

**NOTICE/CALL AND AGENDA FOR A SPECIAL MEETING OF THE
SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD
SANTEE, CALIFORNIA**

OCTOBER 23, 2013

A SPECIAL MEETING of the Santee CDC Successor Agency Oversight Board is hereby called for **Wednesday, October 23, 2013 at 3:30 PM** at the Santee City Hall Council Chambers, 10601 Magnolia Avenue, Santee, California, for the following purposes:

1. Welcome and Introductions
2. Approval of Minutes for the September 26, 2013 Oversight Board Meeting
3. Resolution of the Santee CDC Successor Agency Oversight Board Approving the Long Range Property Management Plan for the City of Santee Successor Agency Pursuant to Health and Safety Code Section 34191.5
 - 3A *Staff Presentation on the Long Range Property Management Plan*
 - 3B *Review and Discussion by Oversight Board Members.*
 - 3C *Oversight Board Adoption of the Resolution Approving the Long Range Property Management Plan for the City of Santee Successor Agency*
4. Future Meeting Schedule
5. Comments from Oversight Board Members
6. Communication from the Public
7. Adjournment

*The City of Santee complies with the Americans With Disabilities Act.
If you require reasonable accommodations for this meeting contact the City Manager's Office
at (619) 258-4100 ext. 223 at least twelve (12) hours prior to the meeting.*

State of California }
County of San Diego } ss.
City of Santee }

AFFIDAVIT OF POSTING AGENDA

I, Pamela White, Senior Economic Development Coordinator of the City of Santee, hereby declare, under penalty of perjury, that a copy of this Special Meeting Agenda was posted in accordance with Resolution 61-2003 on October 21, 2013 at 3:30 p.m.



Signature

10/21/13

Date

SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD

WARREN H. SAVAGE JR. [CHAIR]

SANTEE RESIDENT

COUNTY OF SAN DIEGO APPOINTEE

ARNOLD WINSTON [VICE CHAIR]

SANTEE RESIDENT

SANTEE MAYORAL APPOINTEE

SAHAR ABUSHABAN

*ASSOCIATE VICE CHANCELLOR - BUSINESS SERVICES
GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT*

KARL CHRISTENSEN

*ASSISTANT SUPERINTENDENT - BUSINESS SERVICES
SANTEE SCHOOL DISTRICT*

WILLIAM POMMERING

*PRESIDENT – BOARD OF DIRECTORS
PADRE DAM MUNICIPAL WATER DISTRICT*

TOM ROMSTAD

*SENIOR MANAGEMENT ANALYST
[FORMER EMPLOYEE OF THE REDEVELOPMENT AGENCY]
SANTEE MAYORAL APPOINTEE*

RUSTY WILLIAMS

*SANTEE RESIDENT
COUNTY OF SAN DIEGO APPOINTEE*

SANTEE CDC SUCCESSOR AGENCY

KEITH TILL - CITY MANAGER

TIM McDERMOTT - FINANCE DIRECTOR

PAMELA WHITE - SENIOR ECONOMIC DEV. COORD.

**FOR MORE INFORMATION - CONTACT THE
CITY MANAGER'S OFFICE AT (619) 258-4100, EXT. 223**

MINUTES

SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD SPECIAL MEETING SEPTEMBER 26, 2013

SANTEE CITY COUNCIL CHAMBERS, 10601 MAGNOLIA AVENUE

The September 26, 2013 special meeting of the Santee CDC Successor Agency Oversight Board was called to order at 3:36 p.m. by Chairman Warren Savage. Present were Board Members Sahar Abushaban, William Pommering, Tom Romstad, Warren Savage Jr. (Chair), Rusty Williams, and Arnold Winston (Vice Chair). Successor Agency staff present was City Manager Keith Till, Finance Director Tim McDermott, and Senior Economic Development Coordinator Pamela White. Board Member Karl Christensen was absent.

AGENDA ITEM #1: WELCOME AND INTRODUCTIONS

Following some brief introductory remarks, Members of the Oversight Board and the Santee CDC Successor Agency staff were introduced.

AGENDA ITEM #2: APPROVAL OF MINUTES FOR THE FEBRUARY 26, 2013 OVERSIGHT BOARD MEETING

ACTION: On a motion by Vice Chair Winston, seconded by Board Member Pommering, the Minutes for the February 26, 2013 Oversight Board Meeting were approved, with all Board Members voting aye.

AGENDA ITEM #3: RESOLUTION OF THE SANTEE CDC OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD FROM JANUARY 1, 2014 TO JUNE 30, 2014 (ROPS 13-14B)

Finance Director Tim McDermott commenced with a line by line explanation of the Recognized Obligation Payment Schedule (ROPS) for the period from 1/1/14 to 6/30/14. As an aside, he explained that the State Department of Finance has continued to revise the ROPS reporting forms, making several technical formatting changes to the how the data is reported. Some of the adjustments noted on the form are due to this change in formatting.

Commencing with the ROPS summary page, he noted that Bond Proceeds Funding of over \$9.2 million was requested for the Prospect Avenue Improvement Project through 6/30/14, and this would take this project halfway through to its projected completion in December 2014. The summary reflected \$3,228,382 in anticipated six-month funding from the Redevelopment Property Tax Trust Fund (RPTTF), comprising \$2,978,382 for bond related expenses and Town Center improvements, and \$250,000 as the annual allocation for Administrative expenses. The Six-Month Total for all current period enforceable obligations is \$12,499,404.

It was explained that the ROPS contain a series of comparisons of current to prior period, with adjustments for authorized versus actual amounts, and any differences explained in the reporting forms as a “prior period adjustment”. In this way, the ROP Schedule looks back on the prior six-month period for a true-up process. The \$10,472 identified on the form as a “prior period adjustment” came about because of a change in the DOF’s reporting format and how that figure is calculated for reporting. This adjustment figure will then become an offset to the next ROPS request.

McDermott referenced the Report of Fund Balances on Page 2 of the ROPS, and noted the \$56,380 deficit on this page, representing the Enforceable Obligation Loan Agreement, which had been denied upon appeal. This had represented funding advanced by the City to the Successor Agency to fund a shortfall in revenue available to fund the property tax payments required by AB 1484.

With respect to the ROP Schedule for January-June 2014, it was pointed out that the ROPS lists only twelve remaining obligations relating to ongoing bond-related commitments and other longer term obligations.

ROPS FOR THE PERIOD JANUARY 1, 2014 TO JUNE 30, 2014

1) Tax Allocation Bonds 2005 Series A – relates to remaining bond payments on a January 2005 issuance of \$23.1M, with \$9.32 M used to refund the outstanding 1993 TAB and about \$14 M to finance additional phases of Town Center Community Park (U.S. Bank as trustee). The outstanding debt is \$29,187,739, with \$413,539 as the Six-Month Total.

2) Tax Allocation Bonds 2011 Series A – relates to bond payments on a March 2011 issuance of \$26.84 M, primarily used to finance major street and streetscape improvements to the Prospect Avenue industrial corridor (U.S. Bank as trustee). The outstanding debt is \$55,375,300, and the Six-Month Total is \$847,963. This project has been initiated and is being implemented.

3) Tax Allocation Bonds 2011 Series B - relates to bond payments on a March 2011 taxable issuance of \$4.71 M to assist in the development of the 44-unit Forester Square affordable apartments project on Olive Lane (U.S. Bank as trustee). The outstanding debt is \$11,527,488, and the Six-Month Total is \$206,025. This affordable housing project was completed in May.

4) Bond trustee fees – relates to bond trustee fees payable to U.S. Bank relating to the 2005 Series A TAB, 2011 Series A TAB, and the 2011 Series B TAB [see items 1-3]. The outstanding obligation is \$83,600, and the Six-Month Total is \$3,300.

5) Arbitrage rebate calculations – provides for required arbitrage rebate calculations by BLX Group Inc. for tax-exempt 2005 and 2011 issuances [see items 1-2]. The total amount due is \$48,500, with no payment reflected for the Six-Month Total. Moving forward, the rebate calculations will only be required every five years, which will be a cost savings.

6) Continuing disclosure reporting – provides for required disclosure reporting for a specified period by KNN Public Finance for 2005 and 2011 issuances [see items 1-3]. The total amount due is \$14,000, with \$500 as the Six-Month Total. As previously noted, this item has been reduced to an annual payment of \$500 for consulting and technical support, with city staff handling the primary reporting work using a template form created by KNN Public Finance.

7) Project management agreement – this represents the project management agreement with SourcePoint that provides for contract management and fund disbursement of up to \$28.5 M for the Prospect Avenue project and Riverview improvements. This agreement was executed in March 2011. The outstanding amount is \$20,002,555, with \$10,764,555 as the Six-Month Total.

8) Professional services agreement – provides for Helix Environmental to conduct required habitat monitoring of Town Center Community Park under contract through 6/30/14. The total amount due is \$13,522, with \$13,522 as the Six-Month Total and final payment. This item zeros out on this ROPS.

9) Unemployment payments – provides for unemployment benefit payments by the Successor Agency paid to the State Employment Development Department for three terminated employees of the former Santee CDC redevelopment agency as a result of 2/1/12 layoffs. AB 1484 clarified this as an eligible payment. The last payments were made on the last ROPS and no payment is reflected for this period. As previously noted, the Successor Agency purposely did not include pension payments for these former employees, and those costs are being covered by the City.

10) Successor agency administration – provides for City of Santee's administrative cost reimbursement as successor agency. Administrative costs may be allowed based on a minimum allocation of \$250,000 annually (which applies to Santee), or a formula allocation of up to 5% of the property tax allocated to the successor agency for Fiscal Year 2011-2012 and up to 3% of the property tax allocated to the successor agency for succeeding fiscal years. The total amount payable is \$250,000, and the Six-Month Total is \$250,000, representing the annual payment.

11) Loan from City for unfunded obligation from July-Dec. 2012 ROPS – this represents a loan repayment to the City of Santee for funding advanced for administrative expenses reported on the July-Dec. 2012 ROPS, which was unable to be paid from the RPTTF due to a required "residual balance" payment. There are no payments reflected because this has been converted to an Enforceable Obligation Loan reflected in Item #12.

12) Enforceable Obligation Loan – this provides for repayment to the City for funding advanced for administrative expenses reported on the July-Dec. 2012 ROPS, which was unable to be paid due to a required "residual balance" payment. The vehicle for this repayment is an Enforceable Obligation Expense Loan Agreement between the CDC Successor Agency and the City of Santee. This matter was reported on the previous ROPS and no payment is reflected in the current ROPS.

Vice Chair Winston commended Finance Director McDermott for an outstanding job in managing the Successor Agency's financial responsibilities and making sure that all transactions have an audit trail and have been well documented. He also commended City Manger Keith Till for his leadership and guidance through the Agency wind-down process, and asked that his remarks be noted in the minutes for the meeting.

ACTION: There being no further comments, on a motion by Vice Chair Winston, seconded by Board Member Williams, the Resolution of the Oversight Board Approving the Recognized Payment Schedule for the period January 1, 2014 to June 30, 2014 (ROPS 13-14B) was approved, with all Board Members voting aye.

AGENDA ITEM #4: ASSET TRANSFER REPORT FOR THE SANTEE COMMUNITY DEVELOPMENT COMMISSION FOR THE PERIOD FROM JANUARY 1, 2011 THROUGH JANUARY 31, 2012

Finance Director McDermott explained that, pursuant to AB 1484, the State Controller's Office was authorized to review asset transfers from former redevelopment agencies commencing with January 1, 2011 to identify and report any asset transfers that "were not made pursuant to an enforceable obligation on an approved and valid Recognized Obligation Payment Schedule." If unallowable transfers were identified, the State Controller's Office was further authorized to order the return of those assets for distribution among the taxing agencies. The State Controller's Office (SCO) had recently issued the Asset Transfer Report for the Santee Community Development Commission covering the period from January 1, 2011 through January 31, 2012, and a copy of the Report was provided as part of the Agenda packet. The SCO had also sent a copy of the report to the Oversight Board Chairman.

Chairman Savage referred Board Members to the cover letter and summary page of the Asset Transfer Report, which stated that the Santee Community Development Commission appropriately transferred \$54,670,885 in assets after January 1, 2011 and that no unallowable transfers were identified.

Since no formal action was required by the Oversight Board for this item, Chairman Savage recommended that the Asset Transfer Report be noted and filed by the Oversight Board, with all Board Members in agreement.

AGENDA ITEM #5: FUTURE MEETING SCHEDULE

Finance Director McDermott explained that the Board would need to schedule its next meeting in late October in order to approve the Successor Agency's Long Range Property Management Plan (LRPMP), which is due for submittal to the State Department of Finance by October 26, 2013. All agencies are required to submit an LRPMP that provides a detailed inventory of all properties held by the former redevelopment agency (Santee Community Development Commission), and evaluates each site for its use and disposition.

Board Members informally checked their schedules for availability and two potential meeting dates were suggested for consideration: Wednesday, October 23rd and Thursday, October 24th. A suggestion was made if the approval of the Plan might be handled through an electronic meeting, but staff noted that a resolution is required for Oversight Board actions, and the State Department of Finance might not accept electronic meetings for this process. A tentative date of October 24th was suggested, but it was agreed that staff would follow up with Board Members to confirm a meeting date for either Wednesday, October 23rd or Thursday, October 24th.

AGENDA ITEM #6: COMMENTS FROM OVERSIGHT BOARD MEMBERS

Warren expressed appreciation to City Manager Keith Till, Finance Director Tim McDermott, and staff for their excellent support to the Oversight Board, and diligence in keeping the City of Santee Successor Agency in compliance with all the fiscal and reporting requirements of the wind-down process.

AGENDA ITEM #7: COMMUNICATION FROM THE PUBLIC

There was no communication from the public.

AGENDA ITEM #8: ADJOURNMENT

Chairman Savage reminded the Board Members that the next meeting would take place either October 23rd or 24th, and staff would be checking back with them to confirm a date.

ACTION: On a motion by Board Member Pommering, seconded by Board Member Williams, the Oversight Board voted to adjourn the meeting, with all Members voting aye.

Meeting was adjourned at 4:24 p.m.



Pamela A. White
Senior Economic Development Coordinator
Santee CDC Successor Agency

SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD AGENDA STATEMENT

MEETING DATE October 23, 2013

AGENDA ITEM NO. 3

ITEM TITLE **RESOLUTION OF THE SANTEE CDC SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN FOR THE CITY OF SANTEE SUCCESSOR AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5**

SUMMARY

Assembly Bill 1484 ("AB 1484") which was signed into law by Governor Brown on June 27, 2012 imposes several new requirements on successor agencies. Pursuant to the provisions of Health and Safety Code Section 34191.5, successor agencies are required to prepare a Long Range Property Management Plan that inventories and addresses the disposition and use of all real property assets of the former redevelopment agency. The Plan must be submitted for approval to the Oversight Board and the State Department of Finance within six months of the Department of Finance granting a Finding of Completion letter to the successor agency. The City of Santee Successor Agency received its Finding of Completion on April 26, 2013, which verified that the Agency has remitted all required payments to the County Auditor-Controller for distribution to taxing entities and fulfilled other obligations as specified by the Department of Finance. Accordingly, the Successor Agency's Long Range Property Management Plan, must be approved by the Agency's Oversight Board and submitted to the Department of Finance no later than October 26, 2013.

The attached Long Range Property Management Plan provides detailed information for the seven properties owned by the former Community Development Commission, and also provides recommendations for the future disposition and use of these properties according to four permissible uses: 1) properties slated for sale, with proceeds of the sale distributed among the affected taxing entities; 2) governmental use properties to be transferred to the responsible agency; 3) properties used to fulfill an Enforceable Obligation; and 4) properties retained for future development pursuant to an approved redevelopment plan and other criteria. Of the seven properties owned by the former CDC, four properties are identified as suitable for sale and distribution of the proceeds to taxing entities, and three are recommended to be retained for governmental use as part of a flood control channel, a public alleyway, and a freeway frontage landscape buffer area.

FINANCIAL STATEMENT

There are no funds involved with the approval of the Long Range Property Management Plan. However, the Plan includes recommendations for the disposition and sale of certain properties, and subject to approval and direction from the State Department of Finance, it is anticipated that the proceeds from the sales of properties will be distributed among the affected taxing entities.

CITY ATTORNEY REVIEW

N/A Completed

RECOMMENDATION

Adopt the attached resolution approving the Long Range Property Management Plan for the City of Santee Successor Agency

ATTACHMENTS (Listed Below)

Resolution (with Exhibit A - Long Range Property Management Plan for the City of Santee Successor Agency)

**RESOLUTION OF THE SANTEE COMMUNITY DEVELOPMENT COMMISSION
SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE LONG RANGE
PROPERTY MANAGEMENT PLAN FOR THE CITY OF SANTEE SUCCESSOR
AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5**

WHEREAS, as part of the 2011-12 State budget bill, companion bills AB 1X26 and AB 1X27, eliminated the redevelopment functions of the Santee Community Development Commission (“CDC”) and required their dissolution; and

WHEREAS, on January 11, 2012, the Santee City Council elected to become the successor agency to the CDC (“CDC Successor Agency”); and

WHEREAS, Health and Safety Code Section 34191.5 provides that the CDC Successor Agency is required to prepare and submit a Long Range Property Management Plan for the real properties of the former Santee Community Development Commission, within six months of receiving a Finding of Completion from the State Department of Finance; and

WHEREAS, the State Department of Finance granted a Finding of Completion to the CDC Successor Agency on April 26, 2013, verifying that certain procedural and statutory requirements were met in the former redevelopment agency’s dissolution process; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5, the CDC Successor Agency has prepared the Agency’s Long Range Property Management Plan for submittal for approval to the Successor Agency Oversight Board and the State Department of Finance; which includes an inventory of required information for each parcel and addresses its use and disposition.

NOW THEREFORE BE IT RESOLVED, by the Santee Community Development Commission Successor Agency Oversight Board as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34191.5.

Section 3. The Oversight Board hereby approves the Long Range Property Management Plan of the City of Santee Successor Agency attached hereto as Exhibit A.

Section 4. Effective Date. This Resolution shall become effective upon its adoption.

Resolution No. CDCSAOB_____

Section 5. CEQA Compliance. The approval of the Long Range Property Management Plan through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

ADOPTED by the Santee Community Development Commission Successor Agency Oversight Board at a Special Meeting thereof held this 23th day of October 2013, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

WARREN H. SAVAGE JR., CHAIRPERSON

ATTEST:

PAMELA A. WHITE, SECRETARY

Attachments: Exhibit A: Long Range Property Management Plan for the City of Santee
Successor Agency

LONG RANGE PROPERTY MANAGEMENT PLAN



**CITY OF SANTEE SUCCESSOR AGENCY
TO THE FORMER SANTEE COMMUNITY
DEVELOPMENT COMMISSION**

October 2013

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LONG RANGE PROPERTY MANAGEMENT PLAN

City of Santee Successor Agency to the Former Santee Community Development Commission

INTRODUCTION

This Long Range Property Management Plan has been prepared for the City of Santee Successor Agency to the former Santee Community Development Commission, in accordance Health and Safety Code Section 34191.5, and pursuant to AB 1484.

Assembly Bill x1 26, signed into law June 29, 2011, provided for the dissolution of all redevelopment agencies statewide, and outlined a process for dissolution and wind down of agency affairs and disposition of agency assets such as land holdings. On December 29, 2011, the California Supreme Court upheld the constitutionality of AB x1 26, declared all redevelopment agencies dissolved as of February 1, 2012, and further established a revised timeline for winding down redevelopment activities by their designated successor agencies. As required by AB x1 26, upon dissolution, a seven-member oversight board was established for each redevelopment agency to oversee the activities of the successor agency. All assets, properties, contracts, and leases of the former redevelopment agency were transferred to the successor agency for disposition.

AB 1484 was enacted on June 27, 2012 as a clean-up measure to AB x1 26. It further clarified the dissolution process, and established additional procedural steps and deadlines for this process. One of the key provisions of AB 1484 was the requirement that successor agencies prepare a Long Range Property Management Plan that inventories and addresses the disposition and use of any real property assets of the former redevelopment agency. The Plan must be submitted for approval to the Oversight Board and the State Department of Finance within six months of the successor agency receiving a Finding of Completion from the Department of Finance. The City of Santee Successor Agency to the Santee Community Development Commission received its Finding of Completion on April 26, 2013, which verified that the Agency has remitted all required payments to the County Auditor-Controller for distribution to taxing entities and fulfilled other obligations as specified by the Department of Finance. Accordingly, the City of Santee Successor Agency's Long Range Property Management Plan, must be approved by the Agency's Oversight Board and submitted to the Department of Finance no later than October 26, 2013. A copy of the Agency's Finding of Completion from the Department of Finance is provided as Appendix A.

REQUIREMENTS OF THE PLAN

As part of the Long Range Property Management Plan process, the Department of Finance (DOF) has developed a checklist of required information to be completed by successor agencies and submitted to DOF along with the Long Range Property Management Plan. The completed DOF checklist for the City of Santee Successor Agency's Long Range Property Management Plan is included as Appendix B.

Pursuant to Health and Safety Code Section 34191.5, the Long Range Property Management Plan must provide a comprehensive inventory of each of the properties held by the former redevelopment agency, and address their disposition and use. The inventory must include the following information:

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

EXECUTIVE SUMMARY

The former Santee Community Development Commission is the owner of seven properties which have been inventoried and evaluated for disposition in the Long Range Property Management Plan. Five of these are contiguous properties acquired in a single transaction, and the other two properties represent smaller parcels purchased to fulfill a previous redevelopment objective. Of these seven parcels, four are suitable for sale and distribution of the proceeds to taxing entities, and three are recommended to be retained for governmental use as part of a flood control channel, a public alleyway, and a freeway frontage landscape buffer area.

Section I of this Plan provides an inventory of specified information relating to each of the properties, and Section II sets forth the proposed plan for disposition and use of the properties. The State Department of Finance has developed a Long Range Property Management Plan Property Inventory Data worksheet to summarize the required information for each property, and that is provided on the following Pages 3-6.

Successor Agency:
County:

City of Santee
San Diego

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

No.	Property Type	HSC 34191.5 (c)(2)			HSC 34191.5 (c)(1)(A)			SALE OF PROPERTY		
		Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date
1 APN 383-124-18-00	vacant land with portion used for flood control channel	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Sale of property for future development potential, remainder parcel to be combined with adjacent parcels for sale	4/30/2005	\$439,000 [for 5 parcels - Properties 1-5]	Unable to determine without full evaluation of site conditions and appraisal	Purch. Price derived from 2004 appraisals for ROW acq. process	Unable to determine value pending further evaluation	Property to be appraised prior to disposition	To be determined
2 APN 383-124-20-00	vacant land with portion used for flood control channel	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Sale of property for future development potential, remainder parcel to be combined with adjacent parcels for sale	4/30/2005	Included in purchase price for No. 1 above [1 of 5 parcels]	Unable to determine without full evaluation of site conditions and appraisal	Purch. Price derived from 2004 appraisals for ROW acq. process	Unable to determine value pending further evaluation	Property to be appraised prior to disposition	To be determined
3 APN 383-124-54-00	vacant land	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Sale of property for future development potential, subject parcel to be combined with adjacent parcels for sale	4/30/2005	Included in purchase price for No. 1 above [1 of 5 parcels]	Unable to determine without full evaluation of site conditions and appraisal	Purch. Price derived from 2004 appraisals for ROW acq. process	Unable to determine value pending further evaluation	Property to be appraised prior to disposition	To be determined
4 APN 383-124-56-00	vacant land	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Sale of property for future development potential, subject parcel to be combined with adjacent parcels for sale	4/30/2005	Included in purchase price for No. 1 above [1 of 5 parcels]	Unable to determine without full evaluation of site conditions and appraisal	Purch. Price derived from 2004 appraisals for ROW acq. process	Unable to determine value pending further evaluation	Property to be appraised prior to disposition	To be determined
5 APN 383-124-19-00	flood control channel	Retain Property for Governmental Purpose	Property to be transferred to City for direct use as flood control channel	4/30/2005	Included in purchase price for No. 1 above [1 of 5 parcels]	Considered "nominal value" with no feasible market value	Purch. Price derived from 2004 appraisals for ROW acq. process	Not applicable	Not applicable	Required for Governmental Purpose; Not feasible for sale
6 APN 381-530-29-00	alleyway	Retain Property for Governmental Purpose	Property to be transferred to City for direct use as alleyway access	2/7/1988	\$15,600	Considered "nominal value" with no feasible market value	Book Value (1988 purchase price based on market value)	Not applicable	Not applicable	Required for Governmental Purpose; Not feasible for sale
7 APN 384-141-12-00	landscape buffer for freeway	Retain Property for Governmental Purpose	Property to be transferred to City for direct use as landscape buffer for freeway frontage	12/10/1986	\$113,000	Considered "nominal value" with no feasible market value	Book Value (1986 purchase price based on appraisal)	Not applicable	Not applicable	Required for Governmental Purpose; Not feasible for sale

Successor Agency:
County:

City of Santee
San Diego

LONG RANGE PMP: PROPERTY INVENTORY DATA

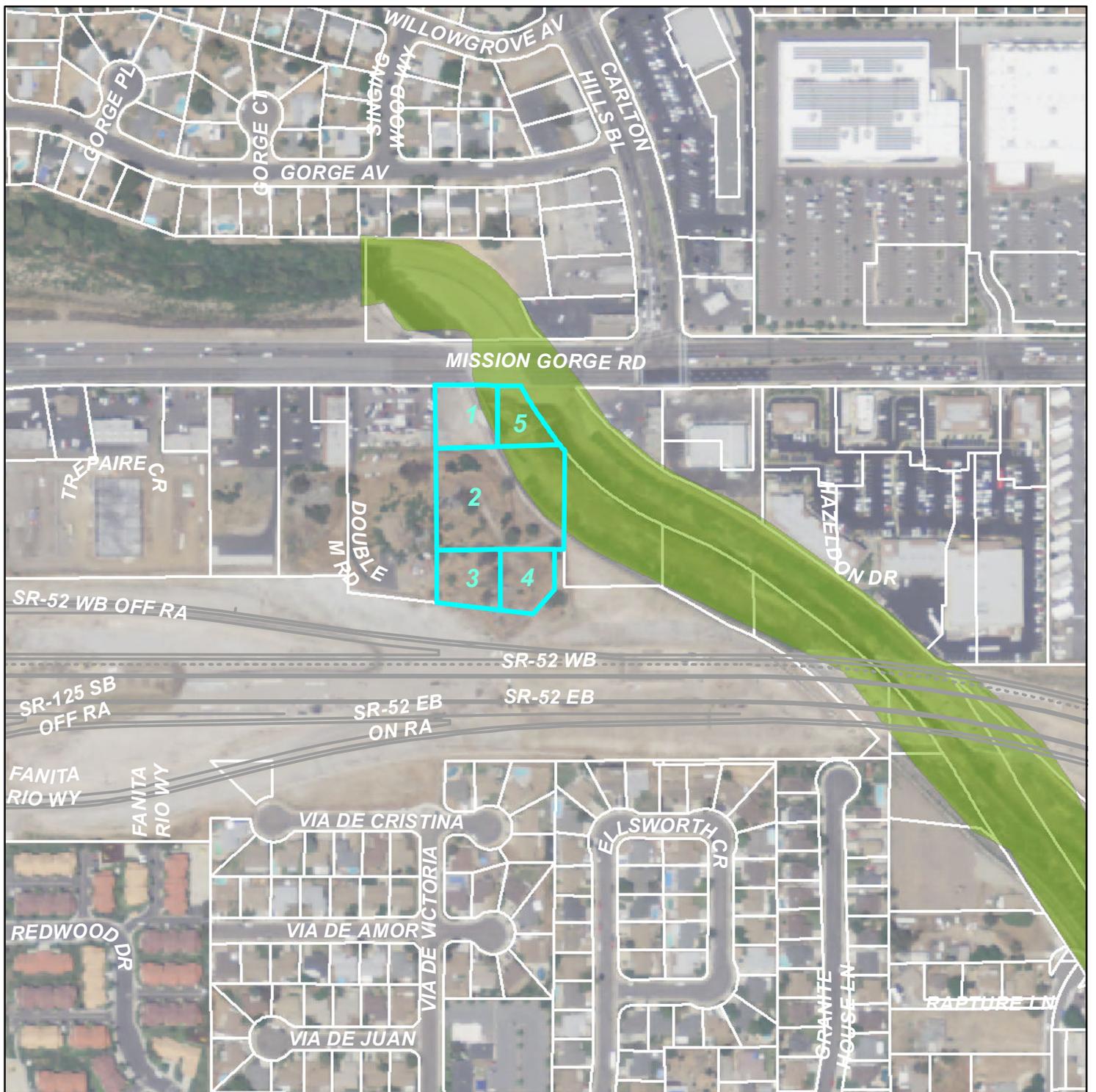
No.	Property Type	Permissible Use	HSC 34191.5 (c)(1)(B)		HSC 34191.5 (c)(1)(C)		Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of Income/Revenue
			Purpose for which property was acquired	Address	APN #	Lot Size				
1	vacant land with portion used for flood control channel	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Acquired from City for future development as remainder parcels from right-of-way takes for flood control channel; portion of property used for channel	9219-39 Mission Gorge Road	383-124-18-00	0.429 acres 18,689 s.f. Remainder: 0.343 acres 14,932 s.f.	GC Commercial	Unable to determine without full evaluation of site conditions and appraisal	No potential for Income/Revenue under current conditions	None
2	vacant land with portion used for flood control channel	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Acquired from City for future development as remainder parcels from right-of-way takes for flood control channel; portion of property used for channel	8864 Justia Lane	383-124-20-00	1.340 acres 58,370 s.f. Remainder: 0.992 acres 43,196 s.f.	GC General Commercial	Unable to determine without full evaluation of site conditions and appraisal	No potential for Income/Revenue under current conditions	None
3	vacant land	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Acquired from City for future development as remainder parcels from right-of-way takes for flood control channel	Mssn. Gorge Rd - unimproved land south of APN 383-124-20-00	383-124-54-00	0.399 acres 17,396 s.f.; No s.f. required for channel	GC General Commercial	Unable to determine without full evaluation of site conditions and appraisal	No potential for Income/Revenue under current conditions	None
4	vacant land	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Acquired from City for future development as remainder parcels from right-of-way takes for flood control channel	Mssn. Gorge Rd - unimproved land south of APN 383-124-20-00	383-124-56-00	0.348 acres 15,140 s.f.; No s.f. required for channel	GC General Commercial	Unable to determine without full evaluation of site conditions and appraisal	No potential for Income/Revenue under current conditions	None
5	flood control channel	Retain Property for Governmental Purpose	Acquired from City as remainder property purchase from right-of-way takes for flood control channel; entire parcel required for channel/infrastructure	9245 Mission Gorge Road	383-124-19-00	0.283 acres 12,313 s.f. 100% of parcel req'd for channel	GC General Commercial	Considered "nominal value" with no feasible market value	No potential for Income/Revenue	None
6	alleyway	Retain Property for Governmental Purpose	Acquired this 1,950 s.f. parcel for necessary alleyway access to support Price Club redevelopment project	Alleyway behind 9750 Mission Gorge Road	381-530-29-00	0.045 acres 1,950 s.f.	GC General Commercial	Considered "nominal value" with no feasible market value	No potential for Income/Revenue	None
7	landscape buffer for freeway	Retain Property for Governmental Purpose	Acquired for future corner monument sign at freeway onramp to State Route 67; This SR-67 Freeway onramp has since been relocated	Southeast corner of Prospect Avenue and Magnolia Avenue	384-141-12-00	0.482 acres 20,996 s.f. Remainder: 0.343 acres 14,951 s.f.	OP Open Space	Considered "nominal value" with no feasible market value	No potential for Income/Revenue	None

LONG RANGE PMP: PROPERTY INVENTORY DATA

No.	Property Type	HSC 34191.5 (c)(2)	HSC 34191.5 (c)(1)(F)	Description of property's potential for transit oriented development	HSC 34191.5 (c)(1)(G)	HSC 34191.5 (c)(1)(H)
		Permissible Use	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site		Advancement of planning objectives of the successor agency	History of previous development proposals and activity
1	vacant land with portion used for flood control channel	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Geologic Reconnaissance Report issued 4/15/10 on APN's 383-124-18, -20, -54, -56 plus adjacent parcel APN 383-124-52. Phase I Environmental Site Assessment issued 8/6/10 for same five parcels. No brownfield designation.	No potential for transit-oriented development	To facilitate commercial development; address blighted conditions; alleviate barriers to development; provide support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project	None
2	vacant land with portion used for flood control channel	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Geologic Reconnaissance Report issued 4/15/10 on APN's 383-124-18, -20, -54, -56 plus adjacent parcel APN 383-124-52. Phase I Environmental Site Assessment issued 8/6/10 for same five parcels. No brownfield designation.	Land-locked parcel; No potential for transit-oriented development	To facilitate commercial development; address blighted conditions; alleviate barriers to development; provide support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project	None
3	vacant land	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Geologic Reconnaissance Report issued 4/15/10 on APN's 383-124-18, -20, -54, -56 plus adjacent parcel APN 383-124-52. Phase I Environmental Site Assessment issued 8/6/10 for same five parcels. No brownfield designation.	Land-locked parcel; No potential for transit-oriented development	To facilitate commercial development; address blighted conditions; alleviate barriers to development; provide support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project	None
4	vacant land	Sale of Property and Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Geologic Reconnaissance Report issued 4/15/10 on APN's 383-124-18, -20, -54, -56 plus adjacent parcel APN 383-124-52. Phase I Environmental Site Assessment issued 8/6/10 for same five parcels. No brownfield designation.	Land-locked parcel; No potential for transit-oriented development	To facilitate commercial development; address blighted conditions; alleviate barriers to development; provide support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project	None
5	flood control channel	Retain Property for Governmental Purpose	There is no known history of any environmental conditions, studies or remediation efforts relating to this parcel. No brownfield designation.	Part of flood channel; No potential for transit-oriented development	To facilitate commercial development; address blighted conditions; alleviate barriers to development; provide support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project	None
6	alleyway	Retain Property for Governmental Purpose	There is no known history of any environmental conditions, studies or remediation efforts relating to this parcel. No brownfield designation.	No potential for transit-oriented development	Facilitate commercial & economic growth; alleviate barriers to development; provide support infrastructure through alleyway access for Price Club redevelopment project	None
7	landscape buffer for freeway	Retain Property for Governmental Purpose	There is no known history of any environmental conditions, studies or remediation efforts relating to this parcel. No brownfield designation.	No potential for transit-oriented development	Promote commercial dev.& investment; upgrade public infrastructure through landscaping and gateway monumentalization; alleviate blighted conditions of littering and debris	None

SECTION I

INVENTORY OF PROPERTIES



Properties 1-5

- No. 1 - APN 383-124-18-00
- No. 2 - APN 383-124-20-00
- No. 3 - APN 383-124-54-00
- No. 4 - APN 383-124-56-00
- No. 5 - APN 383-124-19-00

Forester Creek
 SR52



PROPERTY No. 1 – APN 383-124-18-00

Acquisition Information

Date of Acquisition: April 30, 2005

Value at Acquisition: Part of a consolidated purchase of five contiguous remainder parcels for \$439,000 from the City of Santee.

Estimated Current Value:

To be determined through an updated appraisal of the remaining four parcels taking into consideration Forester Creek Channel (completed in November 2007). Channel project required dedication of APN 383-124-19-00 and a portion of this parcel and APN 383-124-20-00. Adjacent parcels consist of steep slopes requiring extensive grading and potential blasting. Future disposition will require consolidated sale of four remaining parcels, since the other contiguous parcels are land-locked, and this is the sole parcel with street frontage access.

Purpose of Acquisition:

Five parcels were acquired as part of a property assemblage of just over 2 acres for future commercial development. These parcels were located within a blighted commercial area adjacent to an unimproved creek bed prone to flooding and vagrancy problems, and the parcels were further impacted by ineffective parcelization and lack of infrastructure. They were acquired for the redevelopment objectives of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project.

These five parcels comprised vacant and under-utilized commercial properties on the west side of the Forester Creek Channel which had been acquired by the City of Santee as necessary “full-take” right-of way acquisitions for the Forester Creek project. Santee Community Development Commission acquired them from City of Santee as remnant property pursuant to an Agreement for the Sale of Property in Aid of Redevelopment. Three of the parcels were land-locked, and all but two parcels would be impacted by Forester Creek Channel project, which eventually required the full dedication of APN 383-124-19-00 and a portion of this parcel and APN 383-124-20-00. The Forester Creek Channel was a massive \$36 million project that involved widening and realigning the creek to a 100-year flood level, bridge demolition and reconstruction at twice the span, and utility relocations, and resulted in improved water quality and restoration of the riparian and wetlands habitat. More right-of-way was required from these parcels than originally envisioned to address a wider creek channel for restoration efforts.

Despite these other factors, there was significant potential for commercial rehabilitation of these parcels and surrounding properties, and the adjacent property owner was interested in potential sale for a consolidated commercial retail project. Mission Gorge Road comprises the major retail commercial corridor for the City of Santee, and this portion was served by 50,000 cars per day, but comprised one of the most blighted and underutilized sections of this corridor.

**PROPERTY No. 1 – APN 383-124-18-00
(CONTINUED)**

Parcel Data

Property Address: 9219-39 Mission Gorge Road, Santee, CA 92071
Assessor Parcel No.: 383-124-18-00
Lot Size: 0.43 acres; 18,699 square feet, with portion committed to Forester Creek Channel right-of-way;
Remainder parcel: 0.34 acres; 14, 932 square feet
Current Zoning: GC – General Commercial

Valuation Data

Appraisal Information:

The Community Development Commission's acquisition price of \$439,000 for these five remainder parcels from the City was determined based upon the original \$1.7 million eminent domain acquisition price paid by the City in October 2004 to purchase these five parcels comprising 2.8 acres as "full takes" necessary for the Forester Creek Channel project. The value was determined based upon a 2004 appraisal and market comparables. The right-of-way valuation consultants further determined that the value of the .9 acres of total land required for the Channel right-of-way was valued at \$1.261 million, so the value of the five remainder parcels was set at \$439,000 (or \$1.7 million minus \$1.261 million). This was not a per square footage calculation, but took into consideration the higher value for the two frontage parcels, and the loss of one entire frontage parcel for the flood control channel (APN 384-124-19-00) plus the loss of about 40% of the frontage area for the subject parcel (APN 384-124-18-00).

No updated appraisal is available for this property, but any future sale of these parcels will require an appraisal that includes a full evaluation of the site conditions, right-of-way impacts, and development constraints. Due to the limited frontage access by only one parcel, these four remainder parcels are not feasible for development as separate parcels. Excluded from consideration is APN 384-124-19-00, which is fully committed for flood control channel use.

Estimated Lease/Rental Revenues:

This is the only parcel of the five with street access, however, lease revenue potential is not considered economically feasible. Due to the unimproved conditions of this property, any potential lease of this small parcel would first require lot resurfacing and street/curb/gutter improvements, and would result in completely blocking access to the other contiguous parcels, rendering these unusable and unable to be accessed for future grading or site preparation work.

For reporting purposes, it should be noted that a truck rental business previously

PROPERTY No. 1 – APN 383-124-18-00
(CONTINUED)

Estimated Lease/Rental Revenues: (continued)

occupied this lot. When City of Santee acquired this site by eminent domain for the Forester Creek project on 10/1/04, this business then leased this site from the City, on a month-to-month basis, for \$2,000 per month from November 2004 through February 2005 (for \$8,000 total) while relocating to another site. No lease or rental revenues were ever collected by the Santee Community Development Commission.

Background Information

History of environmental conditions, studies or remediation efforts:

A Geologic Reconnaissance Report was issued 4/15/10 by Murbach Geotech on the four parcels contemplated for future development (APN's 383-124-18, -20, -54, -56) plus the adjacent privately owned parcel (APN 383-124-52). It found the subject properties suitable for redevelopment, but advised further geologic investigation and recommended certain measures be taken to address the steep cut slopes, grading, granite rock conditions, and existing fills.

A Phase I Environmental Site Assessment by SCS Engineers was also issued on 8/6/10 for these same five parcels. With the exception of certain conditions requiring more investigation, it was determined that there is a low likelihood that recognized environmental conditions are present as a result of current/historical land use or from a known or reported off-site source. Because automotive related uses have been sited on the frontage parcels, further subsurface testing was recommended.

Potential for transit-oriented development:

This site is not conducive for transit-oriented development, nor are any of these five parcels. The closest bus stop is several blocks away, and this site is about 1 mile from the multi-modal Santee Transit Center.

Potential for advancement of planning objectives of the successor agency:

The five parcels were acquired for the redevelopment objectives of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project.

History of previous development proposals and activity:

This parcel was one of five remainder parcels acquired in April 2005 as part of a redevelopment-initiated property assemblage of just over 2 acres for future commercial development. It was then placed on hold pending the construction of the Forester Creek Channel, which was completed in late November 2007, followed by an economic recession affecting real estate values. There have been no development proposals or activity on APN 384-12-18-00, or any of these five remainder parcels.

PROPERTY No. 2 – APN 383-124-20-00

Acquisition Information

Date of Acquisition: April 30, 2005

Value at Acquisition: Part of a consolidated purchase of five contiguous remainder parcels for \$439,000 from the City of Santee.

Estimated Current Value:

To be determined through an updated appraisal of the remaining four parcels taking into consideration Forester Creek Channel (completed in November 2007). Channel project required dedication of APN 383-124-19-00 and a portion of this parcel and APN 383-124-18-00. This parcel consists of steep slopes requiring extensive grading and potential blasting. Future disposition will require consolidated sale of four remaining parcels, since these contiguous parcels are land-locked, with APN 383-124-18-00 as the sole parcel with street frontage.

Purpose of Acquisition:

Five parcels were acquired as part of a property assemblage of just over 2 acres for future commercial development. These parcels were located within a blighted commercial area adjacent to an unimproved creek bed prone to flooding and vagrancy problems, and the parcels were further impacted by ineffective parcelization and lack of infrastructure. They were acquired for the redevelopment objective of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project.

These five parcels comprised vacant and under-utilized commercial properties on the west side of the Forester Creek Channel which had been acquired by the City of Santee as necessary “full-take” right-of way acquisitions for the Forester Creek project. Santee Community Development Commission acquired them from City of Santee as remnant property pursuant to an Agreement for the Sale of Property in Aid of Redevelopment. This parcel and two others were land-locked, with all but two parcels impacted by Forester Creek Channel project, which eventually required the full dedication of APN 383-124-19-00 and a portion of this parcel and APN 383-124-18-00. The Forester Creek Channel was a massive \$36 million project that involved widening and realigning the creek to a 100-year flood level, bridge demolition and reconstruction at twice the span, and utility relocations, and resulted in improved water quality and restoration of the riparian and wetlands habitat. More right-of-way was required from these parcels than originally envisioned to address a wider creek channel for restoration efforts.

Despite these other factors, there was significant potential for commercial rehabilitation of these parcels and surrounding properties, and the adjacent property owner was interested in potential sale for a consolidated commercial retail project. Mission Gorge Road comprises the major retail commercial corridor for the City of Santee, and this portion was served by 50,000 cars per day, but comprised one of the most blighted and underutilized sections of this corridor.

**PROPERTY No. 2 – APN 383-124-20-00
(CONTINUED)**

Parcel Data

Property Address: 8864 Justa Lane, Santee, CA 92071
Assessor Parcel No.: 383-124-20-00
Lot Size: 1.34 acres; 58,370 square feet, with portion committed to Forester Creek Channel right-of-way;
Remainder parcel: 0.99 acres; 43,196 square feet
Current Zoning: GC – General Commercial

Valuation Data

Appraisal Information:

The Community Development Commission's acquisition price of \$439,000 for these five remainder parcels from the City was determined based on the original \$1.7 million eminent domain acquisition price paid by the City in October 2004 to purchase these five parcels comprising 2.8 acres as "full takes" necessary for the Forester Creek Channel project. The value was based upon a 2004 appraisal and market comparables. The right-of-way valuation consultants further determined that the value of the 0.9 acres of total land required for the Channel right-of-way was valued at \$1.261 million, so the value of the five remainder parcels was set at \$439,000 (or \$1.7 million minus \$1.261 million). This was not a per square footage calculation, but took into consideration the higher value for the two frontage parcels, and the loss of one entire frontage parcel for the flood control channel (APN 384-124-19-00) plus the loss of about 40% of the frontage area for APN 384-124-18-00.

No updated appraisal is available for this property, but any future sale of these parcels will require an appraisal that includes a full evaluation of the site conditions, right-of-way impacts, and development constraints. Due to the limited frontage access by only one parcel, these four remainder parcels are not feasible for development as separate parcels. Excluded from consideration is APN 384-124-19-00, which is fully committed for flood control channel use.

Estimated Lease/Rental Revenues:

This is a land-locked parcel with no street access, and lease revenue potential is not considered feasible. This parcel is characterized by steep slopes and a hilltop that used to have a small residence at the top, accessible by a side road that was eliminated with the flood channel project. The residence was demolished in spring 2005 to address vagrancy and vandalism problems.

For reporting purposes, it should be noted that the residence on this lot was previously occupied (prior to demolition). When the City of Santee acquired this site by eminent domain for the Forester Creek project on 10/1/04, the owner then leased this residence from the City, on a month-to-month basis, for \$1,500 per month from

**PROPERTY No. 2 – APN 383-124-20-00
(CONTINUED)**

Estimated Lease/Rental Revenues: (continued)

November 2004 through February 2005 (for \$6,000 total) while relocating to another residence. No lease or rental revenues were ever collected for this site by the Santee Community Development Commission.

Background Information

History of environmental conditions, studies or remediation efforts:

A Geologic Reconnaissance Report was issued 4/15/10 by Murbach Geotech on the four parcels contemplated for future development (APN's 383-124-18, -20, -54, -56) plus the adjacent privately owned parcel (APN 383-124-52). It found the subject properties suitable for redevelopment, but advised further geologic investigation and recommended certain measures be taken to address the steep cut slopes, grading, granite rock conditions, and existing fills.

A Phase I Environmental Site Assessment by SCS Engineers was also issued on 8/6/10 for these same five parcels. With the exception of certain conditions requiring more investigation, it was determined that there is a low likelihood that recognized environmental conditions are present as a result of current/historical land use or from a known or reported off-site source. Because automotive related uses have been sited on the frontage parcels, further subsurface testing was recommended.

Potential for transit-oriented development:

This site is not conducive for transit-oriented development, nor are any of these five parcels. The closest bus stop is several blocks away, and this site is about 1 mile from the multi-modal Santee Transit Center.

Potential for advancement of planning objectives of the successor agency:

The five parcels were acquired for the redevelopment objectives of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project.

History of previous development proposals and activity:

This parcel was one of five remainder parcels acquired in April 2005 as part of a redevelopment-initiated property assemblage of just over 2 acres for future commercial development. It was then placed on hold pending the construction of the Forester Creek Channel, which was completed in late November 2007, followed by an economic recession affecting real estate values. There have been no development proposals or activity on APN 384-12-20-00, or any of these five remainder parcels.

PROPERTY No. 3 – APN 383-124-54-00

Acquisition Information

Date of Acquisition: April 30, 2005

Value at Acquisition: Part of a consolidated purchase of five contiguous remainder parcels for \$439,000 from the City of Santee.

Estimated Current Value:

To be determined through an updated appraisal of the remaining four parcels taking into consideration Forester Creek Channel (completed in November 2007). The Forester Creek Channel project did not require any dedication from APN's 383-124-54-00 and 383-124-56-00, but both these unimproved parcels have slopes and hilly terrain that may require extensive grading. Future disposition will require consolidated sale of four remaining parcels, since these contiguous parcels are land-locked, with APN 383-124-18-00 as the sole parcel with street frontage.

Purpose of Acquisition:

Five parcels were acquired as part of a property assemblage of just over 2 acres for future commercial development. These parcels were located within a blighted commercial area adjacent to an unimproved creek bed prone to flooding and vagrancy problems, and the parcels were further impacted by ineffective parcelization and lack of infrastructure. They were acquired for the redevelopment objective of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project.

These five parcels comprised vacant and under-utilized commercial properties on the west side of the Forester Creek Channel which had been acquired by the City of Santee as necessary "full-take" right-of way acquisitions for the Forester Creek project. Santee Community Development Commission acquired them from City of Santee as remnant property pursuant to an Agreement for the Sale of Property in Aid of Redevelopment. APN's 383-124-54-00 and 383-124-56-00 were among three land-locked parcels, and the only parcels not impacted by Forester Creek Channel, which eventually required the full dedication of APN 383-124-19-00 and a portion of APN's 383-124-18-00 and 383-124-20-00. The Forester Creek Channel was a massive \$36 million project that involved widening and realigning the creek to a 100-year flood level, bridge demolition and reconstruction at twice the span, and utility relocations, and resulted in improved water quality and restoration of the riparian and wetlands habitat. More right-of-way was required from these parcels than originally envisioned to address a wider creek channel for restoration efforts.

Despite these other factors, there was significant potential for commercial rehabilitation of these parcels and surrounding properties, and the adjacent property owner was interested in potential sale for a consolidated commercial retail project. Mission Gorge Road comprises the major retail commercial corridor for the City of Santee, and this portion was served by 50,000 cars per day, but comprised one of the most blighted and underutilized sections of this corridor.

**PROPERTY No. 3 – APN 383-124-54-00
(CONTINUED)**

Parcel Data

Property Address: Mission Gorge Road, Santee (south of 383-124-20-00)
Assessor Parcel No.: 383-124-54-00
Lot Size: 0.40 acres; 17,396 square feet
Current Zoning: GC – General Commercial

Valuation Data

Appraisal Information:

The Community Development Commission's acquisition price of \$439,000 for these five remainder parcels from the City was determined based upon the original \$1.7 million eminent domain acquisition price paid by the City in October 2004 to purchase these five parcels comprising 2.8 acres as "full takes" necessary for the Forester Creek Channel project. The value was determined based upon a 2004 appraisal and market comparables. The right-of-way valuation consultants further determined that the value of the .9 acres of total land required for the Channel right-of-way was valued at \$1.261 million, so the value of the five remainder parcels was set at \$439,000 (or \$1.7 million minus \$1.261 million). This was not a per square footage calculation, but took into consideration the higher value for the two frontage parcels, and the loss of one entire frontage parcel for the flood control channel (APN 384-124-19-00) plus the loss of about 40% of the frontage area for APN 384-124-18-00.

No updated appraisal is available for this property, but any future sale of these parcels will require an appraisal that includes a full evaluation of the site conditions, right-of-way impacts, and development constraints. Due to the limited frontage access by only one parcel, these four remainder parcels are not feasible for development as separate parcels. Excluded from consideration is APN 384-124-19-00, which is fully committed for flood control channel use.

Estimated Lease/Rental Revenues:

APN's 383-124-54-00 is a land-locked parcel with no street access, and lease revenue potential is not considered feasible. This is an unimproved parcel characterized by hilly terrain, and extensive grading and site work would be required prior to any use.

**PROPERTY No. 3 – APN 383-124-54-00
(CONTINUED)**

Background Information

History of environmental conditions, studies or remediation efforts:

A Geologic Reconnaissance Report was issued 4/15/10 by Murbach Geotech on the four parcels contemplated for future development (APN's 383-124-18, -20, -54, -56) plus the adjacent privately owned parcel (APN 383-124-52). It found the subject properties suitable for redevelopment, but advised further geologic investigation and recommended certain measures be taken to address the steep cut slopes, grading, granite rock conditions, and existing fills.

A Phase I Environmental Site Assessment by SCS Engineers was also issued on 8/6/10 for these same five parcels. With the exception of certain conditions requiring more investigation, it was determined that there is a low likelihood that recognized environmental conditions are present as a result of current/historical land use or from a known or reported off-site source. Because automotive related uses have been sited on the frontage parcels, further subsurface testing was recommended.

Potential for transit-oriented development:

This site is not conducive for transit-oriented development, nor are any of these five parcels. The closest bus stop is several blocks away, and this site is about 1 mile from the multi-modal Santee Transit Center.

Potential for advancement of planning objectives of the successor agency:

The five parcels were acquired for the redevelopment objectives of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project.

History of previous development proposals and activity:

This parcel was one of five remainder parcels acquired in April 2005 as part of a redevelopment-initiated property assemblage of just over 2 acres for future commercial development. It was then placed on hold pending the construction of the Forester Creek Channel, which was completed in late November 2007, followed by an economic recession affecting real estate values. There have been no development proposals or activity on APN 384-12-54-00, or any of these five remainder parcels.

PROPERTY No. 4 – APN 383-124-56-00

Acquisition Information

Date of Acquisition: April 30, 2005

Value at Acquisition: Part of a consolidated purchase of five contiguous remainder parcels for \$439,000 from the City of Santee.

Estimated Current Value:

To be determined through an updated appraisal of the remaining four parcels taking into consideration Forester Creek Channel (completed in November 2007). The Forester Creek Channel project did not require any dedication from APN's 383-124-54-00 and 383-124-56-00, but both these unimproved parcels have slopes and hilly terrain that may require extensive grading. Future disposition will require consolidated sale of four remaining parcels, since these contiguous parcels are land-locked, with APN 383-124-18-00 as the sole parcel with street frontage.

Purpose of Acquisition:

Five parcels were acquired as part of a property assemblage of just over 2 acres for future commercial development. These parcels were located within a blighted commercial area adjacent to an unimproved creek bed prone to flooding and vagrancy problems, and the parcels were further impacted by ineffective parcelization and lack of infrastructure. They were acquired for the redevelopment objective of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project.

These five parcels comprised vacant and under-utilized commercial properties on the west side of the Forester Creek Channel which had been acquired by the City of Santee as necessary "full-take" right-of way acquisitions for the Forester Creek project. Santee Community Development Commission acquired them from City of Santee as remnant property pursuant to an Agreement for the Sale of Property in Aid of Redevelopment. APN's 383-124-54-00 and 383-124-56-00 were among three land-locked parcels, and the only parcels not impacted by Forester Creek Channel, which eventually required the full dedication of APN 383-124-19-00 and a portion of APN's 383-124-18-00 and 383-124-20-00. The Forester Creek Channel was a massive \$36 million project that involved widening and realigning the creek to a 100-year flood level, bridge demolition and reconstruction at twice the span, and utility relocations, and resulted in improved water quality and restoration of the riparian and wetlands habitat. More right-of-way was required from these parcels than originally envisioned to address a wider creek channel for restoration efforts.

Despite these other factors, there was significant potential for commercial rehabilitation of these parcels and surrounding properties, and the adjacent property owner was interested in potential sale for a consolidated commercial retail project. Mission Gorge Road comprises the major retail commercial corridor for the City of Santee, and this portion was served by 50,000 cars per day, but comprised one of the most blighted and underutilized sections of this corridor.

**PROPERTY No. 4 – APN 383-124-56-00
(CONTINUED)**

Parcel Data

Property Address: Mission Gorge Road, Santee (south of 383-124-20-00)
Assessor Parcel No.: 383-124-56-00
Lot Size: 0.35 acres; 15,140 square feet
Current Zoning: GC – General Commercial

Valuation Data

Appraisal Information:

The Community Development Commission's acquisition price of \$439,000 for these five remainder parcels from the City was determined based upon the original \$1.7 million eminent domain acquisition price paid by the City in October 2004 to purchase these five parcels comprising 2.8 acres as "full takes" necessary for the Forester Creek Channel project. The value was determined based upon a 2004 appraisal and market comparables. The right-of-way valuation consultants further determined that the value of the 0.9 acres of total land required for the Channel right-of-way was valued at \$1.261 million, so the value of the five remainder parcels was set at \$439,000 (or \$1.7 million minus \$1.261 million). This was not a per square footage calculation, but took into consideration the higher value for the two frontage parcels, and the loss of one entire frontage parcel for the flood control channel (APN 384-124-19-00) plus the loss of about 40% of the frontage area for APN 384-124-18-00.

No updated appraisal is available for this property, but any future sale of these parcels will require an appraisal that includes a full evaluation of the site conditions, right-of-way impacts, and development constraints. Due to the limited frontage access by only one parcel, these four remainder parcels are not feasible for development as separate parcels. Excluded from consideration is APN 384-124-19-00, which is fully committed for flood control channel use.

Estimated Lease/Rental Revenues:

APN's 383-124-56-00 is a land-locked parcel with no street access, and lease revenue potential is not considered feasible. This is an unimproved parcel characterized by hilly terrain, and extensive grading and site work would be required prior to any use.

**PROPERTY No. 4 – APN 383-124-56-00
(CONTINUED)**

Background Information

History of environmental conditions, studies or remediation efforts:

A Geologic Reconnaissance Report was issued 4/15/10 by Murbach Geotech on the four parcels contemplated for future development (APN's 383-124-18, -20, -54, -56) plus the adjacent privately owned parcel (APN 383-124-52). It found the subject properties suitable for redevelopment, but advised further geologic investigation and recommended certain measures be taken to address the steep cut slopes, grading, granite rock conditions, and existing fills.

A Phase I Environmental Site Assessment by SCS Engineers was also issued on 8/6/10 for these same five parcels. With the exception of certain conditions requiring more investigation, it was determined that there is a low likelihood that recognized environmental conditions are present as a result of current/historical land use or from a known or reported off-site source. Because automotive related uses have been sited on the frontage parcels, further subsurface testing was recommended.

Potential for transit-oriented development:

This site is not conducive for transit-oriented development, nor are any of these five parcels. The closest bus stop is several blocks away, and this site is about 1 mile from the multi-modal Santee Transit Center.

Potential for advancement of planning objectives of the successor agency:

The five parcels were acquired for the redevelopment objectives of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project.

History of previous development proposals and activity:

This parcel was one of five remainder parcels acquired in April 2005 as part of a redevelopment-initiated property assemblage of just over 2 acres for future commercial development. It was then placed on hold pending the construction of the Forester Creek Channel, which was completed in late November 2007, followed by an economic recession affecting real estate values. There have been no development proposals or activity on APN 384-12-56-00, or any of these five remainder parcels.

PROPERTY No. 5 – APN 383-124-19-00

Acquisition Information

Date of Acquisition: April 30, 2005

Value at Acquisition: Part of a consolidated purchase of five contiguous remainder parcels for \$439,000 from the City of Santee.

Estimated Current Value:

This entire parcel was required for the construction of the Forester Creek Channel, which was completed in late November 2007. This governmental use precludes this parcel from consideration for sale or for any other future uses. For this reason, it is considered to have only nominal value as support infrastructure reflecting its use as a flood control channel.

Purpose of Acquisition:

Five parcels were acquired as part of a property assemblage of just over 2 acres for future commercial development. These parcels were located within a blighted commercial area adjacent to an unimproved creek bed prone to flooding and vagrancy problems, and the parcels were further impacted by ineffective parcelization and lack of infrastructure. They were acquired for the redevelopment objectives of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project (including this entire parcel).

These five parcels comprised vacant and under-utilized commercial properties on the west side of the Forester Creek Channel which had been acquired by the City of Santee as necessary “full-take” right-of way acquisitions for the Forester Creek project. Santee Community Development Commission acquired them from City of Santee as remnant property pursuant to an Agreement for the Sale of Property in Aid of Redevelopment. Three of the parcels were land-locked, and all but two parcels would be impacted by Forester Creek Channel project, which eventually required the full dedication of this parcel and a portion of APN 383-124-18-00 and APN 383-124-20-00. The Forester Creek Channel was a massive \$36 million project that involved widening and realigning the creek to a 100-year flood level, bridge demolition and reconstruction at twice the span, and utility relocations, and resulted in improved water quality and restoration of the riparian and wetlands habitat. More right-of-way was required from these parcels than originally envisioned to address a wider creek channel for restoration efforts.

Despite these other factors, there was significant potential for commercial rehabilitation of these parcels and surrounding properties, and the adjacent property owner was interested in potential sale for a consolidated commercial retail project. Mission Gorge Road comprises the major retail commercial corridor for the City of Santee, and this portion was served by 50,000 cars per day, but comprised one of the most blighted and underutilized sections of this corridor.

**PROPERTY No. 5 – APN 383-124-19-00
(CONTINUED)**

Parcel Data

Property Address: 9245 Mission Gorge Road, Santee, CA 92071

Assessor Parcel No.: 383-124-19-00

Lot Size: 0.28 acres; 12,313 square feet; entire parcel committed to Forester Creek Channel right-of-way

Current Zoning: GC – General Commercial

Valuation Data

Appraisal Information:

The Community Development Commission's acquisition price of \$439,000 for these five remainder parcels from the City was determined based upon the original \$1.7 million eminent domain acquisition price paid by the City in October 2004 to purchase these five parcels comprising 2.8 acres as "full takes" necessary for the Forester Creek Channel project. The value was determined based upon a 2004 appraisal and market comparables. The right-of-way valuation consultants further determined that the value of the 0.9 acres of total land required for the Channel right-of-way was valued at \$1.261 million, so the value of the five remainder parcels was set at \$439,000 (or \$1.7 million minus \$1.261 million). This was not a per square footage calculation, but took into consideration the higher value for the two frontage parcels, and the loss of this entire frontage parcel for the flood control channel plus the loss of about 40% of the frontage area for the adjacent parcel (APN 384-124-18-00). This parcel was considered to have nominal value when it was acquired by the Community Development Commission because it was to be fully committed for the flood control channel.

No updated appraisal is available for this property, but APN 384-124-19-00 would be excluded from consideration for sale because this parcel is fully committed for flood control channel use. As previously noted, the other four remainder parcels are not feasible for development as separate parcels, and would also require an appraisal that included a full evaluation of site conditions.

Estimated Lease/Rental Revenues:

This parcel is fully committed for flood control channel use and would not have any lease revenue potential.

PROPERTY No. 5 – APN 383-124-19-00
(CONTINUED)

Background Information

History of environmental conditions, studies or remediation efforts:

A Geologic Reconnaissance Report was issued 4/15/10 by Murbach Geotech on the four parcels contemplated for future development (APN's 383-124-18, -20, -54, -56) plus the adjacent privately owned parcel (APN 383-124-52). It found the subject properties suitable for redevelopment, but advised further geologic investigation and recommended certain measures be taken to address the steep cut slopes, grading, granite rock conditions, and existing fills.

A Phase I Environmental Site Assessment by SCS Engineers was also issued on 8/6/10 for these same five parcels. With the exception of certain conditions requiring more investigation, it was determined that there is a low likelihood that recognized environmental conditions are present as a result of current/historical land use or from a known or reported off-site source. Because automotive related uses have been sited on the frontage parcels, further subsurface testing was recommended.

Potential for transit-oriented development:

This site is part of a flood control channel and is not conducive for transit-oriented development, nor are any of these five remainder parcels. The closest bus stop is several blocks away, and this site is about 1 mile from the multi-modal Santee Transit Center.

Potential for advancement of planning objectives of the successor agency:

The five parcels were acquired for the redevelopment objectives of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project.

History of previous development proposals and activity:

This parcel was one of five remainder parcels acquired in April 2005 as part of a redevelopment-initiated property assemblage of just over 2 acres for future commercial development. There have been no development proposals or activity on APN 384-12-19-00, or any of these five remainder parcels. However, this entire parcel was required for the construction of the Forester Creek Channel, which was completed in late November 2007. This governmental use precludes this parcel from consideration for any other future uses.

**Photographs of Properties 1-5 [APN 383-124-18-00,
383-124-19-00, 383-124-20-00, 383-124-54-00, and 383-124-56-00**



View of frontage parcel 383-124-18 (#1) looking south from Mission Gorge Road; APN 383-124-19 (#5) is on the far left as part of the Channel and APN 383-124-20 (#2) is the steep hill portion behind 383-124-18

View looking west at the properties from Mission Gorge Road showing the expansive width of Forester Creek Channel; APN 383-124-19 (#5) is part of the west side of this Channel and APN 383-124-20 (#2) is the steep hill portion in the background



View looking south from the Forester Creek Channel pathway in APN 383-124-19 (#5); Portions of APN 383-124-18 (#1) and APN 383-124-20 (#2) are visible on the right (west) side

**Photographs of Properties 1-5 [APN 383-124-18-00,
383-124-19-00, 383-124-20-00, 383-124-54-00, and 383-124-56-00**



View looking northwest toward the back portion of APN 383-124-20 (#2) from the Forester Creek Channel pathway; Portions of APN 383-124-56 (#4) are visible on the far left side (located south of 383-124-20)

View looking west over the back portion of APN 383-124-20 (#2) and looking across APN 383-124-56 (#3) and APN 383-124-56 (#4); State Route 52 is visible and runs along the south boundary of these two parcels.



View looking southwest across APN 383-124-56 (#3); State Route 52 is visible in the background



Property No. 6

APN 381-530-29-00
(1,950 s.f. for Alleyway)



PROPERTY No. 6 – APN 381-530-29-00

Acquisition Information

Date of Acquisition: February 7, 1988

Value at Acquisition: \$15,600

Estimated Current Value:

This entire parcel comprises 1,950 square feet and is fully committed for use as an alleyway, which precludes consideration for sale or for any other future uses. For these reasons, it is considered to have only nominal value as support infrastructure.

Purpose of Acquisition:

This alleyway access was acquired through eminent domain by the Santee Redevelopment Agency (predecessor to the Santee Community Development Commission) to provide critical delivery truck access to the Price Club redevelopment project. In October 1986, the Redevelopment Agency approved a Disposition and Development Agreement with Price Company and the Hahn Company to relocate the existing Price Club to a much larger site in the master-planned Santee Town Center area. The new site was directly adjacent to the existing Mission Gorge Square shopping center, which was a much older Vons-anchored center. Development of the new Price Club store required the construction of Town Center Parkway and other support infrastructure. However, there was only a single alleyway for truck delivery with the street access portion owned by Mission Gorge Square Center. This property owner had refused to share this street access, so this portion of this alleyway was acquired by the Redevelopment Agency and committed for public use.

This alley access was necessary to support truck delivery operations for the Price Club redevelopment project, which is considered one of the agency's most successful seed projects. The former Price Club is now a top-performing Costco, and the commercial corridor created by the construction of Town Center Parkway now serves a power center consisting of Walmart, Home Depot, Ross, Michael's and Office Depot. Mission Gorge Square was re-anchored with a Best Buy store and is also performing well. This alleyway was further expanded in the early 1990's with construction of a Home Depot store for their shared use, but it all began with the Agency acquiring this critical and necessary street access portion of this alleyway.

Parcel Data

Property Address: Alleyway behind 9270 Mission Gorge Road, Santee, CA

Assessor Parcel No.: 383-124-19-00

Lot Size: 0.045 acres; 1,950 square feet; entire parcel committed for use as a public alleyway

Current Zoning: GC – General Commercial

PROPERTY No. 6 – APN 381-530-29-00
(CONTINUED)

Valuation Data

Appraisal Information:

The eminent domain acquisition of 1,950 square feet of alleyway access for \$15,600 was the result of a negotiated price of \$8.00 per square foot, which was considered a comparable commercial land value in 1988 for that location. That value was reached in consultation with the appraiser under contract for the Price Club project, but no formal appraisal was deemed necessary.

Because of the small size of this parcel, and its sole use for alleyway access, it is considered to have nominal value as support infrastructure for a past redevelopment project.

Estimated Lease/Rental Revenues:

This parcel is fully committed for use as alleyway access and would not have any lease revenue potential.

Background Information

History of environmental conditions, studies or remediation efforts:

There is no known history of any environmental conditions, studies or remediation efforts relating to this parcel.

Potential for transit-oriented development:

This is a very small parcel that is part of an existing alleyway and would not have any potential for transit-oriented development.

Potential for advancement of planning objectives of the successor agency:

Acquisition of this parcel provided alleyway access as necessary support infrastructure to implement the Price Club redevelopment project. APN 381-530-29-00 was acquired for the redevelopment objectives of facilitating commercial development and economic growth, alleviating barriers to development, and providing support infrastructure through the provision of alleyway access for delivery truck access serving new commercial development initiated by redevelopment.

History of previous development proposals and activity:

This is a very small parcel that is part of an existing alleyway and does not have any previous history of development proposals or activity.

**Photographs of
Property No. 6 [APN 381-530-29-00]**

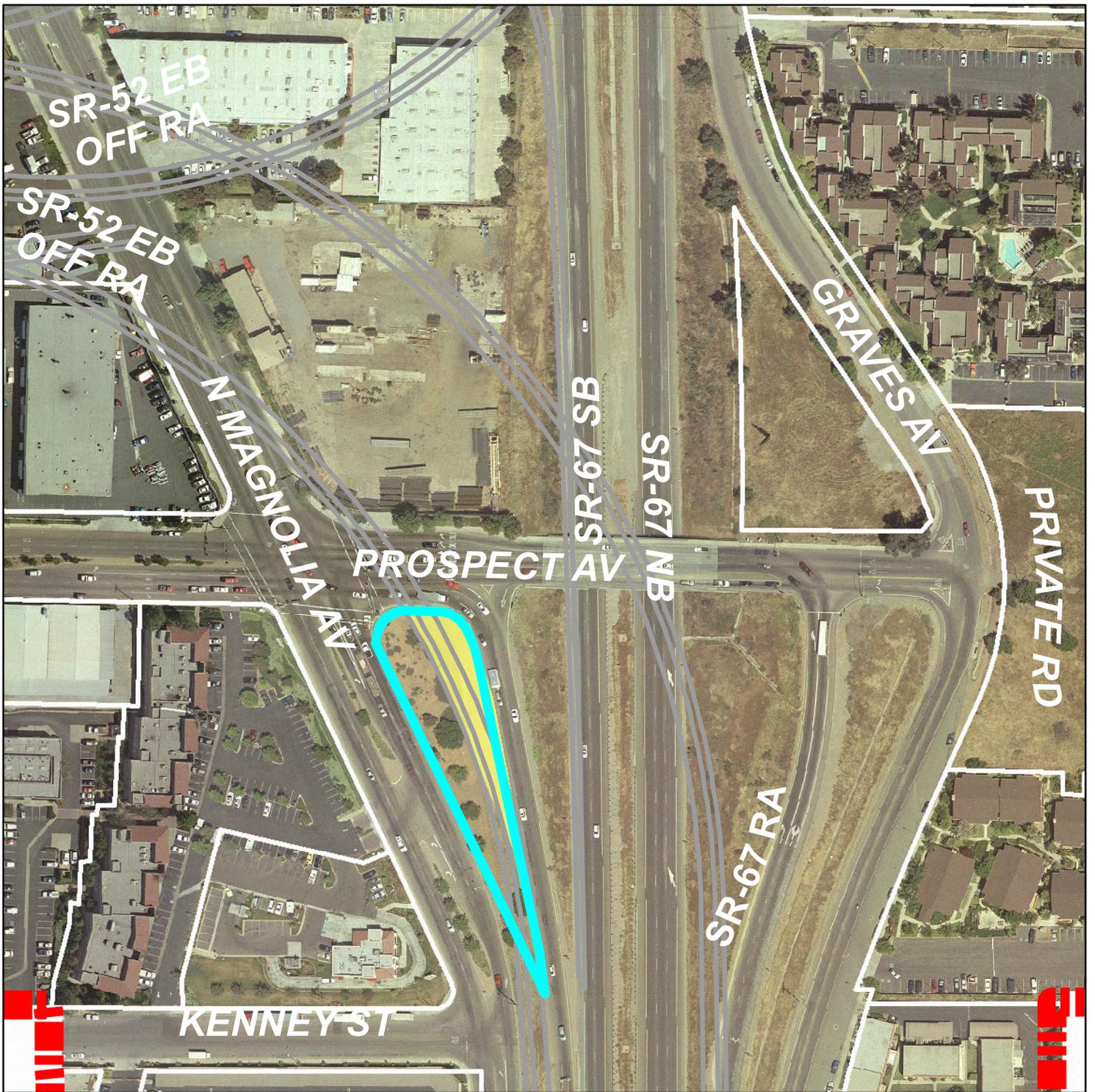


View of alley looking west
from street access point
along Cuyamaca Street

View from inside alley looking
east toward street access
point along Cuyamaca Street



View from inside alley
looking west toward
Costco (former Price Club)
in the distance



Property No. 7

APN 384-141-12-00



-  CalTrans 67 R-O-W
-  SR52



PROPERTY No. 7 – APN 384-141-12-00

Acquisition Information

Date of Acquisition: December 10, 1986

Value at Acquisition: \$113,000

Estimated Current Value:

This is a very narrow triangular shaped parcel that has been fully committed for use as a landscape buffer area adjacent to State Route 67. Freeway right-of-way and landscaping buffer requirements have made this parcel unsuitable for any other ancillary use, with the exception the original concept of a corner gateway monument sign adjacent to the on-ramp/off-ramp for State Route 67. Unfortunately, these freeway access ramps were relocated to another location with the connection of SR-52 to SR-67 in early 2011, a full 25 years after this purchase. This has further diminished the value of this site. For these reasons, this parcel is considered to have only nominal value as a landscape buffer area.

Purpose of Acquisition:

This corner parcel was acquired in 1986 through eminent domain by the Santee Redevelopment Agency (predecessor to the Santee Community Development Commission) to provide a future site for a corner gateway monument sign adjacent to the on-ramp/off-ramp for State Route 67 and to upgrade this unimproved blighted lot as a landscaping buffer zone along this freeway frontage. At the time, this was a key access point into the City of Santee, and more specifically to the commercial/industrial corridor along Magnolia Avenue and the industrial corridor along Prospect Avenue, which were focus areas of the Redevelopment Plan. This was also a blighted unimproved lot, devoid of any landscaping, and prone to littering and debris. The lot was acquired and improved as a landscape buffer area for the freeway, but the construction of the monument sign was postponed to enable other priority projects to be funded, and to allow for further freeway construction and reconfiguration plans—a process that spanned two decades.

Parcel Data

Property Address: Southeast corner of Prospect Avenue and Magnolia Avenue, Santee, CA 92071

Assessor Parcel No.: 384-141-12-00

Lot Size: 0.48 acres; 20,996 square feet; with freeway right-of-way dedication, the remaining area is 0.34 acres or 14,951 square feet, which is entirely committed as a landscaped freeway buffer area.

Current Zoning: OP – Open Space

PROPERTY No. 7 – APN 384-141-12-00
(CONTINUED)

Valuation Data

Appraisal Information:

The eminent domain acquisition price of \$113,000 for this 0.48 acre parcel in 1986 was based on an M.A.I. appraisal that reflected a value of about \$5.38 per square foot. That reflected peak market values at that time, and this parcel's key location serving the State Route 67 on-ramps. Those conditions no longer exist; these key freeway access ramps have been relocated, and this parcel's usable lot area has been further infringed by freeway right-of-way setbacks. Although the on-ramp that abutted this parcel has been closed, it is still maintained as a Caltrans access road.

In January 2007, Caltrans was preparing to use this parcel for freeway construction access and submitted an offer to buy the entire site in fee for \$2,500. Taking into consideration the freeway right-of-way dedications, the Caltrans Right-of-Way Division determined the usable lot area to be 0.34 acres or 14,951 square feet. In a Valuation Summary Statement dated January 30, 2007, the Caltrans appraiser opined the fair market value of this lot to be "Nominal," with its Highest and Best Use as "Landscaping site or Buffer Zone." Months later, it was determined that only limited access would be needed for freeway construction, and a Temporary Construction Easement Deed was processed in April 2007 for \$1,600.

Estimated Lease/Rental Revenues:

This parcel is fully committed for use as a landscape buffer area adjacent to SR-67, is unsuitable for development, and would not have any lease revenue potential.

Background Information

History of environmental conditions, studies or remediation efforts:

There is no known history of any environmental conditions, studies or remediation efforts relating to this parcel.

Potential for transit-oriented development:

This parcel is fully committed for use as a landscape buffer area adjacent to SR-67. It is a very narrow triangular shaped parcel that would preclude safe traffic ingress and egress, and would not have any potential for transit-oriented development.

Potential for advancement of planning objectives of the successor agency:

This freeway access "gateway" corner was acquired for the redevelopment objectives of promoting commercial development and investment, upgrading public infrastructure through landscaping and gateway monumentation, and alleviating blighted conditions of littering and debris on this parcel.

History of previous development proposals and activity:

This is a very narrow triangular shaped parcel used as a landscape buffer zone, and does not have any previous history of development proposals or activity.

**Photographs of
Property No. 7 [APN 384-141-12-00]**



View of subject site on southeast corner of Prospect Avenue and Magnolia Avenue

View of landscape buffer area viewed from Magnolia Avenue (looking northeast)



SECTION II

DISPOSITION AND USE OF PROPERTIES

BACKGROUND

The purpose of the Long Range Property Management Plan is to provide a comprehensive inventory and evaluation of each of the properties held by the former redevelopment agency, and to recommend a strategy for the disposition and use of these properties, pursuant to four permissible use scenarios as outlined in Health and Safety Code Section 34191.5:

Properties slated for sale

- *Strategy: Sale of properties and distribution of sale proceeds as property taxes to affected taxing entities.*

Properties retained for governmental use

- *Strategy: Transfer ownership of properties that were constructed and/or used for a governmental purpose (e.g. roads, parks, fire stations, local agency administrative buildings, etc.) to the appropriate public jurisdiction pursuant to Health and Safety Code Section 34181(a).*

Properties retained for future development

- *Strategy: Direct use of properties, or liquidation and use of sale proceeds, for a project identified in an approved Redevelopment Plan.*

Properties retained to fulfill an enforceable obligation

- *Strategy: Disposition and/or use of properties as specified in the terms of the enforceable obligation agreement.*

Of the seven properties owned by the former Santee Community Development Commission, five are contiguous parcels that were acquired in a single transaction for property assemblage, and the other two properties represent smaller acquisitions for a specific redevelopment purpose. All seven parcels were acquired to fulfill redevelopment core goals and objectives.

Regarding the four permissible uses outlined above, the properties fall into the first two categories of properties available for sale, and properties retained for governmental use. There are no properties identified to be retained for future development or to fulfill an enforceable obligation. More specifically, four properties are identified as suitable for sale and distribution of the proceeds to taxing entities, and three are recommended to be retained for governmental use as part of a flood control channel, a public alleyway, and a freeway frontage landscape buffer area.

PROPERTIES IDENTIFIED FOR SALE

Properties No. 1–4 [APN's 383-124-18, -20, -54, and -56]

These properties represent four of the five parcels acquired as part of a property assemblage of Forester Creek right-of-way remainder parcels for future commercial development. Santee Community Development Commission acquired them from City of Santee as remnant property pursuant to an Agreement for the Sale of Property in Aid of Redevelopment approved December 15, 2004. Prior to the flood control channel improvements, this was a blighted commercial area adjacent to an unimproved creek bed prone to flooding and vagrancy problems, and the parcels were further impacted by lack of infrastructure and ineffective parcelization, rendering three parcels completely land-locked.

All five parcels were acquired for the redevelopment objectives of facilitating commercial development, addressing blighted conditions, alleviating barriers to development, and providing support infrastructure through dedication of a portion of the properties toward the Forester Creek Channel project. Property No. 5 (APN 383-124-19-00) was included in this five-parcel transaction, but it is being addressed separately as a “governmental use” property because this entire parcel was required to be dedicated for the Forester Creek Channel.

It is important to clarify that these five parcels were not acquired for property speculation purposes, nor were they acquired from private property owners. These represented remainder parcels from mandatory “full take” right-of-way purchases by the City of Santee for the construction of Forester Creek Channel, a massive \$36 million flood control channel project. That is an important distinction because the Santee Community Development Commission’s subsequent acquisition of these remainder parcels from the City’s Forester Creek right-of-way properties provided a means for these properties to achieve their highest and best use, through property assemblage of the remainder acreage and consolidated development that would upgrade and enhance this blighted commercial area.

Recommended Action: It is recommended that Properties No. 1–4 (APN's 383-124-18, -20, -54, and -56), comprising four of the five remainder parcels, be designated for future sale with the sale proceeds distributed as property taxes to affected taxing entities. Due to the limited frontage access by only one parcel (APN-383-124-18-00), these four remainder parcels are not feasible for development as separate parcels, and need to be consolidated for sale.

As explained in the property inventory profile, any future sale of these parcels will require an appraisal that includes a full evaluation of the current site conditions, right-of-way impacts, and development constraints, and further environmental and geologic studies and testing as advised.

PROPERTIES IDENTIFIED FOR GOVERNMENTAL USE

Property No. 5 [APN 383-124-19-00]

This property was included in five parcels acquired as part of a property assemblage of Forester Creek right-of-way remainder parcels for redevelopment purposes. The Santee Community Development Commission acquired the five parcels from City of Santee as remnant property pursuant to an Agreement for the Sale of Property in Aid of Redevelopment approved December 15, 2004. However, APN 383-124-19-00 is being addressed separately as a “governmental use” property because this entire parcel was required to be dedicated for the Forester Creek Channel flood control project. All five parcels had been acquired by the City of Santee as necessary “full-take” right-of way acquisitions, and were subsequently purchased by the Santee Community Development Commission to consolidate the remainder of the unused portions for viable redevelopment in this blighted commercial area. One of these redevelopment objectives was to provide necessary support infrastructure, and this objective was achieved with the full use of this parcel for the Forester Creek Channel, providing stormwater drainage and flood control protection for the remaining four parcels slated for development.

Recommended Action: It is recommended that Property No. 5 (APN 383-124-19-00) be retained for governmental use, with ownership transferred to the City of Santee. This would be pursuant the Agreement for the Sale of Property in Aid of Redevelopment approved December 15, 2004, which contemplated portions of this five-parcel transaction to be used for the Forester Creek Channel project.

In terms of valuation of this asset being returned back to the City for governmental use purposes, this specific parcel is determined to have only “nominal value” because the \$439,000 paid by the Santee Community Development Commission to the City for the five parcels reflected only the remainder portions not used by the Channel project, which would have essentially excluded this parcel in that valuation. Returning this parcel to City ownership returns this parcel to a like inventory of other properties directly in use for the Forester Creek Channel, with their value reflected in their original right-of-way acquisition by the City.

Property No. 6 [APN 381-530-29-00]

This property consists of a 1,950 square foot narrow strip of alleyway acquired through eminent domain by the Santee Redevelopment Agency (predecessor to the Santee Community Development Commission) to provide critical delivery truck access to the Price Club redevelopment project. In October 1986, the Redevelopment Agency approved a Disposition and Development Agreement (DDA) with Price Company and the Hahn Company to relocate the existing Price Club to a much larger site in the master-planned Santee Town Center area. The street access portion of the existing alleyway was owned by the adjacent property owner, and required acquisition to secure this access for Price Club store operations.

Property No. 6 [APN 381-530-29-00] - continued

Recommended Action: It is recommended that Property No. 6 (APN 381-530-29-00) be retained for governmental use, with ownership transferred to the City of Santee. This would be pursuant to the Price Club DDA and the accompanying Redevelopment Agency Resolution No. RA 7-86 authorized the Agency Executive Director to take all necessary steps to implement the Price Club project, including broad authority relating to the construction of Town Center Parkway and other support infrastructure. The acquisition of this alleyway parcel and its dedication for governmental use as public alleyway access was authorized pursuant to both the Price Club DDA and Resolution No. RA 7-86.

In terms of valuation of this asset being returned back to the City for governmental use purposes, this specific parcel is determined to have only “nominal value” because of its minimal area of 1,950 square feet and its sole use as a portion of a public alleyway.

Property No. 7 [APN 384-141-12-00]

This property consists of a very narrow triangular shaped corner parcel that was acquired in 1986 through eminent domain by the Santee Redevelopment Agency (predecessor to the Santee Community Development Commission) to provide a future site for a corner gateway monument sign adjacent to the on-ramp/off-ramp for State Route 67, and to upgrade this unimproved blighted lot as a landscaping buffer zone along this freeway frontage. This was a highly visible location and considered a “gateway” entrance to the City and the redevelopment project area encompassing that site. Given the recent relocation of the SR-67 on-ramps, and the freeway right-of-way and landscaping buffer requirements, this parcel is unsuitable for any other use other than serving this governmental purpose as a freeway landscape buffer area. There are no redevelopment agreements relating to this dedicated use other than the original transaction documents that outlined this same intended purpose. This site was acquired for the redevelopment objectives of promoting commercial development and investment, upgrading public infrastructure through landscaping and gateway monumentation, and alleviating blighted conditions of littering and debris on this parcel.

Recommended Action: It is recommended that Property No. 7 (APN 384-141-12-00) be retained for governmental use, with ownership transferred to the City of Santee, and dedicated for governmental use as a landscape buffer area adjacent to State Route 67.

In terms of valuation of this asset being returned back to the City for governmental use purposes, this specific parcel is determined to have “nominal value” with a usable lot area of 0.34 acres or 14,951 square feet, given freeway right-of-way dedications and other site constraints. In a Valuation Summary Statement dated January 30, 2007, the Caltrans appraiser opined the fair market value of this lot to be “Nominal,” with its Highest and Best Use as “Landscaping site or Buffer Zone.”

APPENDIX A

DEPARTMENT OF FINANCE “FINDING OF COMPLETION” FOR CITY OF SANTEE SUCCESSOR AGENCY



April 26, 2013

Mr. Tim McDermott, Finance Director
City of Santee
10601 Magnolia Avenue
Santee, CA 92071

Dear Mr. McDermott:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Santee 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. Keith Till, City Manager, City of Santee
Mr. Juan Perez, Senior Auditor and Controller Manager, San Diego County
Ms. Nenita DeJesus, Senior Auditor and Controller Accountant, San Diego County
California State Controller's Office

APPENDIX B

DEPARTMENT OF FINANCE LONG RANGE PROPERTY MANAGEMENT PLAN CHECKLIST FOR CITY OF SANTEE 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: **City of Santee Successor Agency**

Date Finding of Completion Received: April 26, 2013

Date Oversight Board Approved LRPMP: October 23, 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 list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Yes No

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.

Agency Contact Information

Name:	Keith Till	Name:	Tim McDermott
Title:	City Manager	Title:	Director of Finance/Treasurer
Phone:	(619) 258-4100, ext. 295	Phone:	(619) 258-4100, ext. 143
Email:	ktill@cityofsanteeca.gov	Email:	tmcdermott@cityofsanteeca.gov
Date:	October 24, 2013	Date:	October 24, 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: _____
