




City of Sierra Madre
Community Redevelopment
Agency
Agenda Report

John Buchanan, Mayor/Chair
Josh Moran, Mayor Pro Tem/Vice Chair
Council Members/Board Members
MaryAnn MacGillivray
Joe Mosca
Nancy Walsh

Nancy Shollenberger, City Clerk
George Enyedi, City Treasurer

TO: Honorable Mayor/Chair Buchanan and Members of the City Council/Agency Board

FROM: Elaine I. Aguilar, City Manager/Agency Director 

DATE: May 24, 2011

SUBJECT: Consideration of Adoption of Joint City Council and Community Redevelopment Agency Resolution Approving Transfer of Certain Real Properties Owned by the Community Redevelopment Agency and Approving and Authorizing Related Transactions; Joint CRA Resolution 441, City Resolution 11-40

SUMMARY

The Community Redevelopment Agency (CRA) currently owns seven (7) parcels of land. The transfer of the properties will comply with previous Council action regarding the Civic Center (City Hall, Public Safety Building and parking lot), and will enable the City to maintain control over the properties without being potentially impacted by possible State actions, such as the elimination of Redevelopment Agencies.

ANALYSIS

Initially, there was an inquiry regarding the ownership of the City Hall/Public Safety facility, specifically whether the property was owned by the City or the CRA. It was determined that the property was "owned" by the CRA.

According to bond documents from the 1970's, the CRA issued Public Safety Facility Lease Revenue Bonds, and City Hall Facility Lease Revenue Bonds in 1972. The bond revenues were used to construct City Hall and the Police/Fire Department. According to the adopted CRA plan, the two initial projects to be undertaken by the CRA were the construction of City Hall and the Police/Fire facility. Essentially, because CRA bond funds were used to construct the facilities, the facilities were "owned" by the CRA.

Again, according bond documents, non-cancellable agreements were entered into by the City and the CRA in order for the City to "lease" the buildings from the CRA.

FOR CITY COUNCIL AGENDA _____

AGENDA ITEM # 3

The leases were to terminate and title to the properties was to revert to the City at such time as the CRA has all revenue bonds and other obligations incidental to the cost of the facilities paid in full.

In 1988, new Tax Increment bonds were issued that paid-off the 1970's bonds. At that time, it appears that the title was not put in the City's name, because current Assessor's information indicates the facilities are owned by the CRA. (The 1988 Tax Increment Bonds were later refunded in 1998.)

When this item was originally considered, the Council/Agency directed staff and the City Attorney's office to prepare the necessary documents to transfer title from the CRA to the City. There are four parcels that comprise the City Hall/Public Safety facility complex and parking lot: Assessor Parcel Numbers 5768-020-906, 5768-020-909, 5768-020-910, and 5768-020-905.

In the meantime, the Governor has proposed eliminating Redevelopment Agencies, which could require the transfer of all CRA assets to the State. In order to be as cautious as possible, and enable the City to maintain control over the properties, without being potentially impacted by possible State actions, such as the elimination of Redevelopment Agencies, it is recommended that all CRA properties be transferred to the City. These include another three parcels: APN 5767-021-900, the 186 W. Highland property; 576-023-901, a portion of the Mariposa parking lot; and, 5767-039-900, a portion of the property at 70-84 Esperanza.

Attached for City Council and CRA Board consideration is a Joint Resolution approving the transfer of the properties from the CRA to the City. If the Resolution is approved, staff will obtain the necessary signatures, file the Grant Deeds with the County Assessors Office and take any other action necessary to carry out the intent of the Council and CRA's action.

FINANCIAL REVIEW

There are some costs involved in preparing the grant deed, and filing the appropriate documents. The total estimated costs are \$5,000 which includes legal costs. There are adequate funds in the budget to cover these costs.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of the report are available at the City Hall public counter and the Sierra Madre Public Library.

ALTERNATIVES

1. The Council/CRA could approve the attached joint resolution, approving the transfer of CRA property to the City.
2. The Council/CRA may request additional information from staff and request that this item be placed on a future agenda.

3. The Council/CRA could receive and file this report.

RECOMMENDATION

It is recommended that the City Council and CRA approve Joint Resolution 11-40/CRA , approving the transfer of certain properties from the CRA to the City of Sierra Madre.

Attachment: Joint Resolution CRA 441 and City Resolution 11-40

Joint Resolution No 11-40/CRA 441

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE AND THE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF CERTAIN PROPERTIES FROM THE COMMUNITY REDEVELOPMENT AGENCY TO THE CITY OF SIERRA MADRE AND AUTHORIZING RELATED ACTIONS

Whereas, the Sierra Madre Community Redevelopment Agency (Agency) is a redevelopment agency formed, existing and exercising its powers pursuant to California Community Redevelopment Law, Health and Safety Code Section 33000 et seq.; and

Whereas, the City of Sierra Madre is a General Law city, incorporated in 1907; and

Whereas, in 1972 the Agency issued Public Safety Facility Lease Revenue Bonds and City Hall Facility Lease Revenue Bonds (“the Bonds”) for the purpose of constructing the Police/Fire facilities and City Hall facility (“City Facility Properties”), and leased the City Facility Properties to the City, under an agreement that title to the City Facility Properties would revert to the City when the Bonds and any other obligations to construct the improvements on the City Facility Properties were paid in full;

Whereas, the Bonds were paid in full in 1988, but the deeds to the City Facility Properties were not conveyed to the City;

Whereas, the City and the Agency have determined that the City Facility Properties (Assessor Parcel Numbers 5768-020-906, 5768-020-909, 5768-020-910, and 5768-020-905) should now be transferred from the Agency to the City in order to fulfill the earlier obligations of the parties;

Whereas, in addition to the City Facility Properties the City and Agency have determined that it would be mutually beneficial to transfer certain Additional Properties (Assessor Parcel Numbers 5767-021-900, 5767-039-900, and 5767-023-901) from the Agency to the City; and

Whereas, the City Facility Properties and the Additional Properties (“the Properties”) are commonly known and referred to as follows:

Assessor Parcel Number	Address
5767-021-900	186 W. Highland
5767-039-900	70-84 Esperanza
5767-023-901	Portion of Mariposa Parking Lot
5768-020-905	242 W. Sierra Madre
5768-020-910	City Hall Parking Lot
5768-020-909	232 W. Sierra Madre
5768-020-906	242 W. Sierra Madre

Whereas, pursuant to CRL Section 33205, the Agency is authorized to delegate to the City any of the powers or functions of the Agency with respect to the undertaking of a redevelopment project; and

Whereas, CRL Section 33430 permits the Agency to transfer or otherwise pledge property to the City; and

Whereas, the transfer of land has no potential for the physical effects on the environment because it involves only the transfer of ownership of the Properties between the Agency and the City.

Now, Therefore be it Resolved by the Sierra Madre Community Redevelopment Agency, that it hereby:

1. Approves the CRA's transfer of the Properties to the City of Sierra Madre.
2. Authorizes the Chair, on behalf of the CRA, to sign the Grant Deed(s) for conveyance of the Properties.
3. Authorizes the Agency Director to execute such other instruments and to take such other actions as necessary to carry out the intent of this resolution.
4. Delegates to the City of Sierra Madre the powers and functions of the Agency with regard to the disposition of the Additional Properties.

Now, Therefore be it Resolved by the City Council of the City of Sierra Madre, that it hereby.

1. Accepts the transfer of the Properties and directs the Mayor to sign the certificates of acceptance of said Grant Deed(s) as prepared by the Agency Attorney;
2. Authorizes the City Manager to execute such other instruments and to take such other actions as necessary to carry out the intent of this resolution.
3. Acting as lead agency, as determined in accordance with CEQA Guidelines section 15051, authorizes the City Manager to file a Notice of Exemption, pursuant to CEQA Guidelines section 15062.

PASSED, APPROVED and ADOPTED, the 24th day of May 2011 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CRA Chair

AYES:

NOES:

ABSTAIN:

ABSENT:

Mayor

ATTEST:

Nancy Shollenberger, City Clerk

APPROVED AS TO FORM

Sandra Levin, Agency Attorney