

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF MOORPARK

799 Moorpark Avenue Moorpark, California 93021 (805) 517-6225

April 27, 2022

Ventura County Consolidated Oversight Board
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Subject: Adoption of a Resolution Approving the Sale of Certain Real Property Located at 15404 Princeton Avenue (Assessors Parcel Number 513-0-024-105 & -135) by the Successor Agency to the Redevelopment Agency of the City of Moorpark to Quail Capital Investments, LLC

Recommendation:

That the Ventura County Consolidated Oversight Board (VCCOB) adopt a Resolution approving the sale of certain real property located at 15404 Princeton Avenue (Assessors Parcel Number 513-0-024-105 & -135) by the Successor Agency to the Redevelopment Agency of the City of Moorpark (Moorpark Successor Agency) to Quail Capital Investments, LLC (Quail Capital) and certain actions related to the sale of the property.

Impact on Taxing Entities:

The Property is to be sold for appraised fair market value. Disposition of the Property will yield \$750,000 (or the fair market value of an appraisal dated not more than six months prior to close of escrow) in sale proceeds upon closing, of which approximately \$52,000 would be paid for closing and escrow costs. Additionally, the remainder of the funds would be retained ("Retained Sale Proceeds") by the Successor Agency in order to satisfy bond covenants relating to the tax-exempt bonds that were issued by the former Redevelopment Agency to finance the purchase price of the Property. Under the Treasury Regulations pertaining to tax-exempt bonds, the Retained Sales Proceeds will be used to defease bonds to preserve the tax-exempt status of the bonds.

Discussion:

The Redevelopment Agency of the City of Moorpark ("Agency") acquired the property at 15404 Princeton Avenue as a relocation site for the JE Clark Gas Station located on High Street. In 2009, the Redevelopment Agency and the station owner tried to entitle the project to move the gas station to the Princeton property. Unfortunately, the relocation of the gas station was not approved due to significant neighborhood opposition. After the project approval failed, the Agency began looking for interested development partners. However, prior to any development partners being found, the Agency was dissolved pursuant to AB X1 26 ("Dissolution Act"), as upheld and modified by the Supreme Court in California Redevelopment Association, et al. v. Ana Matosantos, et al. (53 Cal.4th 231(2011)). As part of the dissolution process, the City of Moorpark elected to become the Successor Agency of the Redevelopment Agency of the City of Moorpark (Successor Agency).

However, prior to any development partners being found, the Agency was dissolved pursuant to AB X1 26 ("Dissolution Act"), as upheld and modified by the Supreme Court in California Redevelopment Association, et al. v. Ana Matosantos, et al. (53 Cal.4th 231(2011)). As part of the dissolution process, the City of Moorpark elected to become the Successor Agency of the Redevelopment Agency of the City of Moorpark (Successor Agency). The Successor Agency was required by the Dissolution Act to prepare a Long Range Property Management Plan ("LRPMP") addressing the disposition of real properties acquired by the former Redevelopment Agency. The LRPMP provides that the property identified in the LRPMP as Property No. 6, APN 513-0-024-105 & -135 (15404 Princeton Avenue) ("Property") will be retained by the City of Moorpark ("City"), provided that the City pays compensation to the taxing entities. Subsequent to Department of Finance approval of the LRPMP, it was determined that the Property was purchased with the Agency's 2006 Tax Allocation Bond (TAB) proceeds. The bond funded status of the Property does not allow the City to purchase the Property and requires that any proceeds of the sale be returned to the Bond fund or treated in accordance with the Bond covenants.

The California Surplus Land Act (Government Code 54220 et seq.) ("SLA") governs the sale of surplus land. Land may be declared either "surplus land" or "exempt surplus land" by the legislative body of the local agency as supported by written findings.

Effective January 1, 2020, the SLA defines a "local agency" to include the Successor Agency. However, Government Code Section 54234(b) provides that with respect to land that has been designated in a successor agency's long-range property management plan for sale, the SLA, as it existed on December 31, 2019, will apply to the disposition of the land if (i) an exclusive negotiating agreement for disposition was entered into not later than December 31, 2020, and (ii) the disposition is completed not later than December 31, 2022. The SLA, as it existed on December 31, 2019, did not apply to successor agencies.

On December 22, 2020, the Successor Agency authorized the Executive Director to enter into an Exclusive Negotiating Agreement (the "ENA") with Quail Capital Investments, LLC (the "Buyer") for the purpose of negotiating the terms and conditions upon which Successor Agency would sell the Property to the Buyer.

Currently, the Property is not subject to the requirements of the SLA. This is because the Successor Agency entered into the ENA for the Property prior to December 31, 2020. If the Developer fails to close escrow by December 31, 2022, the Property will become subject to the requirements of the SLA.

A purchase and sale agreement has been negotiated with the Buyer. The Buyer will be purchasing the Property for the appraised value, as set by an appraisal dated no more than six months prior to the close of escrow. Currently the sales price is listed at \$750,000, however, the current appraisal needs to be updated. The sale exempts 13,370 sq.ft of the frontage of the property, which is being used for the Princeton Avenue improvement

project, currently underway. The Successor Agency Board approved the Purchase and Sale Agreement on April 6, 2022. Assuming the Oversight Board approves the sale, escrow will close before December 31, 2022 in accordance with the requirements of the Surplus Land Act exemption.

Sincerely,

A handwritten signature in blue ink that reads "Jessica Sandifer". The script is cursive and fluid.

Jessica Sandifer
Community Services Manager

Attachment - Resolution