surrounding property owners formed an Assessment District and generated funds to build the garage improvements in return for reduced parking requirements throughout the Downtown. This parking district continues to be the basis for reduced parking requirements throughout the historic downtown corridor.

Environmental Contamination & Remediation.
This property was formerly a gas station when it was purchased in 1977. In the Agreement to Buy and Sell Real Property signed by all parties, the Seller was required to remove all fuel storage tanks on the property. To the Successor Agency’s knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the property.

Potential for Transit Oriented Development and Advancement of Planning Objectives.
The Property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.
Property #3
O Rocca Drive

Acquisition Information.
This property was acquired in 1999 by the former RDA for $12,226. The property is located behind a residential lot on the Petaluma River and was purchased as one of the parcels for the development of Payran Reach Flood Control Improvements. The Successor Agency staff determined that this property has a $0 value to it because it is in a flood way and part of the mitigation of the flood control improvements.

Purpose of Acquisition.
Redevelopment funds were used to purchase several properties throughout the flood control project. This parcel was purchased for a construction easement that was needed by the Corps of Engineers to complete the project.
Parcel Data.
The property address is 0 Rocca Drive. The assessor's parcel number is 006-423-037. The lot size is 150 s.f. It is currently zoned FW – Flood Way.

Current Value.
There is no appraisal information on this parcel as it is in a flood way and cannot be developed. The estimated value for resale is $0.

Revenues generated by the Property; Contractual Requirements.
The property does not generate any lease, rental, or other revenue. There is no contractual requirement related to this Property.

Environmental Contamination & Remediation.
To the Successor Agency's knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the Property.

Potential for Transit Oriented Development and Advancement of Planning Objectives.
The Property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

Background to Properties 4 - 8
Properties #4-8 are all part of the same flood control project in the Petaluma Community Development Project Area. The Petaluma Community Development Project Area was formed in large part to help commercial and industrial development become feasible by providing funds to alleviate the problems. One of the problems of the Project Area was the configuration of the physical topography with the existence of the Petaluma River significantly contributing to the conditions of blight from the many floods beginning in 1982 through 1998. In 1982, the January storm occurred over a 50+ block area on both sides of the river through the City of Petaluma. Most of the 500 homes and the 100 commercial-industrial establishments in this area incurred flood damage. The total damage was estimated to be $28 million. In the next several years, another $6 million in damages had occurred. The redevelopment agency funds were used in coordination with funds from State and Federal agencies to construct a 100 year level of protection from floods. That project was the Payran Reach Flood Control Improvements.

Property #4

5 Vallejo Street
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

Acquisition Information.
This property was acquired in 1995 by the former RDA for $94,780. The property is located next to the Petaluma River and was purchased as one of the parcels for the development of Payran Reach Flood Control Improvements. The Successor Agency staff determined that this property has a $0 value to it because it is in a flood way and part of the mitigation of the flood control improvements.

Purpose of Acquisition.
Redevelopment funds were used to purchase several properties throughout the flood control project. This parcel was purchased to construct a portion of a concrete flood wall that was needed by the Corps of Engineers to complete the project.

Parcel Data.
The property address is 5 Vallejo Street. The assessor’s parcel number is 007-019-032. The lot size is 11,500 s.f. It is currently zoned FW – Flood Way.

Current Value.
There is no appraisal information on this parcel as it is in a flood way and cannot be developed. The estimated value for resale is $0.

Revenues generated by the Property; Contractual Requirements.
The property does not generate any lease, rental, or other revenue. There is no contractual requirement related to this Property.

Environmental Contamination & Remediation.
To the Successor Agency’s knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the Property.

Potential for Transit Oriented Development and Advancement of Planning Objectives.
The Property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.
Property #5

10 Vallejo Street

Acquisition Information.
This property was acquired in 1994 by the former RDA for $95,211. The property is located next to the Petaluma River and was purchased as one of the parcels for the development of Payran Reach Flood Control Improvements. The Successor Agency staff determined that this property has a $0 value to it because it is in a flood way and part of the flood control improvements and was used to construct a portion of the concrete floodwall.

Purpose of Acquisition.
Redevelopment funds were used to purchase several properties throughout the flood control project. This parcel was purchased to construct a portion of a concrete flood wall that was needed by the Corps of Engineers to complete the project.
Parcel Data.
The property address is 10 Vallejo Street. The assessor’s parcel number is 007-042-017. The lot size is 5,000 s.f. It is currently zoned FW – Flood Way.

Current Value.
There is no appraisal information on this parcel as it is in a flood way and cannot be developed. The estimated value for resale is $0.

Revenues generated by the Property; Contractual Requirements.
The property does not generate any lease, rental, or other revenue. There is no contractual requirement related to this Property.

Environmental Contamination & Remediation.
To the Successor Agency’s knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the Property.

Potential for Transit Oriented Development and Advancement of Planning Objectives.
The Property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.
Acquisition Information.
This property was acquired in 1996 by the former RDA for $261,373. The property is located next to the Petaluma River and was purchased as a mitigation site for the Payran Reach Flood Control Improvement Project. The Successor Agency staff determined that this property has a $0 value to it because a portion of the property is in a flood way and the other part of the property is designated open space/public park.

Purpose of Acquisition.
Redevelopment funds were used to purchase several properties throughout the flood control project. This parcel was purchased as mitigation that was required in the EIR/EIS of the Payran Reach Flood Control Improvement project to protect the fish and wildlife habitat.
Parcel Data.
The property address is 0 Cedar Grove Park. The assessor’s parcel number is 006-051-080. The lot size is 130,680 s.f. It is currently zoned FW – Flood Way and OS – Open Space.

Current Value.
There is no appraisal information on this parcel as it is in a flood way and cannot be developed. The estimated value for resale is $0.

Revenues generated by the Property; Contractual Requirements.
The property does not generate any lease, rental, or other revenue. There is no contractual requirement related to this Property.

Environmental Contamination & Remediation.
To the Successor Agency’s knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the Property.

Potential for Transit Oriented Development and Advancement of Planning Objectives.
The Property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

Property #7
Lakeville Street adjacent to Petaluma River

(NO PICTURE)

Acquisition Information.
This property was acquired on 8/15/1997 by the former RDA for $36,159. The property is located next to the Petaluma River and was purchased as one of the parcels for the development of Payran Reach Flood Control Improvements. The Successor Agency staff determined that this property has a $0 value to it because it is in a flood way.

Purpose of Acquisition.
Redevelopment funds were used to purchase several properties throughout the flood control project. This parcel was purchased for a construction easement that was needed by the Corps of Engineers to complete the project.

Parcel Data.
There is no property address. The assessor’s parcel number is 006-051-083. The lot size is 2,514 s.f. It is currently zoned MU1A – Mixed Use.

Current Value.
There is no appraisal information on this parcel as it is a small parcel and landlocked and cannot be developed. The estimated value for resale is $0.

Revenues generated by the Property; Contractual Requirements.
The property does not generate any lease, rental, or other revenue. There is no contractual requirement related to this Property.

Environmental Contamination & Remediation.
To the Successor Agency’s knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the Property.
Potential for Transit Oriented Development and Advancement of Planning Objectives.
The Property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.
Acquisition Information.
This property was acquired on 2/28/1997 by the former RDA for $181,000. The property is located next to the Petaluma River and was purchased as one of the parcels for the development of Payran Reach Flood Control Improvements. The Successor Agency staff determined that this property has a $0 value to it because it is in a flood way and is a public right of way for the River Trail project.

Purpose of Acquisition.
Redevelopment funds were used to purchase several properties throughout the flood control project. This parcel was purchased for a construction easement that was needed by the Corps of Engineers to complete the project.
Parcel Data.
The property address is 0 Lakeville Street. The assessor’s parcel number is 007-071-007. The lot size is 7,653 s.f. It is currently zoned FW and MU – Mixed Use.

Current Value.
There is no appraisal information on this parcel as it is an easement for the maintenance of the flood wall and pilings. The estimated value for resale is $0.

Revenues generated by the Property; Contractual Requirements.
The property does not generate any lease, rental, or other revenue. There is no contractual requirement related to this Property. However, this property has two easements for right of way attached to it.

Environmental Contamination & Remediation.
To the Successor Agency’s knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the Property.

Potential for Transit Oriented Development and Advancement of Planning Objectives.
The Property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.
Property #9 (2 parcels)

Auto Center Drive adjacent to Benson Dr.
Auto Center Drive NW of Benson

Acquisition Information.
This property was acquired on 11/8/1991 by the former RDA for an undetermined account of funds. The property is located in the Petaluma Auto Plaza development. The Successor Agency staff determined that this property has a $0 value to it because it is a public street.

Purpose of Acquisition.
Redevelopment funds were used to purchase several properties within the Petaluma Auto Plaza project. These parcels were purchased for use as a public street and right of way.

Parcel Data.
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

There is no property address. The assessor’s parcel number is 007-412-060 and 007-412-066. There is no lot size on either parcel. It is a public street and right of way.

Current Value.
The current appraisal information on this parcel as it is public street and cannot be developed. The estimated value for resale is $0.

Revenues generated by the Property; Contractual Requirements.
The property does not generate any lease, rental, or other revenue. There is no contractual requirement related to this property.

Environmental Contamination & Remediation.
To the Successor Agency’s knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the Property.

Potential for Transit Oriented Development and Advancement of Planning Objectives.
The Property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.
Property #10

Industrial Avenue (between Auto Center & Corona Road)

Acquisition Information.
This parcel is part of the Petaluma Auto Plaza development that started in 1988. It was purchase on 12/12/1988 for a price of $413,240. An estimate of its current value is $630,000 using a comparable market sale in December of 2011.

Purpose of Acquisition.
The Petaluma Auto Plaza was the first major project in the Petaluma Community Development Project Area, which was designed to contain 9 dealerships when completely developed. The purchase of this parcel was to be part of the Petaluma Auto Plaza development.

Parcel Data.
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

The property address is Industrial Avenue. The assessor's parcel number is 150-020-036. The lot size is 87,120 s.f. approximately 2 acres. It is vacant developable land.

Current Value.
The property has not had an appraisal since it was purchased in 1988. The property is estimated at a value of $630,000 per a comparable property that was sold in one of Petaluma's industrial areas in December of 2011.

Revenues generated by the Property; Contractual Requirements.
The property does have a lease with the Petaluma Valley Racquet Club for $500 per month for its over-flow parking. The lease is on a month to month basis.

Environmental Contamination & Remediation.
To the Successor Agency's knowledge, the property does not have any history of environmental contamination or remediation efforts, and the Successor Agency does not have any related environmental studies with respect to the Property.

Potential for Transit Oriented Development and Advancement of Planning Objectives.
The Property has no known potential for transit-oriented development or advancement of planning objectives of the Successor Agency.

USE OR DISPOSITION OF PROPERTIES

According to Health and Safety Code Section 34191.5, Successor Agencies must address the use or disposition of all former Agency owned properties in the Community Redevelopment Trust Fund. The properties can be retained for governmental use, retained for future development, sold, or used to fulfill an enforceable obligation. The legislation goes on to state the following:

- The plan should separately identify and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.
- Property intended to be used for a project identified in an approved redevelopment plan will be transferred to the host city of county.
- If the successor agency plans to liquidate the property or use the revenues from the property for any purpose other than fulfilling an enforceable obligation or for a contemplated redevelopment project, the proceeds from the sale shall be distributed as property tax to the taxing entities.
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

Of the 10 properties that are owned by the Petaluma Community Development Commission, 9 of them should be retained for governmental use. The 10th remaining property, Industrial Avenue, is a piece of vacant land that can be sold at its appraised value. Proceeds from the sale will be distributed as property tax to the taxing entities.

The following properties should be retained for governmental use:

<table>
<thead>
<tr>
<th>No</th>
<th>Address</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>129 Petaluma Boulevard N</td>
<td>This is a public park and zoned for Civic Space</td>
</tr>
<tr>
<td>2</td>
<td>120 Western Avenue</td>
<td>This is a portion of a parking garage and is zoned Civic Facility</td>
</tr>
<tr>
<td>3</td>
<td>0 Roca Drive</td>
<td>This parcel is in the flood way and has no value</td>
</tr>
<tr>
<td>4</td>
<td>5 Vallejo Street</td>
<td>This parcel is in the floodway and has no value</td>
</tr>
<tr>
<td>5</td>
<td>10 Vallejo Street</td>
<td>This parcel is in the floodway and has no value</td>
</tr>
<tr>
<td>6</td>
<td>0 Cedar Grove Park</td>
<td>This parcel is in the floodway and has no value</td>
</tr>
<tr>
<td>7</td>
<td>Lakeville Street (adjacent to Petaluma River)</td>
<td>This parcel is in the floodway and has no value</td>
</tr>
<tr>
<td>8</td>
<td>0 Lakeville Street</td>
<td>This parcel is in the floodway and was purchased to construct flood walls and for maintenance and cannot be sold</td>
</tr>
<tr>
<td>9</td>
<td>Auto Center Drive (2 parcels)</td>
<td>Both parcels are public streets</td>
</tr>
<tr>
<td>10</td>
<td>Industrial Avenue</td>
<td>Developable vacant property*</td>
</tr>
</tbody>
</table>

*The Industrial Avenue parcel is a vacant developable site and is not intended needed to fulfill an enforceable obligation. The Successor Agency, with the approval of the Oversight Board, will sell this parcel at market value and distribute the proceeds to the taxing entities.

CLARIFICATION ON CAPITAL ASSETS
In a letter dated May 1, 2013, the Department of Finance noted that “assets transferred to the City of Petaluma (City) during the period of January 1, 2011 through June 30, 2012 in the amount of $11,674,078 are not allowable.” The non-liquid assets transferred to the City are subject to the California State Controller’s Office review of asset transfers. The letter also says that the City should transfer those assets back to the Successor Agency and then present them in this Plan.

The transferred assets are portions of capital improvement projects paid for by the former PCDC and now owned by the City of Petaluma. The following are a list of the projects and the amounts transferred.
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

Caulfield Extension from Lakeville Street to Petaluma River – Project #C200104
This project had four phases and extended Caulfield Lane from Lakeville Street to Petaluma Boulevard South to provide access to future development sites. The project was started in 2003-2004 and the amount of redevelopment funds that were spent on this project was $369,793. This is a street project and not an asset of the redevelopment agency.

No. Water Street – Project #C200105
This project was started in 2004-2005 to improve No. Water Street from Washington Street to East Lakeville Street. The project was in the preliminary design stage and was put on hold due to a lack of commitment from property owners. The amount of redevelopment funds that were spent on this capital project was $98,166. This is a street project and not an asset of the redevelopment agency.

East D Street Widening – Project #C200205
This project was started in 2004-2005 and completed the design phase. The project had to be put on hold until other funds were committed. The amount of redevelopment funds that were spent on this capital project was $276,173. This is a street project and not an asset of the redevelopment agency.

Keller Street/Liberty Street Construction – Project #C200308
The project was started in 2007-2008 and completed the design phase. The project was suspended in 2009 due to lack of funding. The amount of redevelopment funds that were spent on this capital project was $85,737. This is a street project and not an asset of the redevelopment agency.

River Trail Enhancement Phase 2 – Project #C200503
This 3-phase project is part of the Payran Reach Flood Control Improvement project and implements the Petaluma River Access and Enhancement Plan from Lynch Creek to Washington Street, primarily developing pedestrian/bike paths along the river. The amount of redevelopment funds that were spent on this capital project was $2,896,575. This is not an asset of the redevelopment agency and is City right of ways.

Downtown Improvement Phase I – Project #C200603
This project reconstructed and revitalized the Downtown area between Washington and B Streets and Petaluma Boulevard and Howard Street. Work included landscaping, streetlights, sidewalks, curbs, gutters and street repair. The amount of redevelopment funds that were spent on this capital project was $6,669,804. This is a street project and not an asset of the redevelopment agency.

Caulfield Railroad Crossing – Project #C1200104
This project is a small portion of the Caulfield Extension Project (see above). This project extends Caulfield Lane all the way to Hopper Street including a new at-grade railroad crossing. The improvements closed the Hopper Street connection at Lakeville Street. The amount of redevelopment funds that were spent on this capital project was $941,908. This is a street project and not an asset of the redevelopment agency.

Auto Center Extension – Project #C53101002
This project was started in 2009-2010 and extended the existing Auto Center Drive to Petaluma Boulevard North. This is part of the Petaluma Auto Plaza that was developed in the 1990’s. The amount of redevelopment funds that were spent on this capital project was $164,610. This is a street project and not an asset of the redevelopment agency.

Trolley Feasibility – Project #C53401003
This project to rehabilitate the Trolley Trestle owned by SMART is in the early stages of looking for grant funding to rehabilitate Petaluma’s historic trestle for trolley operations. The amount of redevelopment funds spent on this project was $312.00.

All of the above capital assets except the Trolley Trestle are owned by the City of Petaluma. They were never owned by the redevelopment agency. The transfer that was made was an accounting procedure to remove the expenditures from the redevelopment agency and move them to the City of Petaluma capital asset list. All the assets are for governmental use.

ATTACHMENTS

Attachment A – Finding of Completion from DOF
Attachment B – LRPMP Information Checklist
May 29, 2013

Ms. Ingrid Alverde, Redevelopment Manager
City of Petaluma
27 Howard Street
Petaluma, CA 94952

Dear Ms. Alverde:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Petaluma Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).

- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. John C. Brown, City Manager, City of Petaluma
Ms. Sue Castellucci, Housing Coordinator, City of Petaluma
Mr. Randy Osborn, Property Tax Manager, Sonoma County
California State Controller’s Office
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

**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

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.

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: Petaluma Community Development Successor Agency

Date Finding of Completion Received: May 29, 2013

Date Oversight Board Approved LRPMP: October 9, 2013

**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 lists properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

☒ Yes ☐ No

OTHER 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.
LONG RANGE PROPERTY MANAGEMENT PLAN
Petaluma Community Development Successor Agency

Agency Contact Information

Name: Ingrid Alverde
Title: Economic/Redevelopment Mgr
Phone: 707-778-4549
Email: ialverde@ci.petaluma.ca.us
Date: 11/1/2013

Name: Sue Castellucci
Title: Housing Coordinator
Phone: 707-778-4563
Email: scastellucci@ci.petaluma.ca.us
Date: 11/1/2013

Department of Finance Local Government Unit Use Only

DETERMINATION ON LRPMP: □ APPROVED □ DENIED

APPROVED/DENIED BY: ___________________________ DATE: ___________________________

APPROVAL OR DENIAL LETTER PROVIDED: □ YES DATE AGENCY NOTIFIED: ______________