



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Submitted on:
2013 MAY -8 PM 2: 51

COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

Department Name: Planning & Development
Department No.: 053
For Agenda Of: May 14, 2013
Placement: Departmental
Estimated Time: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors, County of Santa Barbara

FROM: Director: Glenn Russell, Ph.D., Director, Planning and Development (x2085)
Contact Info: Errin Briggs, Program Manager, Redevelopment Agency (x2047)

SUBJECT: Long Range Property Management Plan for the Successor Agency to the former Santa Barbara County Redevelopment Agency

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Action

That the Board of Supervisors of the County of Santa Barbara, acting as the Successor Agency to the former Santa Barbara County Redevelopment Agency:

1. Receive a report on the Long Range Property Management Plan for the Successor Agency to the former Santa Barbara County Redevelopment Agency, and give general direction to staff on preferred options for disposition and use of real properties for staff to research in connection with Plan preparation.

Summary Text/Background

This matter is before your Board for staff to receive general guidance concerning your Board's preferred options for the potential disposition and use of each of the three Successor Agency real properties in Isla Vista, so that staff can form recommended actions at a future date that will ultimately lead to a proposed Long-Range Property Management Plan ("LRPMP" or "Plan"). The three Successor Agency real properties are: 1) The "Solar Car Park" located at 881 Embarcadero Del Mar, 2) The "Medical Clinic" located at 970 Embarcadero Del Mar, and 3) The "Church" located at 976 Embarcadero Del Mar. This item is also intended to provide your Board with legislative background related to the LRPMP required by Health & Safety Code Section 34191.5 and with background specific to the three properties. Staff will gather comments and questions and return to your Board at a later date with additional information on options to direct the preparation of the Plan.

All Redevelopment Agencies in the State of California including the former County of Santa Barbara Redevelopment Agency were dissolved on February 1, 2012 pursuant to ABX1 26 (the "Dissolution Act") as amended by AB 1484. On January 10, 2012, your Board took no action, thus allowing the County to become the "Successor Agency" to the former County Redevelopment Agency (RDA) in Isla Vista. As such, the former RDA's assets and liabilities are now under the control of the County acting as the Successor Agency. As part of the dissolution process, the former RDA's unencumbered cash balances have been distributed to the taxing entities. The next step for the County, acting as Successor Agency, is to prepare a LRPMP that details information about each property and addresses the disposition and use of the real properties of the former RDA pursuant to Health & Safety Code Section 34191.5. After development of the Plan by the Successor Agency, it would then be forwarded to the Oversight Board for approval and to the State Department of Finance for approval.

Long Range Property Management Plan Process

Section 34179(a) of AB 1484 requires the establishment of an Oversight Board for each former Redevelopment Agency. Formerly, Health & Safety Code section 34181(a) generally required the Oversight Board to direct the Successor Agency to dispose of assets and properties of the former RDA expeditiously and in a manner aimed at maximizing value. However, pursuant to Section 34191.3, added by AB 1484, the requirements of Section 34181(a) were generally suspended, until the DOF has approved a LRPMP, at which point the plan shall govern, and supersede all other provisions relating to the disposition and use of the real property assets of the former RDA. In addition to the Oversight Board which oversees dissolution of the former County RDA in Isla Vista, Oversight Boards have been established for each of the six former City RDAs within the County of Santa Barbara. In 2012, your Board appointed members to each of these Oversight Boards.

Members of the Oversight Board have a fiduciary responsibility to holders of enforceable obligations and the affected taxing entities that would benefit from the distribution of proceeds generated by the liquidation of RDA assets. The affected taxing entities for the former County RDA in Isla Vista include the Goleta Union School District (26.6%), the County of Santa Barbara (16.7%), the County Fire District (10.1%), the local Community College District (4.5%) and the City of Goleta (1%) amongst others. Each of these entities will receive their predetermined percentage share of any proceeds distributed from the former RDA. For a complete list of affected taxing entities and their percentage share of the former County RDA's tax revenues, see Attachment 5 of this Board Letter.

Pursuant to Health and Safety Code section 34191.5, *the Successor Agency shall prepare a LRPMP that addresses the disposition and use of the real properties of the former redevelopment agency. The plan shall be submitted to the Oversight Board and the Department of Finance for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion.* The LRPMP is required to include basic factual information for each property such as the date and cost of acquisition, parcel size and zoning, current estimated value, the purpose for which the property was acquired and a history of environmental contamination amongst other information [34191.5(c)(1)]. The Department of Finance has provided a property tracking spreadsheet to be completed by each Successor Agency. Staff prepared a draft Property Tracking Spreadsheet detailing the required information for each of the properties held by the County of Santa Barbara Successor Agency which is included in this Board Letter as Attachment 3.

The LRPMP is also required to address the use or disposition of all the properties held by the former RDA [34191.5(c)(2)]. Permissible uses of property include:

- 1) Retention of the property for governmental use pursuant to Health & Safety Code Section 34181(a); or
- 2) Retention of the property for future development; or
- 3) Sale of the property; or
- 4) Use of the property to fulfill an enforceable obligation.

In relation to options 3 and 4, the Successor Agency currently has enforceable obligations related to the issuance of debt in 2008. In connection with the LMRMP process, staff of the Debt Advisory Committee will evaluate the impacts the disposition of property has on the Successor Agency's enforceable obligations and the potential for economic gains related to refinancing or refunding enforceable obligations.

Health & Safety Code Section 34191.5(c)(2) also provides that the Plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

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

It will be at the discretion of your Board, acting as the Successor Agency, to prepare the LRPMP addressing which of the four options for disposition and use are appropriate for each of the three individual real properties held by the Successor Agency. Once the LRPMP is approved by the Successor Agency, it is then sent to the Oversight Board for approval. Per Health & Safety Code section 34180(j), when the Plan is submitted to the Oversight Board for approval, it shall also be submitted to the County Executive Officer, the County Auditor-Controller, and the DOF at the same time.

Once approved by the Oversight Board, the LRPMP is then sent to the Department of Finance for final consideration. The Department of Finance may either approve the Plan as submitted or return the Plan to the Oversight Board with direction for reconsideration. A Long Range Property Management Plan Flowchart detailing the LRPMP process is included in this Board Letter as Attachment 1.

The LRPMP will become effective upon the occurrence of all of the following: (1) Issuance of a "Finding of Completion" by the Department of Finance to the Successor Agency in accordance with Health and Safety Code Section 34179.7; (2) Approval of the LRPMP by the Oversight Board; and (3) Approval of the Plan by the Department of Finance.

A Finding of Completion (FOC) is issued by the Department of Finance to a Successor Agency upon the completion of required due diligence reviews of the former RDA's housing and non-housing cash balances and the distribution of those cash balances by the County Auditor-Controller to the taxing entities. The Successor Agency to the former Santa Barbara County Redevelopment Agency has

completed the distribution of these cash balances and subsequently received a Finding of Completion from the Department of Finance dated April 26, 2013. Upon issuance of the Finding of Completion, the Successor Agency must prepare and submit the LRPMP to the Oversight Board and the Department of Finance for approval within six months ending on October 26, 2013. The Agency's Finding of Completion is included as Attachment 6 of this Board Letter.

Agency-Held Properties

The Successor Agency to the former Santa Barbara County Redevelopment Agency currently holds title to three separate real properties located in the downtown area of Isla Vista including 1) The "Solar Car Park" located at 881 Embarcadero Del Mar, 2) The "Medical Clinic" located at 970 Embarcadero Del Mar, and 3) The "Church" located at 976 Embarcadero Del Mar.

Attachment 4 of this Board Letter contains the draft Long Range Property Management Plan and includes the information required by Health & Safety Code Section 34191.5 detailing each property including cost and date of initial acquisition, current appraised value, purpose for which the property was acquired, parcel data, etc. Please note that the "Use and Disposition of the Property" portion of the draft Plan for each property is not yet determined at this time. It will be at the discretion of your Board, acting as the Successor Agency, to prepare the LRPMP addressing which of the four options for use and disposition are appropriate for each of the three individual real properties held by the Successor Agency. Staff will complete this portion of the Plan after obtaining direction from your Board at a future date.

As part of your Board's future action to approve the Plan, it is recommended that staff prepare any appropriate CEQA document, as well as separately prepare a 65402 Comprehensive Plan Conformity Determination for consideration by the County Planning Commission.

Fiscal Impacts

There is no cost to the County General Fund related to the preparation of this Board Letter. Staff time spent developing this Board Letter and the Long Range Property Management Plan is billed to the administrative budget of the Successor Agency. Administrative costs for County support of the Successor Agency are currently limited to \$125,000 every six months. Such costs are recoverable from property taxes deposited into the Redevelopment Property Tax Trust Fund for fiscal year 2013-14.

Attachments

1. Long Range Property Management Plan Flowchart
2. Long Range Property Management Plan Property Disposition Matrix
3. Property Tracking Spreadsheet
4. Long Range Property Management Plan for each Property
5. County of Santa Barbara RDA Tax Increment Summary
6. Finding of Completion dated April 26, 2013

Authored by:

Errin Briggs, Program Manager, Successor Agency

RDA Successor Agency Long Range Property Management Plan

May 14, 2013

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cc:

Glenn Russell, Ph.D., Director, Planning & Development

Bob Geis, Auditor-Controller

Greg Levin, Advanced Accounting, Auditor-Controller

Michael Ghizzoni, Chief Assistant County Counsel

Anne Rierson, Deputy County Counsel

Mark Paul, Deputy Director of Finance & Administration, Public Works

Renee Bahl, Assistant Chief Executive Officer

Long Range Property Management Plan Flowchart

Health & Safety §34191.5

Finding of Completion Granted by Department of Finance

Staff provides background to Successor Agency
and receives general direction

Staff prepares LRPMP
per Successor Agency direction

Successor Agency prepares/approves LRPMP

SA sends to OB, CEO, A/C & DOF

Oversight Board approves
LRPMP

Department of Finance Approval

6 Months

October 26th



Real Property Asset

Option 1

Retention of the property
for governmental use

Option 2

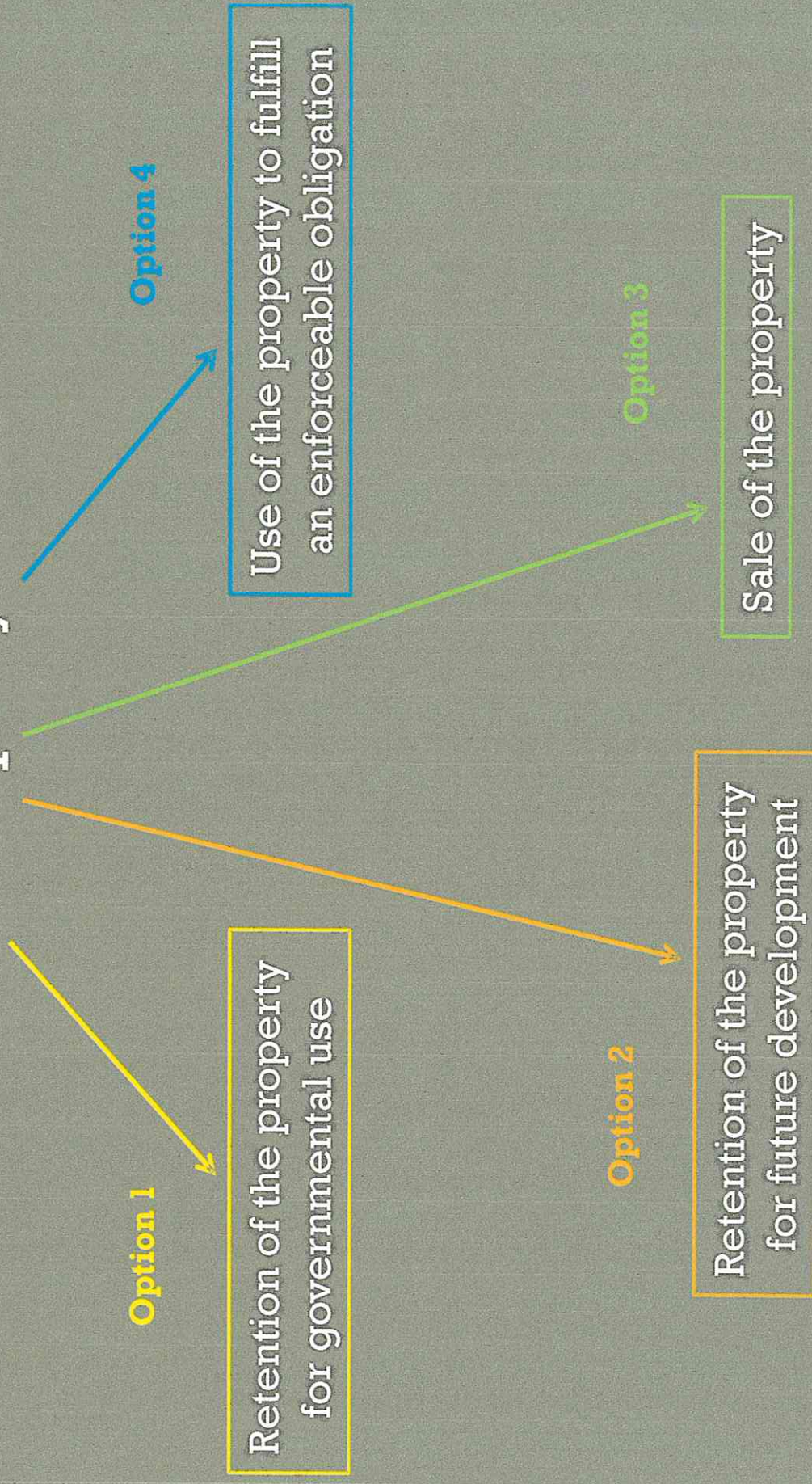
Retention of the property
for future development

Option 3

Sale of the property

Option 4

Use of the property to fulfill
an enforceable obligation



**Successor Agency to the former Santa Barbara County
Redevelopment Agency**

**Draft Long Range Property Management Plan
970 Embarcadero Del Mar - aka "The Medical Clinic"**

This Long Range Property Management Plan (LRPMP) for the Medical Clinic Property located at 970 Embarcadero Del Mar (Attachment A – Map) includes all of the elements required by Health & Safety Code Section 34191.5(c) as well as the appropriate supporting documentation.

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

The property was acquired by the former Redevelopment Agency on May 15, 2008. The purchase price paid for the property, which represented its value at the time of purchase, was \$2,600,000. The estimated current value of the property is \$1,600,000, as further explained in Item (D) below.

(B) The purpose for which the property was acquired.

The property was purchased for the purpose of fulfilling the vision for the site identified in the Isla Vista Master Plan which was for the existing building to be demolished and the site to be unified with the surrounding Anisq Oyo Park. The former Redevelopment Agency was dissolved before the intended vision could be carried out.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.

The property is 11,288 square feet in size, designated as Assessor's Parcel No. 075-163-014 and is addressed as 970 Embarcadero Del Mar. Attachment A provides a map showing the location of the property. The site is zoned C-2 (Retail Commercial).

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

The estimated current value of the property is \$1,600,000. This valuation is based on an appraisal commissioned by the Successor Agency on March 7, 2012 and prepared by Steve Schott of Schott & Company. A copy of the current appraisal is attached as Attachment B.

(E) 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 property generates \$3,100 per month in revenues derived from leasing a 3,110 square foot portion of the existing 9,000 square foot building to the Santa Barbara Neighborhood Clinic. There is no contractual requirement related to disposition of the revenues collected. These revenues are currently collected and distributed to the taxing entities.

(F) *The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.*

There is no known history of contamination at the subject site.

(G) *A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency.*

Because of its limited size and remote location distant from other transit facilities, the property has limited potential for transit-oriented development. The Isla Vista Master Plan specifies that the site be converted to park space and unified with the surrounding Anisq 'Oyo Park.

(H) *A brief history of previous development proposals and activity, including the rental or lease of property.*

The clinic building was constructed prior to 1979. Several permit records subsequent to 1979 show additions to the original building. The site has been used for medical purposes since it was originally developed.

Use and Disposition [Health & Safety Code Section 34191.5(c)(2)]:

Address the use or disposition of all of the properties in the Community Redevelopment Property Trust Fund. Permissible uses include 1) Retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 2) Retention of the property for future development, 3) Sale of the property, or 4) Use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

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

Use and Disposition of the Property

To be determined

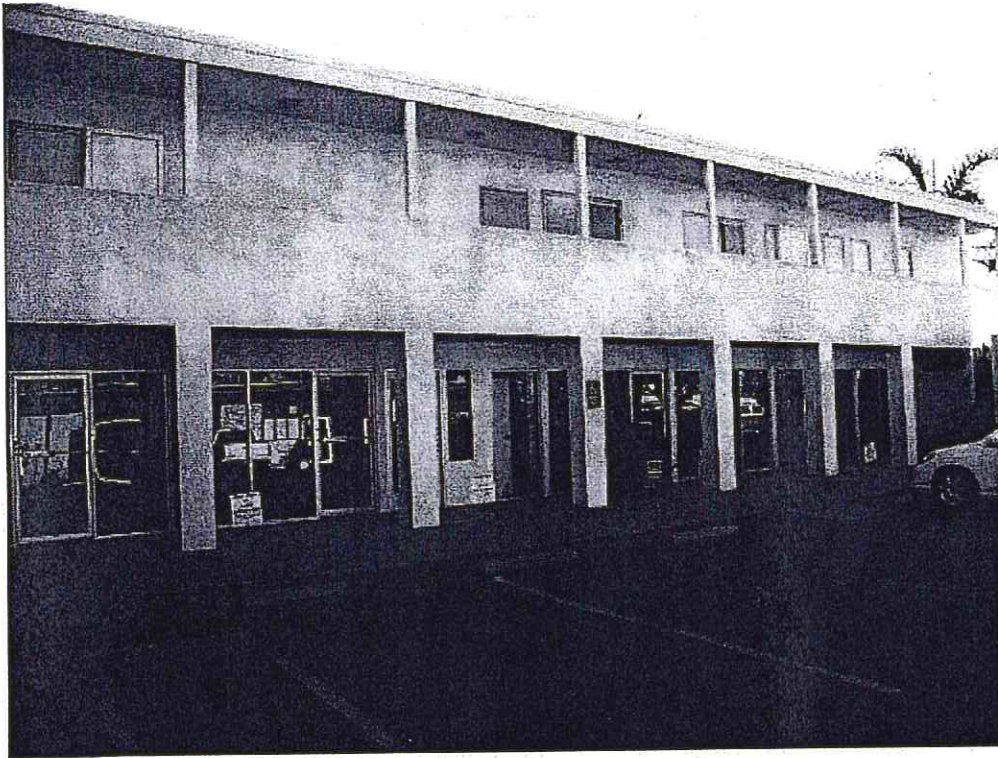
Attachments:

- A. Site Map
- B. Appraisal of Property dated March 7, 2012

Attachment A – Site Map



APPRAISAL REPORT:
MULTI-TENANT PROFESSIONAL AND MEDICAL OFFICE BUILDING



**970 EMBARCADERO DEL MAR
ISLA VISTA, CALIFORNIA**

Date of Value:
March 7, 2012

Date of Report:
April 23, 2012

Prepared For:
Ronn Carlentine
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

SCHOTT & COMPANY

REAL ESTATE APPRAISAL & CONSULTING

April 23, 2012

Ronn Carlentine
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

Reference: Real Estate Appraisal
Multi Tenant Professional and Medical Office Building
970 Embarcadero Del Mar
Isla Vista, California

Dear Mr. Carlentine:

As requested, I have proceeded with the work necessary to provide my opinion of the market value of the above referenced real property, as of March 7, 2012, the date that I inspected the property.

The findings of my investigations are summarized on the following pages. Please refer to the Addenda of this letter for more specific property identification, definitions, assumptions, limiting conditions, and certification.

This is a Summary Appraisal Report. It is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, this letter presents only statements regarding the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in my files. The depth of discussion contained within this report is specific to the needs of the client and may be misleading to a disinterested third party. My work has included an inspection of the subject property, a survey of market data, and valuation analyses.

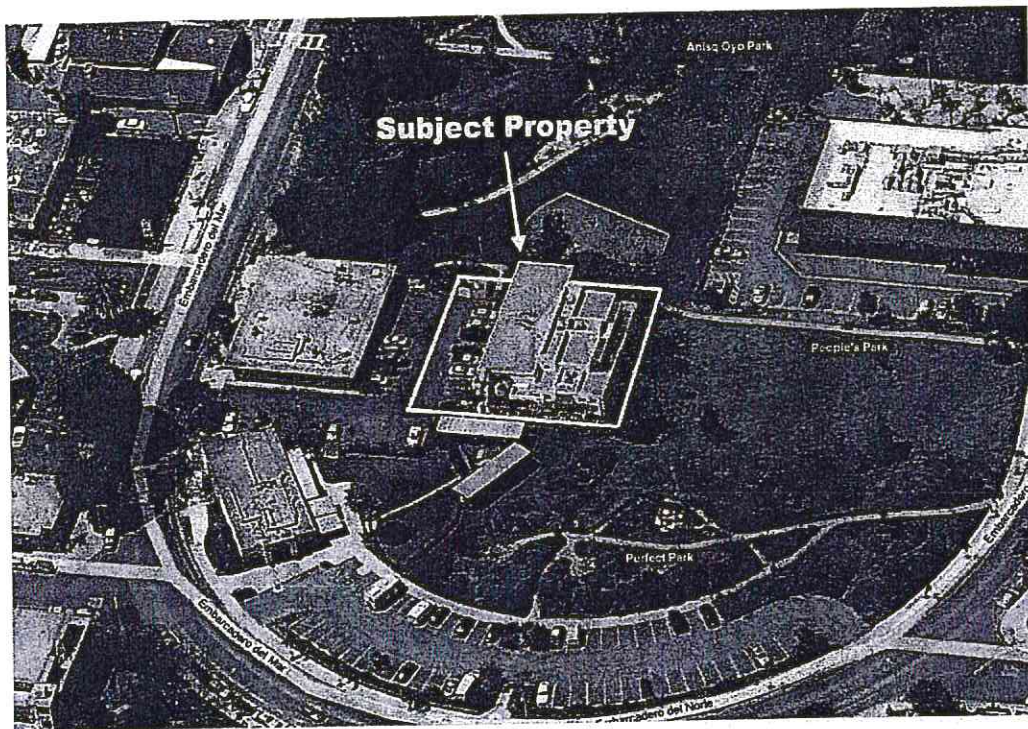
Introduction

In 2011, transaction levels of leasing and sales of real property increased markedly as credit loosened and investors stepped off the sidelines. Rates of return (capitalization rates) fell in 2011 as competition for investment property increased and returns in alternative investments remained anemic. Currently, market conditions appear to be stable with values neither falling nor increasing.

The subject property consists of a commercially zoned parcel of land improved with a two story multi-tenant office building and parking lot. The property is located in the unincorporated community of Isla Vista, California.

Isla Vista is located along the South Coast of Santa Barbara County adjacent southerly to the City of Goleta and westerly of the City of Santa Barbara. Isla Vista is bounded by the University of California to the east, Goleta and the Santa Barbara Airport to the north, the Santa Barbara Channel of the Pacific Ocean to the south, and lightly improved lands owned by the University to the west. The community is approximately one half mile square. It is a small, densely populated, largely student occupied community.

Set out below is an aerial photograph of the subject property.



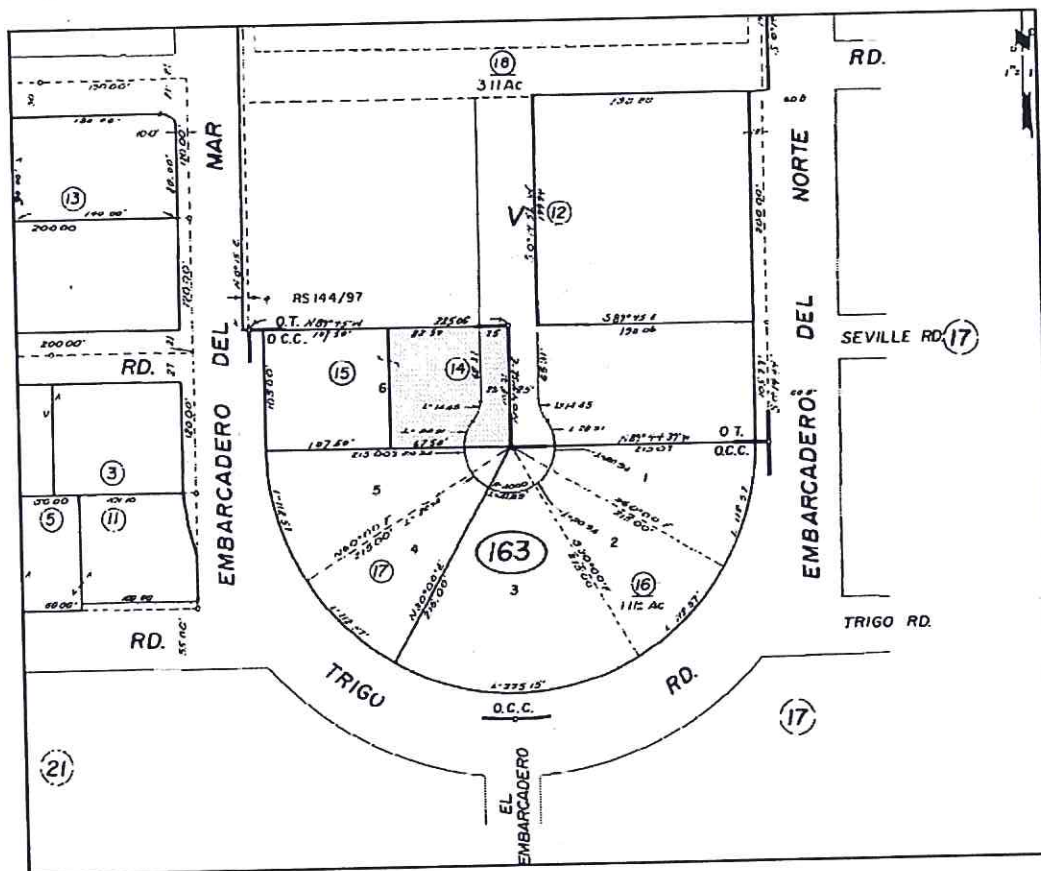
The primary influence on Isla Vista is the University of California at Santa Barbara. The University a public research university. It has an undergraduate population of approximately 19,800 students and a graduate student population of 3,050.

The bulk of Isla Vista was developed in the 1960s. From the early 1970's until 1998, there was a moratorium on new water meters due to the local water supply being over drafted. However, in 1998, local water agencies finished the construction of a pipeline that connected the area with the State Water System. This has allowed for a variety of new development in Isla Vista and, particularly, Goleta to take place. The majority of residential development in Isla Vista ranges from duplexes to fifty unit two and three story buildings. There is a small area of commercial development in the area closest to the University. The subject is located within this area. There are three significant private redevelopment projects under construction in the subject neighborhood. These three and four story mixed-use developments will have retail uses on the ground floor and residential apartments above.

The County of Santa Barbara's Master Plan for Isla Vista was updated and adopted several years ago and a major rezoning of much of the community is pending approval by the California Coastal Commission. If approved, higher density housing will be allowed in many areas and it is likely that the population of Isla Vista will grow at least modestly. The vision for Downtown Isla Vista, where the subject is located, consists of redevelopment of many of the properties with three story mixed-use structures with commercial space on the ground floor and apartment units on the second and third floors. This vision is beginning to be realized as three mixed use projects in the downtown area are under construction and another recently received entitlements.

Site Description

The subject parcel is located on the easterly Embarcadero Del Mar behind another property. The subject parcel is highlighted in yellow in the parcel map set out below.



The site is rectangular in shape and level at street grade. It has no frontage on Embarcadero Del Mar and is accessed via an easement that encumbers the adjacent parcel. Gross and net site area is 11,288 square feet. It appears that the paper street shown on the easterly side of the subject property has been abandoned.

Access to the subject site is via easements encumbering the southerly 10 feet and easterly 15 feet of the parcel adjacent westerly of the subject (APN: 75-163-015) and the northerly 10 feet of parcel that is adjacent southerly of the subject (APN: 75-163-017). By the same token, the westerly 15 feet and southerly 10 feet of the subject parcel are encumbered with access easements that are appurtenant to the adjacent parcels.

The subject is zoned C-2 "Retail Commercial," under the jurisdiction of the County of Santa Barbara. This designation is intended to provide areas for a wide variety of commercial uses and mixed-use (residential/commercial) structures. There is no minimum lot size. Building height is limited to 35 feet. Required setbacks are 30 feet from the centerline and 10 feet from the right-of-way line of any street, no side yard setback, and 10% of the lot depth (10 feet max) for the rear setback. Required parking is generally two spaces per bedroom and one space per 500 square feet of commercial building area. It should be noted that recently approved mixed-use projects in downtown Isla Vista received modifications to allow for less onsite parking, no setbacks, and greater building height than is allowed under current zoning. The subject appears to be legally conforming to current zoning.

Improvement Description

General:

Improvements to the subject consist of a two story wood frame and concrete block structure with stucco siding. The building is used as professional and medical office space with associated site improvements.

Age:

The building appears to have been constructed in phases. The building is estimated to be approximately 30 years old.

Quality:

Average

Condition:

Average. I estimate that the vacant parts of the subject need approximately \$10-\$20 per square (say \$100,000) in remodeling costs to attract tenants. This amount has been subtracted from the conclusion of the Income Approach to account for lease up costs.

Gross Building Areas:

| | |
|---------------|---|
| Ground Floor: | 5,325 Square Feet |
| Second Floor: | <u>3,897</u> Square Feet |
| Total: | 9,222 Square Feet (Per Building Plans) |

Interior Finish:

Floors:

Carpet/Tile/Vinyl/Concrete

Walls:

Drywall

Ceilings:

Acoustic Panel

Interior Description:

The building is effectively apportioned into four potential tenancies (with further division easily achievable). Each tenancy has at least one restroom and multiple individual offices. The east half of the ground floor is used as a medical office space. This suite is apportioned into six exam rooms, four offices, a reception and waiter room and two restrooms.

Mechanical Equipment:

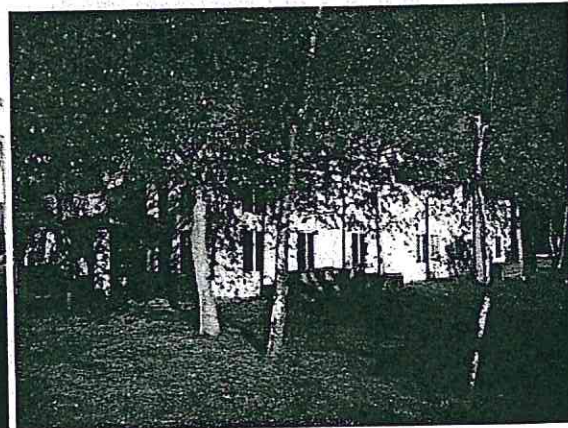
The building has seven restrooms, a two-stop 2,500 lb hydroelectric elevator, and is fully heated and at least partially air-conditioned.

Site Improvements:

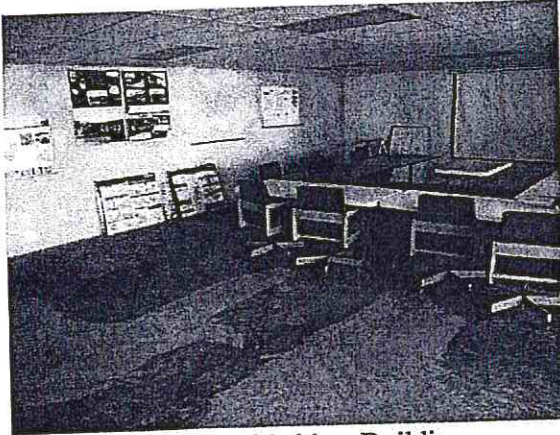
Site improvements consist of an asphalt paved driveway and parking area, concrete walkways, stairways and decking, a trash enclosure, and landscaping. The subject has approximately 9 onsite parking spaces. The subject has a parking ratio of 1 space per 1,000 square feet of building area, a parking ratio that is inferior to many competing office buildings in the wider area.



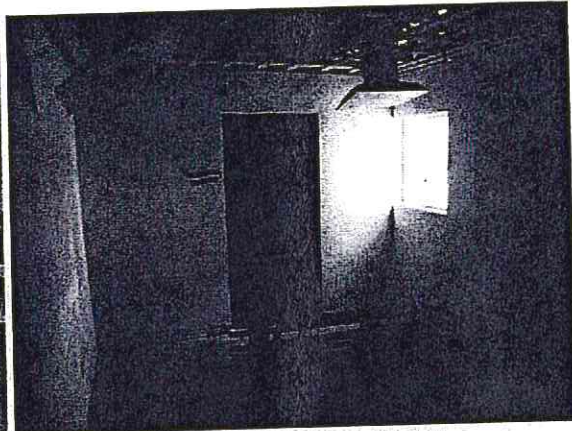
Rear Subject Building



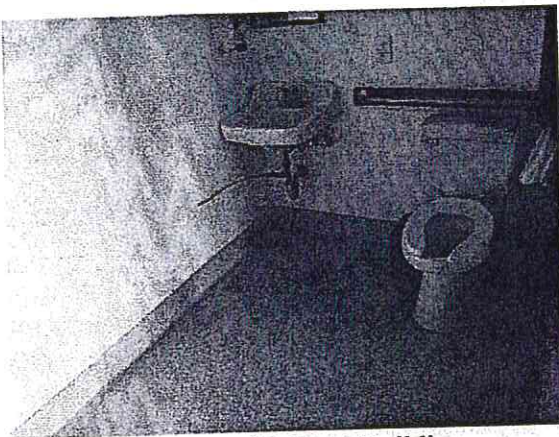
Flagpole Section of Subject Lot



Interior of Subject Building



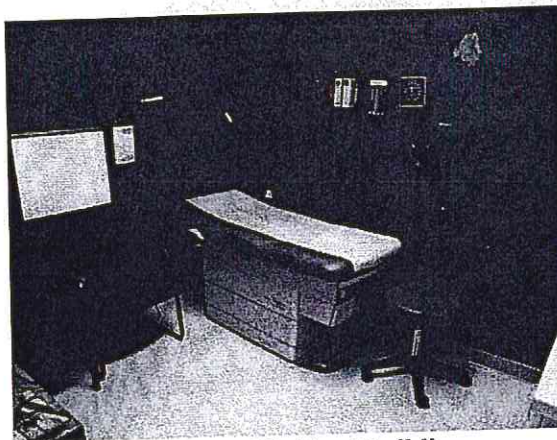
Interior of Subject Building



Interior of Subject Building



Interior of Subject Building

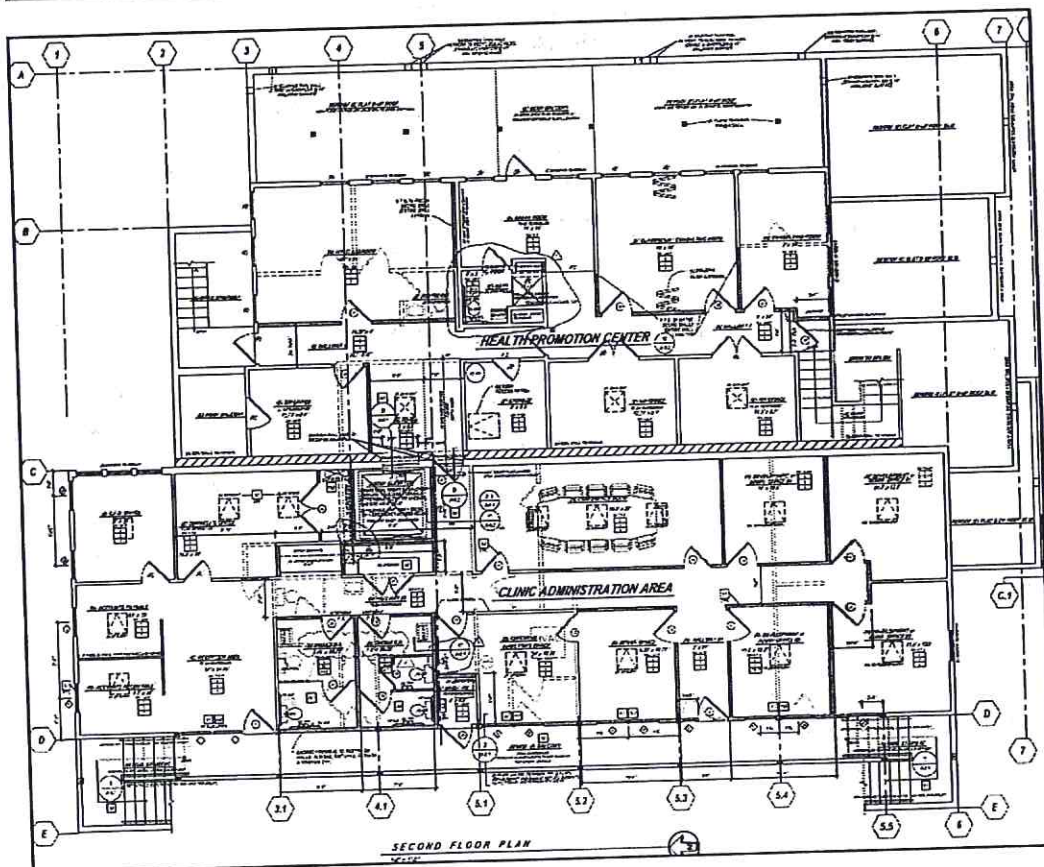
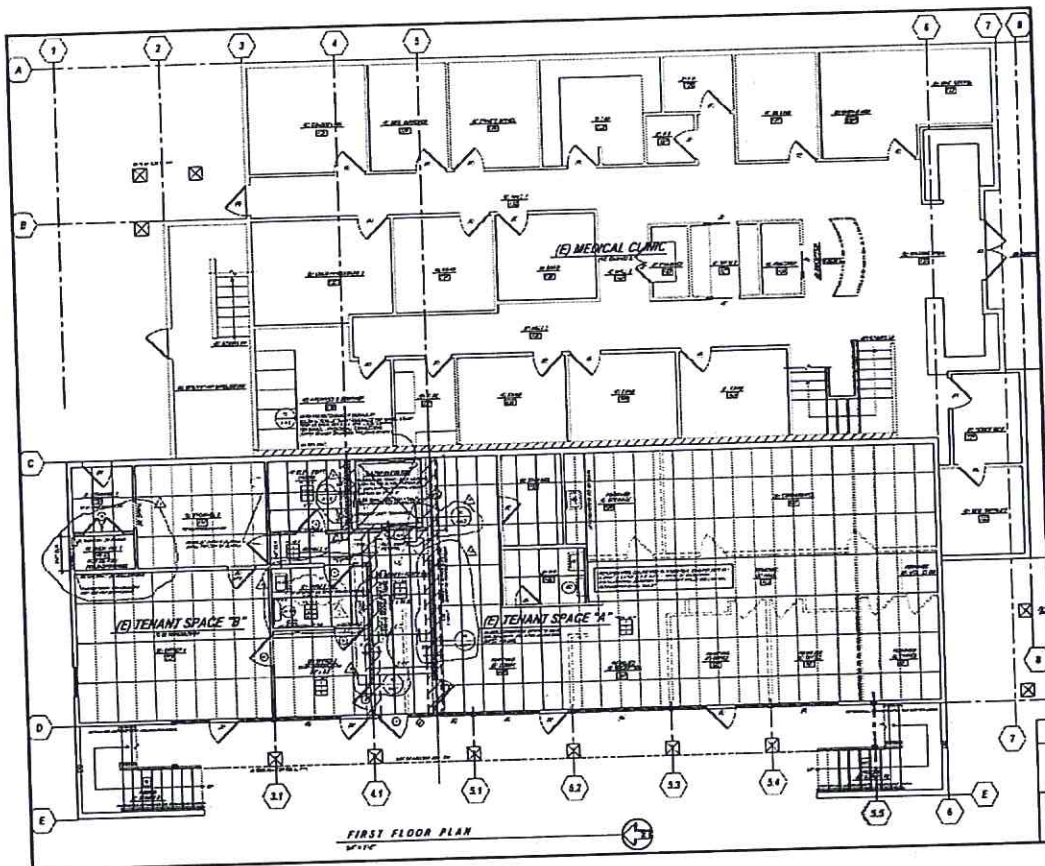


Interior of Subject Building



Interior of Subject Building

Set out below are copies of the subject floorplans:



Highest & Best Use (As Though Vacant)

Given current levels of demand and rental values in Isla Vista, it is likely that the highest and best use of the subject property "as though vacant" would be to develop a multi-story mixed-use (commercial/residential) project.

Highest & Best Use (As Improved)

As improved, the current use of the subject as an office building is a reasonable use. It is unlikely that an alternative use of the subject would result in a higher return. Therefore, the highest and best use, "as improved" of the subject property would be to continue the current office/medical office use.

Valuation

The valuation of the subject property will include an Income Approach and a Sales Comparison Approach. A Replacement Cost Analysis has not been performed due to the fact that this approach does not reflect the decision making process of the market participants and due to the difficulty of accurately estimating depreciation.

Income Approach

The Income Approach is an analysis of the present worth of anticipated future benefits. In a property such as the subject, the benefits are generally measured in terms of net operating income. This analysis is based on the assumption that income bears a fixed mathematical relationship to value.

As of the date of value, the subject was approximately 66% vacant with the remainder of the building occupied on a month to month basis. Santa Barbara Neighborhood Clinics occupies 3,110 square feet of the ground floor (on the east side of the building) on a month to month basis at a rate of \$1.00 per square foot, gross (with the tenant paying utility costs and the lessor paying all other fees).

For comparison purposes, if it were reassessed at the concluded value herein, the subject would have triple net expenses of approximately \$0.30 per square foot per month. In order to estimate market rent for the subject, a rental survey has been completed. Set out below is a summary of recent comparable commercial leases.

| MARKET SURVEY – COMPARABLE RENTALS | | | | | |
|------------------------------------|--|-----------------|---------|-----------------|------------|
| No. | Location | Area in Sq. Ft. | Date | Monthly Rent/SF | Terms |
| 1. | 30 S. La Patera Ln. #8 | 1,886 | 3/2011 | \$0.69 | NNN (30¢) |
| 2. | 5575 Hollister Ave. E-G | 2,000 | 9/2011 | \$1.25 | NNN (40¢) |
| 3. | 900 Emb. Del Mar #D | 506 | 1/2012 | \$1.45 | NNN Equiv. |
| 4. | 6550 Pardall Road, 2 nd Fl. | 1,325 | Current | \$1.69 | NNN Equiv. |

The comparable rental data listed above range in price from \$0.69 to \$1.69 per square foot on a triple net basis. Data No. 1 (\$0.69/Sq. Ft.) is clearly inferior to the subject in terms of quality and appeal. This data clearly indicates a rental value of more than \$0.69 per square foot for the subject. Alternatively, Data Nos. 3 (\$1.45/Sq. Ft.) and 4 (\$1.69/Sq. Ft.) are both located in Isla Vista in superior locations (higher visibility) and indicate lower rental values for the subject. Data No. 2 (\$1.25/Sq. Ft.) was judged to be a fairly good indicator of rental value for the subject. Based on current market conditions, the data above, and considering the appeal of the subject, market rent is estimated to be \$1.25 per square foot, triple net.

Calculations to determine potential gross annual income at the subject based on market rent are as follows:

| | |
|----------------------------------|-----------------|
| Subject Building Area (Sq. Ft.): | 9,222 |
| Market Rent/Mo./SF: | <u>x \$1.25</u> |
| Potential Gross Monthly Income: | \$11,528 |
| Multiplied by Twelve Months: | <u>x 12</u> |
| Potential Gross Annual Income: | \$138,336 |

In order to estimate net operating income, property expenses must be subtracted from potential gross income. Lessor property expenses include vacancy and collection loss, management, and reserves for replacement of short lived building components. In this projection (where a triple net lease rate has been projected), property taxes, insurance, maintenance and repairs are paid for by the tenant.

Current vacancy for office in Goleta is approximately 11%. Considering historic vacancy levels (which have averaged approximately 8% over the past 10 years) for Goleta, a slightly lower figure of between 5% and 10%, say 8% of potential gross income has been selected as the appropriate stabilized vacancy and collection loss rate for the subject. Management of properties like the subject generally falls within the range of 4% to 6% of effective gross income. A figure of 5% has been selected for the subject. Reserves for replacement are estimated at 1% of effective gross income. Set out below is a summary of historic and projected stabilized operations at the subject.

| | |
|---|-------------------|
| Potential Gross Annual Income (PGI): | \$138,336 |
| Less Vacancy & Collection Loss (8% of PGI): | <u>(\$11,067)</u> |
| Effective Gross Income: | \$127,269 |
| Less Management (5% of EGI): | <u>(\$6,363)</u> |
| Less Reserves (1% of EGI): | <u>(\$1,273)</u> |
| Net Operating Income: | \$119,633 |

At its simplest, the overall capitalization rate is a reflection of the perceived balance between exposure to risk and potential for gain. A survey of recent transactions in the wider local area involving the sale of income producing properties is summarized below.

| OVERALL CAPITALIZATION RATE SURVEY | | | | | | |
|------------------------------------|--|--|---|--------------------------------------|-----------|--------------|
| No. | Location | Property Type | Sale Price | Net Income | Sale Date | Overall Rate |
| 1. | 5950 Daley St Goleta | Lt. Industrial/ Apartment | \$650,000 | \$34,600 | 10/2011 | 5.32% |
| 2. | 1530 Chapala St. Santa Barbara | Office | \$818,000 | \$45,000 | 11/2010 | 5.50% |
| 3. | 308 Palm Ave. Santa Barbara | Auto Repair/ Office | \$985,000 | \$54,150 | 11/2011 | 5.50% |
| 4. | 3025 De La Vina St. Santa Barbara | Single Tenant Retail | \$8,750,000 | \$481,628 | 1/2012 | 5.50% |
| 5 | 515 State St. Santa Barbara | Retail | \$2,550,000 | \$141,954 | 6/2010 | 5.57% |
| 6. | 33 E. Carrillo St. Santa Barbara | Bank Branch/Office | \$6,071,000 | \$339,369 | 4/2010 | 5.59% |
| 7. | 20-22 W. Figueroa St. Santa Barbara | Tavern/ Restaurant | \$2,200,000 | \$126,846 | 11/2011 | 5.77% |
| 8. | 3 W. Carrillo/931 State St. Santa Barbara | Retail/Office | \$10,100,000 | ±\$600,000 | 11/2010 | ±5.95% |
| 9. | 52 N. Fairview Ave. Goleta | Retail | \$2,190,500 + Leasing Costs | \$139,738 | 2/2012 | 6.01% |
| 10. | 750 Technology Way Goleta | Lt. Industrial/ Office | \$4,144,000 | ±\$248,943 | 1/2011 | 6.01% |
| 11. | 1029 State Street Santa Barbara | Retail/Office | \$2,300,000 + Leasing Costs | \$163,935 | 7/2011 | 6.51% |
| 12. | 1911 De La Vina Santa Barbara | Retail/Office | \$1,010,000 | \$66,400 | 1/2012 | 6.57% |
| 13. | 433 E. Canon Perdido Santa Barbara | Office | \$4,200,000 +Leasing Costs | \$287,916 | 3/2012 | 6.62% |
| 14. | 610 Anacapa Street Santa Barbara | Restaurant/ Retail/Office/ Apartment | \$11,500,000 +Leasing Costs | \$811,746 | 2/2011 | 6.76% |
| 15. | 3230 State Street Santa Barbara | Retail | \$1,325,000 | \$88,868 | 9/2010 | 6.71% |
| 16. | 4410 Via Real Carpinteria | Retail/ Restaurant | \$1,623,000 | \$111,385 | 12/2011 | 6.84% |
| 17. | 626 E. Gutierrez St. Santa Barbara | Lt. Industrial/ Office | \$425,000 + \$50,000 Repairs | \$32,551 | 9/2010 | 6.85% |
| 18. | 6144 Calle Real Goleta | Office/Gym | \$3,920,000 +\$1,341,000 Repositioning Costs | \$372,842 | 6/2011 | 7.09% |
| 19. | 5511-5571 Ekwil Dr. Goleta | Lt. Industrial | \$6,910,000 | \$504,000 | 11/2010 | 7.30% |
| 20. | 301 Mentor Dr. Goleta | Office | \$19,400,000 | \$1,433,743 | 4/2011 | 7.80% |
| 21. | 6785 Hollister Ave. Goleta | Office | \$2,071,000 | \$163,438 (above market rents) | 12/2010 | 7.89% |
| 22. | 5266 & 5276 Hollister Ave. Goleta | Office | \$8,050,000 | \$641,000 | 3/2011 | 7.96% |
| 23. | 590 E. Gutierrez St. Santa Barbara | Retail/Light Industrial | \$2,829,000 | \$231,474 | 3/2011 | 8.18% |

The overall rates of the commercial data summarized above range from approximately 5.3% to 8.2%. Variations among the overall rates demonstrated by the sales indicate not only differences in the quality, quantity, and durability, of the properties' income streams, but also the specific needs and desires of the buyers and sellers in each transaction. All of the data were either cash sales or cash equivalent. The subject income stream is based on market rent and, therefore, has average risk characteristics. However, given the fact that the rent is projected and that there will be costs associated with locating a tenant, the appropriate overall capitalization rate for the subject is estimated to be above the midpoint of the range indicated above. Paying particular attention to Data No.18 (which is superior to the subject in terms of location but inferior in terms of condition), the appropriate overall capitalization rate for the subject is estimated to be 7.0%.

Using the estimates arrived at above, an indication of value can be derived as follows. Lease up costs include tenant improvement allowances, leasing commissions, and rent loss during lease up. I estimate that three to nine months of vacancy will be required to reach stabilized occupancy. A rent loss of \$36,672 has been projected for the subject. This is based on six months' loss for 6,112 square feet of vacant space at the subject at \$1.00 per square foot per month (it is assumed that the existing tenant will stay at a somewhat increased rent). Lease commissions are based on an estimated three year lease term and a 5% leasing commission on the 6,112 square feet of vacant space or \$11,002 (\$1.00 x 6,112 SF x 36 months x 5%):

| | |
|--|-------------|
| Net Operating Income: | \$119,633 |
| Overall Rate: | $\div 0.07$ |
| Subtotal: | \$1,709,043 |
| Less Remodeling Costs/Tenant Improvements: | (\$100,000) |
| Less Rent Loss During Lease Up: | (\$36,672) |
| Less Leasing Commissions: | (\$11,002) |
| Value Conclusion: | \$1,561,369 |

| | |
|---------------------------|-------------|
| VALUE INDICATED BY | |
| INCOME APPROACH, Rounded: | \$1,560,000 |

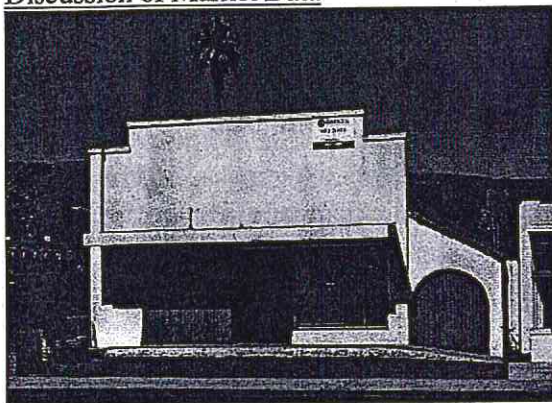
Sales Comparison Approach

In the Sales Comparison Approach to value, sales of comparable properties are analyzed for the purpose of indicating what a typical well-informed buyer and/or seller would consider in forming an opinion of the worth of the subject property as of the date of value. This valuation concept is based on the theory of substitution in which a basic premise is that a typical buyer would not pay more for a particular property than the cost to acquire an alternative property that similarly satisfies his wants and needs.

I have investigated sales that are deemed to be comparable to the subject. The unit of comparison used in the following analysis is price per square foot of gross building area. Set out below is a summary of the most pertinent data.

| MARKET SURVEY – IMPROVED SALES | | | | | | |
|--------------------------------|---------------------------------------|---------------|--------------|-----------|-------------|----------------|
| No. | Location | Bldg. Sq. Ft. | Land Sq. Ft. | Sale Date | Sale Price | Price/ Sq. Ft. |
| 1. | 5970 Hollister Ave. Goleta | 5,276 | 7,841 | 3/2011 | \$650,000 | \$123 |
| 2. | 6144 Calle Real Goleta | 29,000 | 80,150 | 6/2011 | \$3,920,000 | \$135 |
| 3. | 777 Camino Pescadero Isla Vista | 7,742 | 12,474 | 3/2011 | \$1,500,000 | \$194 |
| 4. | 6785 Hollister Ave. Goleta | 9,334 | 65,776 | 12/2010 | \$2,071,000 | \$222 |
| | Subject | ±9,222 | 11,288 | 6/2008 | \$2,601,229 | \$282 |

Discussion of Market Data



construction. This data clearly indicates a value of more than \$123 per square foot for the subject.

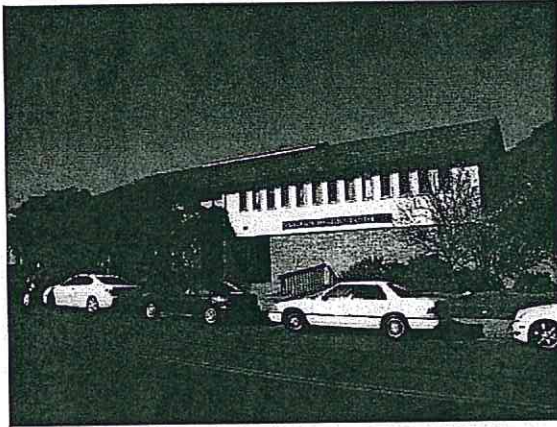
Data No. 1 (5970 Hollister Ave.; \$123/Sq. Ft.) is the early 2011 sale of a single tenant, single story commercial building located in Old Town Goleta. Improvements to the property consist of a wood frame and wood sided structure that is estimated to be approximately 60 years old. This property has only one onsite parking and was of below average quality



the second floor was partially occupied on short term basis at the time of sale. The property has a parking ratio of 4.7 spaces per 1,000 square feet of building area. This building lacks an elevator and has very small windows on the second floor.

Data No.2 (6144 Hollister Ave.; \$135/Sq. Ft.) is the mid-2011 sale of an office building located in Goleta. While this property has freeway visibility, it is in a somewhat peripheral location. Improvements to the property consist of a two story walkup office building constructed in 1983. The ground floor of the building was leased to a gym while

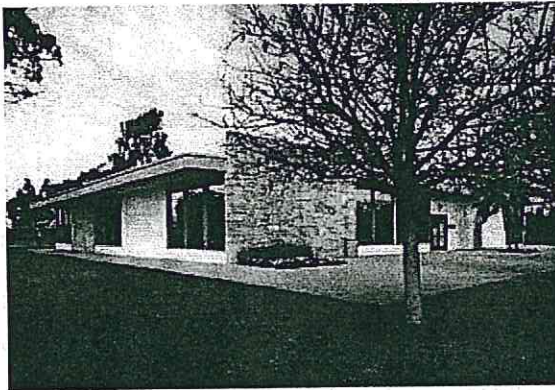
The buyer of the property, an investor, is remodeling the building to increase the size of the second floor windows and is adding an elevator. This property was purchased with cash. This data is inferior to the subject in terms of quality. Despite its superior parking ratio to that of the subject, this data is judged to indicate a value of more than \$135 per square foot for the subject.



Data No. 3 (777 Camino Pescadero; \$194/Sq. Ft.) is the early 2011 sale of an office building located in a residential neighborhood of Isla Vista. Improvements to this property consist of a two story wood frame and concrete block walk up structure. The property was constructed in 1969 and was in average condition at the time of sale. This property was purchased

by one of the tenants (a non-profit organization) with the intent to convert the use of the property to an apartment building.

This data is superior to the subject in terms of parking. On balance, it is judged to indicate a value of slightly less than \$194 per square foot for the subject.



Data No. 4 (6785 Hollister Ave.; \$222/Sq. Ft.) is the late 2010 sale of an office building located in Goleta. This building was constructed in 1957 and remodeled in 1993 and again in 2000. It is a one story wood frame and stucco single tenant fully heated and air-conditioned office building. The building is of average quality and condition but it will need a new roof which will be paid for by

the buyer. It has a parking ratio of 3.32 spaces per 1,000 square feet of building area. The property was leased to a regional company with five years remaining in the lease term. The lease rate was above market. The property was purchased by an investment group with a 58% LTV loan from Torrey Pines Bank. This data was confirmed with the listing agent, Mark Mattingly (805) 899-2400.

This data is superior to the subject because it was benefitted by an above market lease and is superior in terms of parking and location. This data is judged to clearly indicate a value of less than \$222 per square foot for the subject.

Conclusion

The data range in price per square foot from \$123 to \$222. Data Nos. 1 (\$123/Sq. Ft.) and 2 (\$135/Sq. Ft.) indicated higher values for the subject. Alternatively, Data Nos. 3 (\$194/Sq. Ft.) and 4 (\$222/Sq. Ft.) were judged to indicate lower values for the subject. Therefore, considering the market data and discussion above, market conditions as of the date of value, and the appeal of the subject, a value of between \$170 and \$190, say \$180 per square foot, is judged to be indicated for the subject. Value calculations are as follows:

| | |
|----------------------------------|----------------|
| Subject Building Area (Sq. Ft.): | 9,222 |
| Value Factor: | <u>x \$180</u> |
| Indicated Value: | \$1,659,960 |

| | |
|----------------------------|-------------|
| VALUE INDICATED BY | |
| SALES COMPARISON APPROACH: | \$1,660,000 |

Value Conclusion

The Income Approach resulted in an estimate of value of \$1,560,000. The Sales Comparison Approach resulted in a slightly higher value of \$1,660,000. The Income Approach best reflects the decision making process of an investor type buyer. Alternatively, the Sales Comparison Approach best reflects the decision making process of an owner-user type buyer. The subject would appeal to either an investor or an owner-user. Thus, the approaches are judged to have equal applicability. The quality of the data used in each approach was judged to be equal. Therefore, equal weight has been placed on the conclusions of the two approaches and a value from near the midpoint of the range has been selected as the final opinion of value for the subject.

Therefore, the opinion has been formed that the market value of the Leased Fee Estate in the subject property, based on assumptions, limiting conditions and certification stated, as of the date of value, was the sum of \$1,600,000

ONE MILLION SIX HUNDRED THOUSAND DOLLARS

I hope the information contained within this summary appraisal report is sufficiently explanatory. Should you have any questions or require further detail, please feel free to contact me.

Sincerely,


Stephen G. Schott, MAI
CA #AG024150

ADDENDA/USPAP REPORTING REQUIREMENTS

Ownership Information

The owner of record for the subject property is the Santa Barbara County Redevelopment Agency. There are no sales of the subject property within the past three years.

Assessors Parcel Number

Book 75, Page 163, Parcel 014

Pertinent Conditions of Title

A title report for the subject issued by Chicago Title and dated June 20, 2008 has been reviewed. Aside from those discussed herein, it is an assumption of this appraisal that there are no existing easements, liens or encumbrances that could adversely affect the value or use of the subject property.

Type of Value and Date of Appraisal

This appraisal sets forth my opinion as to the *market value* of the leased fee estate in the real property described herein. Opinions and other matters expressed in this report are stated as of March 7, 2012.

Function of Appraisal

The function of this appraisal is to provide valuation information to the client for decision making purposes.

Intended Use & User

The intended use of this appraisal report is for decision making purposes. The intended user is the owner of the property.

Scope of Appraisal

Generally, a valuation analysis has been completed including an inspection and description of the subject property and surrounding area, consideration of highest and best use, and the application of valuation analyses. Insofar as is practical, every effort has been made to verify as factual and true all data set forth in this report. However, no responsibility is assumed for the accuracy of any information furnished by others. This is a Summary Appraisal Report.

Exposure Time

The estimated exposure time (the time prior to the date of value that the property would have needed to have been marketed for in order for it to sell) for the subject property would have been six months, assuming a realistic asking price.

Definition of Terms

MARKET VALUE

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date

and the passing of title from seller to buyer under conditions whereby:

- (a) Buyer and seller are typically motivated;
- (b) Both parties are well informed or well advised, and acting in what they consider their best interest;
- (c) A reasonable time is allowed for exposure in the open market;
- (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Uniform Standards of Professional Appraisal Practice (of the Appraisal Foundation)

LEASED FEE ESTATE

The term "leased fee estate", as used in this report is defined as follows:

A property held in fee with the right of use or occupancy conveyed by lease to others. A property consisting of the right of ultimate repossession at the termination of the lease.

FEE SIMPLE ESTATE

The term, "fee simple estate", as used in this report, is defined as follows:

An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions:

- 1) This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
- 2) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- 3) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 4) Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 5) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 6) All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 7) It is assumed that there are no hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 8) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

- 9) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- 10) It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- 11) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- 12) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
- 13) The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- 14) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

- 15) Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
- 16) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 17) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with property written qualification and only in its entirety.
- 18) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinion, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment is not contingent upon developing or reporting predetermined results
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- that this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and in accordance with the Code of Professional Ethics and the standards of Professional Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.



STEPHEN G. SCHOTT, MAI
CA#AG024150

**Successor Agency to the former Santa Barbara County
Redevelopment Agency
Draft Long Range Property Management Plan
976 Embarcadero Del Mar - aka "The Church"**

This Long Range Property Management Plan (LRPMP) for the Church Property located at 976 Embarcadero Del Mar (Attachment A – Map) includes all of the elements required by Health & Safety Code Section 34191.5(c) as well as the appropriate supporting documentation.

- (A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.*

The property was acquired by the former Redevelopment Agency on June 4, 2008. The purchase price paid for the property, which represented its value at the time of purchase, was \$1,877,000. The estimated current value of the property is \$2,200,000, as further explained in Item (D) below.

- (B) The purpose for which the property was acquired.*

The property was purchased for the purpose of fulfilling the vision for the site identified in the Isla Vista Master Plan which was for the existing building to be demolished and the site to be unified with the surrounding Anisq 'Oyo Park. The former Redevelopment Agency was dissolved before the intended vision could be carried out.

- (C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.*

The property is 24,215 square feet in size, designated as Assessor's Parcel No. 075-163-017 and is addressed as 976 Embarcadero Del Mar. Attachment A provides a map showing the location of the property. The site is zoned C-2 (Retail Commercial).

- (D) An estimate of the current value of the parcel including, if available, any appraisal information.*

The estimated current value of the property is \$2,200,000. This valuation is based on an appraisal commissioned by the Successor Agency on March 7, 2012 prepared by Steve Schott of Schott & Company. A copy of the current appraisal is included herein as Attachment B.

- (E) 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 property is currently developed with a church building. The building is currently vacant and no revenues are generated by the property.

- (F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.*

There is no known history of contamination at the subject site.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency.

Because of its limited size and remote location distant from other transit facilities, the property has limited potential for transit-oriented development. The Isla Vista Master Plan specifies that the site be converted to park space and unified with the surrounding Anisq 'Oyo Park.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

The Church building was permitted on September 7, 1962 under permit no. 21913 and constructed in 1963. Several permits for various commercial uses were granted subsequent to 1962 but the most recent use of the site was that of a Church in 2011.

Use and Disposition [Health & Safety Code Section 34191.5(c)(2)]:

Address the use or disposition of all of the properties in the Community Redevelopment Property Trust Fund. Permissible uses include 1) Retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 2) Retention of the property for future development, 3) Sale of the property, or 4) Use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

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

Use and Disposition of the Property

To be determined

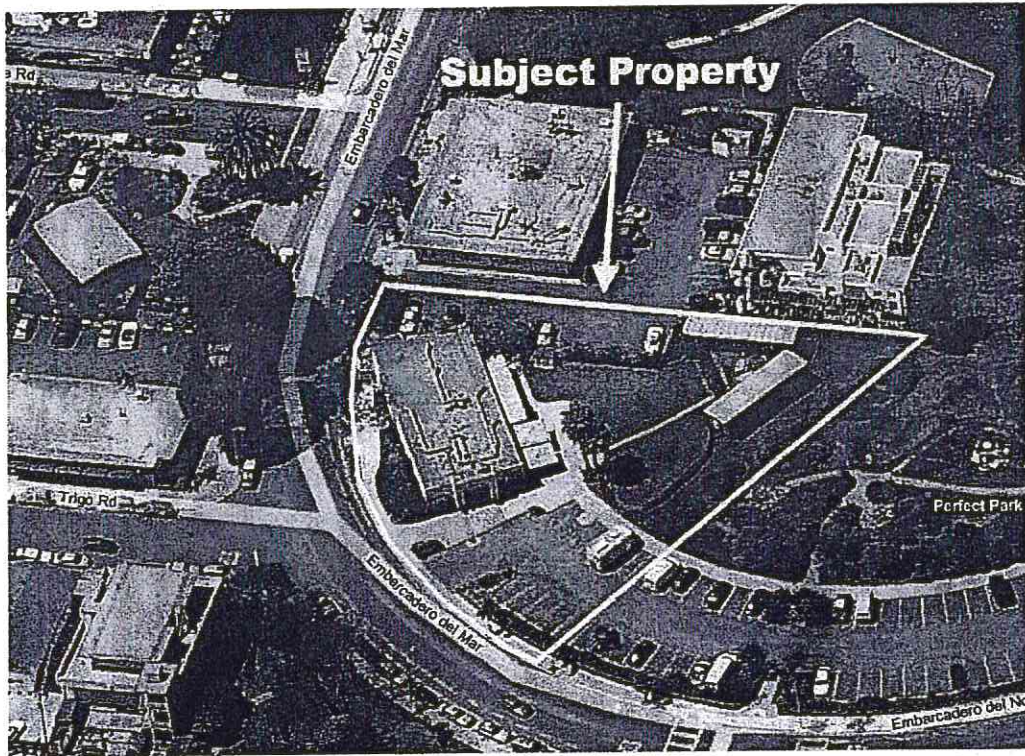
Attachments:

- A. Site Map
- B. Appraisal of Property dated March 7, 2012

Attachment A – Site Map



APPRAISAL REPORT:
COMMERCIALLY ZONED LAND IMPROVED WITH A CHURCH



976 EMBARCADERO DEL MAR
ISLA VISTA, CALIFORNIA

Date of Value:
March 7, 2012

Date of Report:
April 23, 2012

Prepared For:
Ronn Carlentine
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

SCHOTT & COMPANY

REAL ESTATE APPRAISAL & CONSULTING

April 23, 2012

Ronn Carlentine
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

Reference: Real Estate Appraisal
Commercially Zoned Land Improved with a Church
976 Embarcadero Del Mar
Isla Vista, California

Dear Mr. Carlentine:

As requested, I have proceeded with the work necessary to provide my opinion of the market value of the above referenced real property, as of March 7, 2012, the date that I inspected the property.

The findings of my investigations are summarized on the following pages. Please refer to the Addenda of this letter for more specific property identification, definitions, assumptions, limiting conditions, and certification.

This is a Summary Appraisal Report. It is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, this letter presents only statements regarding the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in my files. The depth of discussion contained within this report is specific to the needs of the client and may be misleading to a disinterested third party. My work has included an inspection of the subject property, a survey of market data, and valuation analyses.

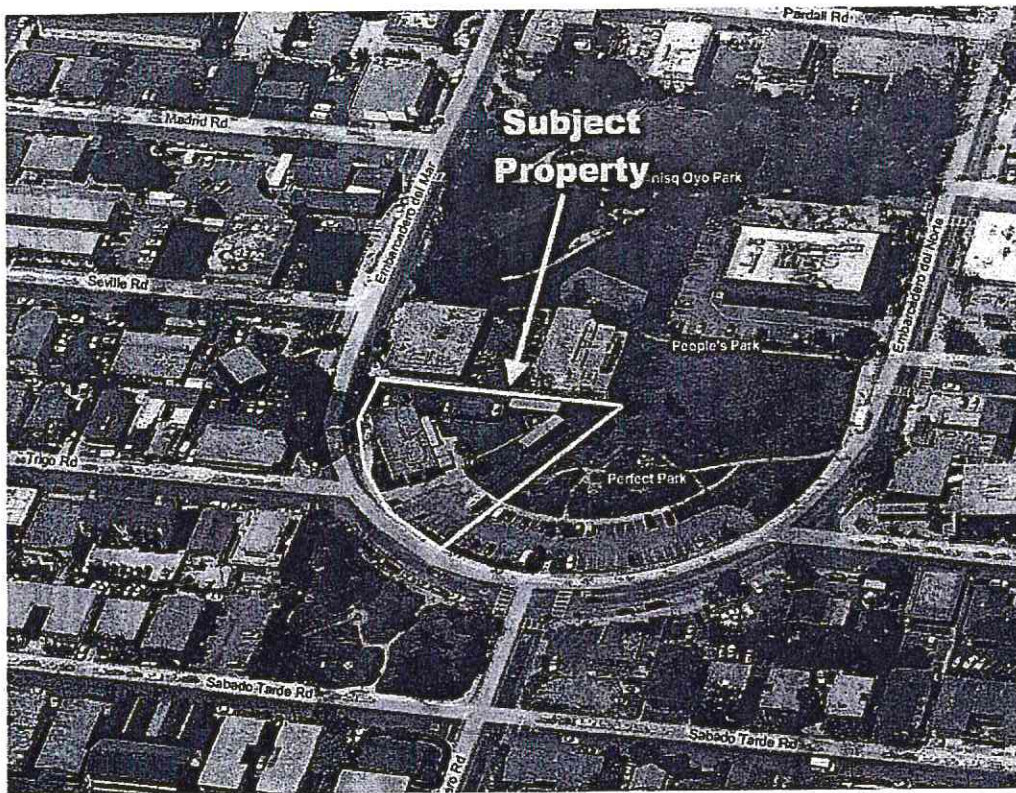
Introduction

In 2011, transaction levels of leasing and sales of real property increased markedly as credit loosened and investors stepped off the sidelines. Rates of return (capitalization rates) fell in 2011 as competition for investment property increased and returns in alternative investments remained anemic. Currently, market conditions appear to be stable with values neither falling nor increasing.

The subject property consists of a commercially zoned parcel of land improved with a single story, single tenant church structure and associated parking lot. The property is located in the unincorporated community of Isla Vista, California.

Isla Vista is located along the South Coast of Santa Barbara County adjacent southerly to the City of Goleta and westerly of the City of Santa Barbara. Isla Vista is bounded by the University of California to the east, Goleta and the Santa Barbara Airport to the north, the Santa Barbara Channel of the Pacific Ocean to the south, and lightly improved lands owned by the University to the west. The community is approximately one half mile square. It is a small, densely populated, largely student occupied community.

Set out below is an aerial photograph of the subject property.



The primary influence on Isla Vista is the University of California at Santa Barbara. The University a public research university. It has an undergraduate population of approximately 19,800 students and a graduate student population of 3,050.

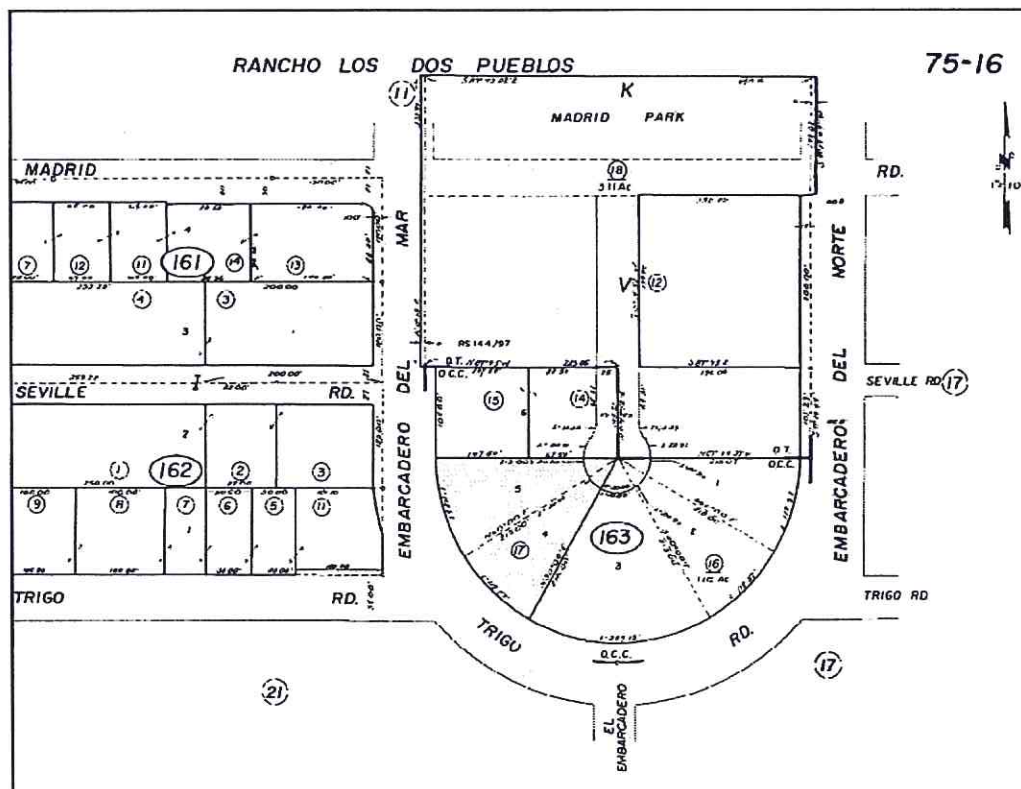
The bulk of Isla Vista was developed in the 1960s. From the early 1970's until 1998, there was a moratorium on new water meters due to the local water supply being over drafted. However, in 1998, local water agencies finished the construction of a pipeline that connected the area with the State Water System. This has allowed for a variety of new development in Isla Vista and, particularly, Goleta to take place. The majority of residential development in Isla Vista ranges from duplexes to fifty unit two and three story buildings. There is a small area of commercial development in the area closest to the University. The subject is located within this area. There are three significant private redevelopment projects under construction in the subject

neighborhood. These three and four story mixed-use developments will have retail uses on the ground floor and residential apartments above.

The County of Santa Barbara's Master Plan for Isla Vista was updated and adopted several years ago and a major rezoning of much of the community is pending approval by the California Coastal Commission. If approved, higher density housing will be allowed in many areas and it is likely that the population of Isla Vista will grow at least modestly. The vision for Downtown Isla Vista, where the subject is located, consists of redevelopment of many of the properties with three story mixed-use structures with commercial space on the ground floor and apartment units on the second and third floors. This vision is beginning to be realized as three mixed use projects in the downtown area are under construction and another recently received entitlements.

Site Description

The subject parcel is located on the easterly Embarcadero Del Mar. The subject parcel is highlighted in yellow in the parcel map set out below.



The site is nearly triangular in shape and level at street grade. It has 212 feet of frontage on Embarcadero Del Mar and a uniform depth of 215 feet. Gross and net site area is approximately 24,215 square feet. It appears that the paper street shown at the northeasterly side of the subject property has been abandoned.

Access to the subject site is via Embarcadero Del Mar/Trigo Road a public road with an approximate right-of-way width of 60 to 70 feet at the subject location.

The northerly 10 feet of the subject site is encumbered with an easement that is appurtenant to the two adjacent parcels. The subject has an easement over the southerly 10 feet of those parcels that are adjacent northerly.

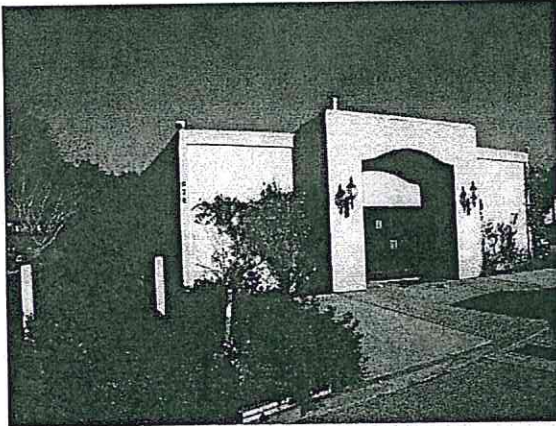
The subject is zoned C-2 "Retail Commercial," under the jurisdiction of the County of Santa Barbara. This designation is intended to provide areas for a wide variety of commercial uses and mixed-use (residential/commercial) structures. There is no minimum lot size. Building height is limited to 35 feet. Required setbacks are 30 feet from the centerline and 10 feet from the right-of-way line of any street, no side yard setback, and 10% of the lot depth (10 feet max) for the rear setback. Required parking is generally two spaces per bedroom and one space per 500 square feet of commercial building area. It should be noted that recently approved mixed-use projects in downtown Isla Vista received modifications to allow for less onsite parking, no setbacks, and greater building height than is allowed under current zoning. The subject appears to be legally conforming to current zoning.

Improvement Description

| | |
|---------------------------|--|
| General: | Improvements to the subject consist of a one story wood frame structure with stucco siding. The building is currently vacant but was originally developed as a church. |
| Age: | The building is estimated to be approximately 30 years old. |
| Quality: | Average |
| Condition: | Average |
| Gross/Net Building Areas: | ±3,685 square feet |
| Interior Finish: | |
| Floors: | Carpet/Vinyl |
| Walls: | Drywall |
| Ceilings: | Drywall |
| Interior Description: | The building is apportioned into a large auditorium, a kitchenette, and two restrooms. |
| Mechanical Equipment: | The building has two restrooms and appears to be fully heated and air-conditioned. |

Site Improvements:

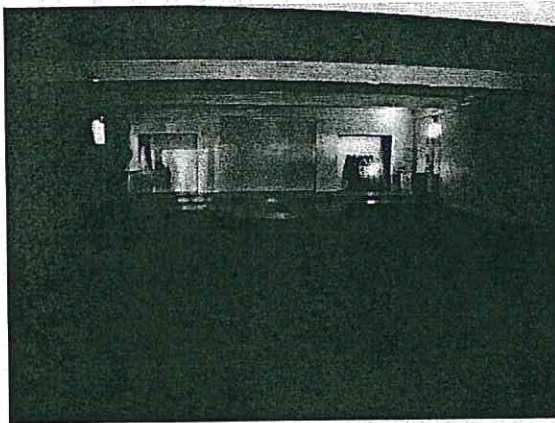
Site improvements consist of an asphalt paved driveway and parking area, concrete walkways, and landscaping. The subject has approximately 12 onsite parking spaces. The subject has a parking ratio of 3.26 spaces per 1,000 square feet of building area.



Front of Subject Building



Rear of Subject Lot and Rear of Subject Building



Interior of Subject Building



Interior of Subject Building

Highest & Best Use (As Though Vacant)

Given current levels of demand and rental values in Isla Vista, it is likely that the highest and best use of the subject property "as though vacant" would be to develop a multi-story mixed-use (commercial/residential) project.

Highest & Best Use (As Improved)

As improved, the current use of the subject as a church building is an under-improvement. It is likely that an alternative use of the subject would result in a higher return. Therefore, the highest and best use, "as improved" of the subject property would be to continue the current use as an interim use followed by redevelopment with a mixed-use commercial/residential project.

Valuation

Because the highest and best use of the subject is redevelopment, the valuation of the subject property will consist only of a sales comparison approach that focuses on land value.

I have investigated sales that are deemed to be comparable to the subject. The unit of comparison used in the following analysis is price per square foot of land area. Set out below is a summary of the most pertinent data.

| MARKET SURVEY – LAND SALES | | | | | |
|-----------------------------------|---|-------------------------|------------------|-------------------|---------------------------|
| No. | Location/APN/Zoning | Land Sq. Ft. | Sale Date | Sale Price | Price/ Sq. Ft. |
| 1. | 5955 Calle Real Goleta 069-110-018 C-2 | 86,957 | 3/2012 | \$5,700,000 | \$66 |
| 2. | 909 Embarcadero Del Mar Isla Vista 075-112-016 C-2 | 9,300 | 8/2004 | \$927,000 | \$100 |
| 3. | 6522 & 6530 Seville Rd. Isla Vista 075-171-013 & 014 C-2 | 16,408 | 6/2005 | \$2,000,000 | \$122 |
| 4. | 6533 Trigo Road Isla Vista 075-173-003 & 026 C-2 | 16,500 | 12/2010 | \$2,175,000 | \$132 |
| 5. | 6547 Trigo Road Isla Vista 075-173-023 & 024 C-2/SR-H-20 | 11,400 | 8/2008 | \$1,725,000 | \$151 |
| | Subject Property 075-163-017 C-2 | 24,215 | 7/2008 | \$1,877,000 | \$78 |

Data No. 1 (5955 Calle Real; \$66/Sq. Ft.) is the recent sale of a larger rectangularly shaped parcel of commercially zoned land located in Goleta. The property is improved with a 10,123 square foot retail building. The buyer, a supermarket chain, intends to raze the existing building and construct a new supermarket.

Data No. 2 (909 Embarcadero Del Mar; \$100/Sq. Ft.) is the older sale of the property situated on the southwesterly corner of the intersection of Embarcadero Del Mar and Pardall Road. This parcel is level at street grade and rectangular in shape. At the time of sale, the property was improved with a single story restaurant building of 1,972 square feet. This property was purchased by a developer who subsequently acquired approvals for a three story, 27,850 square foot mixed-use commercial/residential development with 24 residential units. The project is currently under construction.

Data No. 3 (6522 & 6530 Seville Rd.; \$122/Sq. Ft.) is the older sale of two adjacent rectangularly shaped parcels that are improved with two storage buildings totaling 5,816 square feet. The buyer of the property, a developer, recently received approvals to raze the existing improvements and construct a new 44,835 square foot mixed-use project. This property has a peripheral location within the central business district of Isla Vista.

Data No. 4 (6533 Trigo Road; \$132/Sq. Ft.) is the late 2010 sale of an unusually shaped parcel of level land located at southern end of the central business district in Isla Vista. This property had been used as a service station. However, prior to the sale, the buyer acquired approvals to construct a four story mixed-use 44,994 square foot development on the site. This development is currently under construction.

Data No. 5 (6547 Trigo Road; \$151/Sq. Ft.) is the mid 2008 sale of a slightly irregularly shaped parcel of land that is situated on two corners at the southern end of the central business district in Isla Vista. The parcel is level at street grade and partially zoned C-2 and partially zoned high density student residential. The property was improved with a small restaurant and retail store at the time it sold. The buyer of this parcel pursued and received approvals subsequent to the sale for a four story 20,697 square feet mixed-use structure on the site. This development is currently under construction.

The subject property was purchased by the redevelopment agency in 2008 through negotiations, though the property was not openly marketed. The land value of the subject property today is judged to be more than \$78 per square foot.

The data indicate a range of price per square foot of land from \$66 to \$151. The subject benefits from the fact that it is situated in Downtown Isla Vista, an area currently undergoing a transformation to a densely developed urban style neighborhood. Alternatively, the subject is triangularly shaped which reduces its utility versus a rectangularly shaped parcel (all of the comparable data are rectangularly shaped). Further, the northerly 10 feet of the property (approximately 9% of the total site) is encumbered by an easement which reduces the utility of the site as a whole. Therefore, based on current market conditions, the comparable sales discussed above, and the appeal of the subject, the value of the subject property is estimated to be below the midpoint of the range found among the comparable data. Base on the data and discussion above, the value of the subject is estimated to be between \$80 and \$100, say \$90 per square foot, of site area.

| | |
|--|-----------------|
| Value of Subject (per Sq. Ft. of Site Area): | \$90 |
| Usable Site Area (Sq. Ft.): | <u>x 24,215</u> |
| Value of Subject: | \$2,179,350 |
| Value of Subject, Rounded: | \$2,200,000 |


Value Conclusion

The Sales Comparison Approach resulted in value indication of \$2,200,000. Therefore, the opinion has been formed that the market value of the Fee Simple Estate in the subject property, based on assumptions, limiting conditions and certification stated, as of the date of value, was the sum of \$2,200,000

TWO MILLION TWO HUNDRED THOUSAND DOLLARS

I hope the information contained within this summary appraisal report is sufficiently explanatory. Should you have any questions or require further detail, please feel free to contact me.

Sincerely,



Stephen G. Schott, MAI
CA #AG024150

ADDENDA/USPAP REPORTING REQUIREMENTS

Ownership Information

The owner of record for the subject property is the Santa Barbara County Redevelopment Agency. There are no sales of the subject property within the past three years.

Assessors Parcel Number

Book 75, Page 163, Parcel 017

Pertinent Conditions of Title

A title report for the subject has not been reviewed. Aside from those discussed herein, it is an assumption of this appraisal that there are no existing easements, liens or encumbrances that could adversely affect the value or use of the subject property.

Type of Value and Date of Appraisal

This appraisal sets forth my opinion as to the *market value* of the fee simple estate in the real property described herein. Opinions and other matters expressed in this report are stated as of March 7, 2012.

Function of Appraisal

The function of this appraisal is to provide valuation information to the client for decision making purposes.

Intended Use & User

The intended use of this appraisal report is for decision making purposes. The intended user is the owner of the property.

Scope of Appraisal

Generally, a valuation analysis has been completed including an inspection and description of the subject property and surrounding area, consideration of highest and best use, and the application of valuation analyses. Insofar as is practical, every effort has been made to verify as factual and true all data set forth in this report. However, no responsibility is assumed for the accuracy of any information furnished by others. This is a Summary Appraisal Report.

Exposure Time

The estimated exposure time (the time prior to the date of value that the property would have needed to have been marketed for in order for it to sell) for the subject property would have been six months, assuming a realistic asking price.

Definition of Terms

MARKET VALUE

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date

and the passing of title from seller to buyer under conditions whereby:

- (a) Buyer and seller are typically motivated;
- (b) Both parties are well informed or well advised, and acting in what they consider their best interest;
- (c) A reasonable time is allowed for exposure in the open market;
- (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Uniform Standards of Professional Appraisal Practice (of the Appraisal Foundation)

LEASED FEE ESTATE

The term "leased fee estate", as used in this report is defined as follows:

A property held in fee with the right of use or occupancy conveyed by lease to others. A property consisting of the right of ultimate repossession at the termination of the lease.

FEE SIMPLE ESTATE

The term, "fee simple estate", as used in this report, is defined as follows:

An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions:

- 1) This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
- 2) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- 3) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 4) Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 5) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 6) All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 7) It is assumed that there are no hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 8) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

- 9) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- 10) It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- 11) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- 12) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
- 13) The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- 14) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

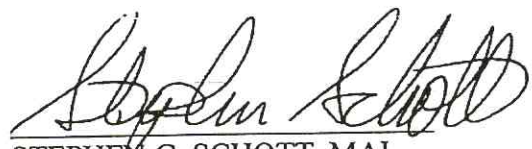
- 15) Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
- 16) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 17) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with property written qualification and only in its entirety.
- 18) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinion, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment is not contingent upon developing or reporting predetermined results
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- that this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and in accordance with the Code of Professional Ethics and the standards of Professional Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.



STEPHEN G. SCHOTT, MAI
CA#AG024150

**Successor Agency to the former Santa Barbara County
Redevelopment Agency
Draft Long Range Property Management Plan
881 Embarcadero Del Mar - aka "The Solar Car Park"**

This Long Range Property Management Plan (LRPMP) for the Solar Car Park located at 881 Embarcadero Del Mar (Attachment A – Map) includes all of the elements required by Health & Safety Code Section 34191.5(c) as well as the appropriate supporting documentation.

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

The property was acquired by the former Redevelopment Agency on October 21, 2008. The purchase price paid for the property, which represented its value at the time of purchase and took into account the contaminated nature of the soils underlying the site, was \$1,405,495. The estimated current value of the property is \$2,350,000, as further explained in Item (D) below.

(B) The purpose for which the property was acquired.

The property was purchased for the purpose of fulfilling the vision of the site identified in the Isla Vista Master Plan which was for use as a surface parking lot. Subsequent to its purchase, the former Redevelopment Agency developed the site as a surface parking lot. Developing the site as a parking lot allowed the County to: 1) Provide parking to the general public on a first-come, first-served basis; and 2) facilitate the redevelopment of undersized commercially zoned properties in downtown Isla Vista through the In-Lieu Fee Parking Program. The In-Lieu Fee Parking Program allows developers to pay a fee to the County in lieu of providing actual physical parking spaces on their individual project sites. This, in turn, allows developers to utilize more space for building floor area rather than for parking spaces.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.

The property consists of a 22,000 square foot parcel located at the intersection of Embarcadero Del Mar and Pardall Road in the Isla Vista area. The property is designated as Assessor's Parcel Nos. 075-111-006 & 075-111-014, and is addressed as 881 Embarcadero Del Mar. Attachment A provides a map showing the location of the property. The site is split-zoned C-2 (Retail Commercial) & SR-H (Student Residential High Density) and would be rezoned to CM (Community Mixed Use) under the Isla Vista Master Plan.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

The estimated current value of the property is \$2,350,000. This valuation is based on an appraisal commissioned by the Successor Agency on February 9, 2012 and prepared by Steve

Schott of Schott & Company. A copy of the current appraisal is included herein as Attachment B.

- (E) 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 property generates approximately \$1,400 per month in revenues of which \$800 per month is derived from leasing 15 residential parking spaces to the Paradise Ivy Mixed Use Project and an additional \$600 per month in meter revenues paid by the general public. Meter revenues are somewhat variable on a month to month basis and depend upon the University of California Santa Barbara school schedule. Revenues are typically higher during months in which school is in session and generally lower in the summer months. There is no contractual requirement related to disposition of the revenues collected. These revenues are currently collected and distributed to the taxing entities.

- (F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.*

The site was previously used as a gas station which utilized Underground Storage Tanks (UST). The tanks leaked hydrocarbons which contaminated the onsite soils. The soils were remediated adequately for the parking lot use and an impermeable membrane was placed over the site to prevent any surface contamination from underground contaminants. The site was cleared by the Santa Barbara County Fire Department for its current use on per their November 22, 2011 Remedial Action Completion Certification.

- (G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency.*

Because of its limited size and remote location distant from other transit facilities, the property has limited potential for transit-oriented development. However, the property serves to advance the planning objectives of the Successor Agency by providing parking to the general public on a first-come, first-served basis and by facilitating redevelopment of commercially zoned parcels in the downtown area through the County's In-Lieu Fee Parking Program. The In-Lieu Fee Parking Program is essential to facilitating past, current and future projects in the downtown area of Isla Vista because it allows developers to pay a fee to the County in lieu of providing actual physical parking spaces on their individual project sites. This, in turn, allows developers to utilize more space for building floor area rather than for parking spaces, making their projects more economically feasible.

- (H) A brief history of previous development proposals and activity, including the rental or lease of property.*

Entitlements for development of the parking lot were granted by the County of Santa Barbara on December 3, 2008 under Case No. 08CDP-00000-00076. The parking lot was subsequently constructed in 2009 and opened for public use in late 2009.

Use and Disposition [Health & Safety Code Section 34191.5(c)(2)]:

Address the use or disposition of all of the properties in the Community Redevelopment Property Trust Fund. Permissible uses include 1) Retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 2) Retention of the property for future development, 3) Sale of the property, or 4) Use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

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

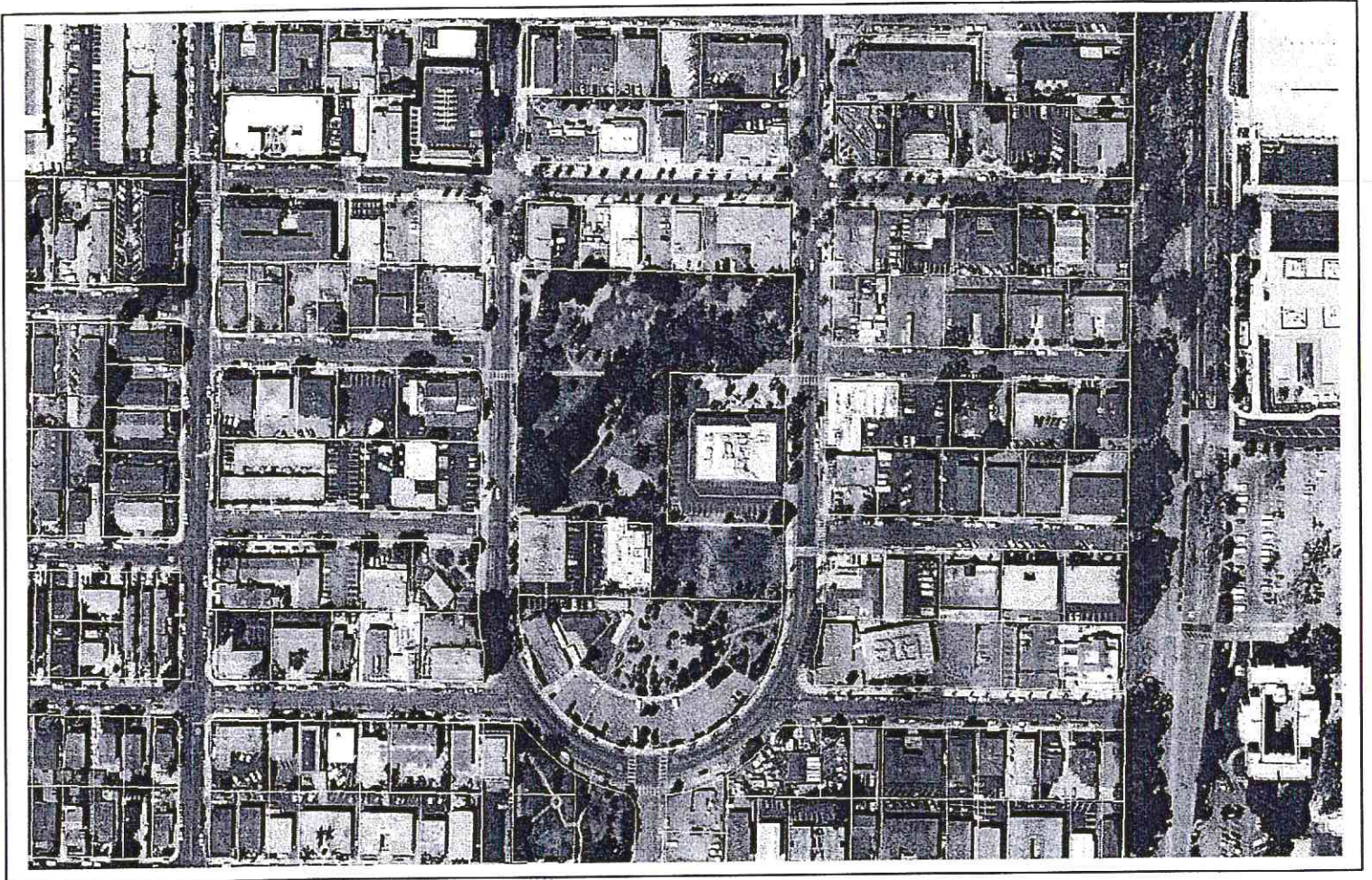
Use and Disposition of the Property

To be determined

Attachments:

- A. Site Map
- B. Appraisal of Property dated February 9, 2012
- C. Remedial Action Completion Certification dated November 22, 2011

Attachment A – Site Map



APPRAISAL REPORT:
COMMERCIALLY ZONED LAND USED AS A PARKING LOT



NORTHWEST CORNER OF EMBARCADERO DEL MAR AND PARDALL RD
ISLA VISTA, CALIFORNIA

Date of Value:
February 29, 2012

Prepared For:
Ronn Carlentine
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

Date of Report:
April 24, 2012

SCHOTT & COMPANY
Real Estate Appraisal & Consulting

SCHOTT & COMPANY

REAL ESTATE APPRAISAL & CONSULTING

April 24, 2012

Ronn Carlentine
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

Reference: Real Estate Appraisal
Commercially Zoned Land Used as a
Parking Lot Located at the Northwest Corner of
Embarcadero Del Mar and Pardall Road
Isla Vista, California

Dear Mr. Carlentine:

As requested, I have proceeded with the work necessary to provide my opinion of the market value of the above referenced real property, as of February 29, 2012, the date that I inspected the property.

The findings of my investigations are summarized on the following pages. Please refer to the Addenda of this letter for more specific property identification, definitions, assumptions, limiting conditions, and certification.

This is a Summary Appraisal Report. It is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, this letter presents only statements regarding the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in my files. The depth of discussion contained within this report is specific to the needs of the client and may be misleading to a disinterested third party. My work has included an inspection of the subject property, a survey of market data, and valuation analyses.

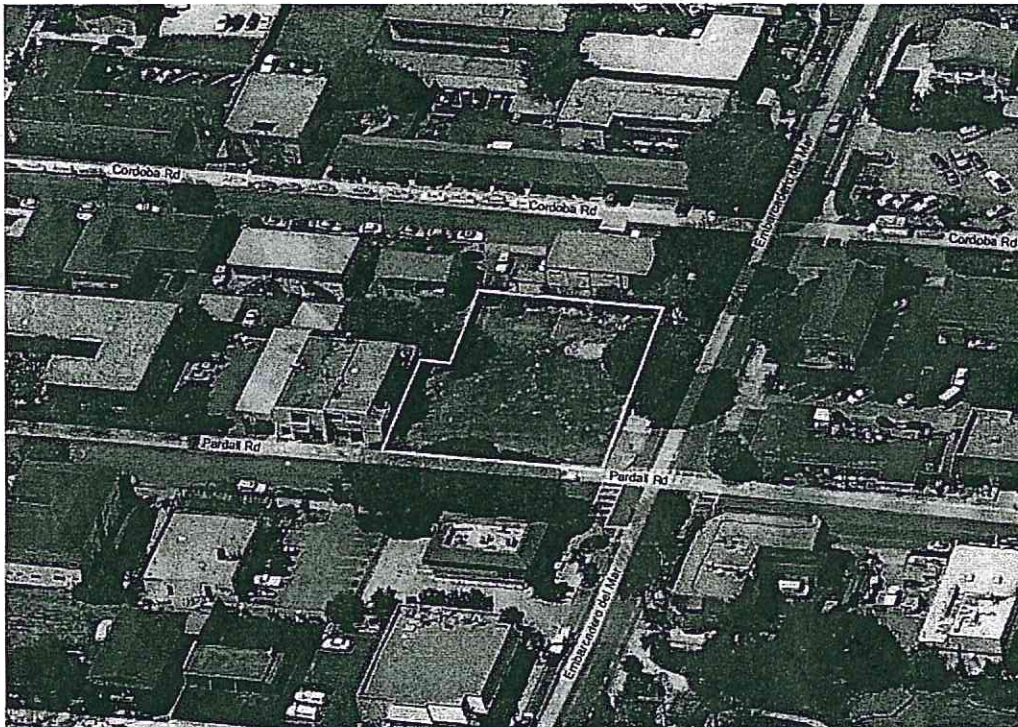
Introduction

In 2011, transaction levels of leasing and sales of real property increased markedly as credit loosened and investors stepped off the sidelines. Rates of return (capitalization rates) fell in 2011 as competition for investment property increased and returns in alternative investments remained anemic. Currently, market conditions appear to be stable with values neither falling nor increasing.

The subject property consists of a commercially zoned parcel of land improved as a parking lot. The property is located in the unincorporated community of Isla Vista, California.

Isla Vista is located along the South Coast of Santa Barbara County adjacent southerly to the City of Goleta and westerly of the City of Santa Barbara. Isla Vista is bounded by the University of California to the east, Goleta and the Santa Barbara Airport to the north, the Santa Barbara Channel of the Pacific Ocean to the south, and lightly improved lands owned by the University to the west. The community is approximately one half mile square. It is a small, densely populated, largely student occupied community.

Set out below is an aerial photograph of the subject property (taken prior to the development of the subject as a parking lot).



The primary influence on Isla Vista is the University of California at Santa Barbara. The University a public research university. It has an undergraduate population of approximately 19,800 students and a graduate student population of 3,050.

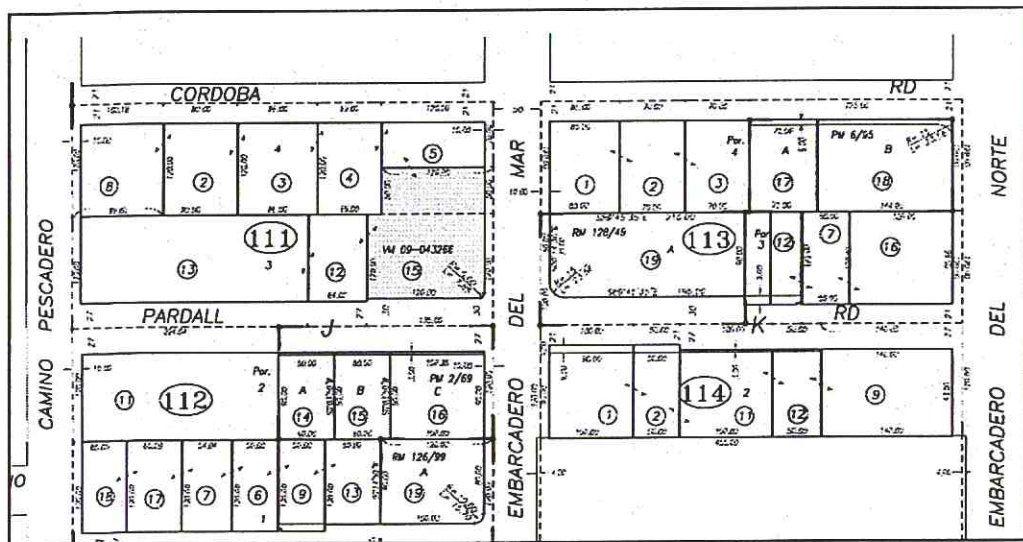
The bulk of Isla Vista was developed in the 1960s. From the early 1970's until 1998, there was a moratorium on new water meters due to the local water supply being over drafted. However, in 1998, local water agencies finished the construction of a pipeline that connected the area with the State Water System. This has allowed for a variety of new development in Isla Vista and, particularly, Goleta to take place. The majority of residential development in Isla Vista ranges from duplexes to fifty unit

two and three story buildings. There is a small area of commercial development in the area closest to the University. The subject is located within this area. There are three significant private redevelopment projects under construction in the subject neighborhood. These three and four story mixed-use developments will have retail uses on the ground floor and residential apartments above.

The County of Santa Barbara's Master Plan for Isla Vista was updated and adopted several years ago and a major rezoning of much of the community is pending approval by the California Coastal Commission. If approved, higher density housing will be allowed in many areas and it is likely that the population of Isla Vista will grow at least modestly. The vision for Downtown Isla Vista, where the subject is located, consists of redevelopment of many of the properties with three story mixed-use structures with commercial space on the ground floor and apartment units on the second and third floors. This vision is beginning to be realized as three mixed use projects in the downtown area (including one across the street from the subject) are under construction and another recently received entitlements.

Site Description

The subject parcel is located at northwesterly corner of the intersection of Pardall Road and Embarcadero Del Mar. The subject parcel is highlighted in yellow in the parcel map set out below.



The site is slightly irregular in shape and level at street grade. It has 125 feet of frontage on Pardall Road and 140 feet of frontage on Embarcadero Del Mar. Gross site area is 22,200 square feet, including areas within the street. Net usable site area (net of the street) is estimated at approximately 16,750 square feet.

The subject is zoned C-2 "Retail Commercial," under the jurisdiction of the County of Santa Barbara. This designation is intended to provide areas for a wide

variety of commercial uses and mixed-use (residential/commercial) structures. There is no minimum lot size. Building height is limited to 35 feet. Required setbacks are 30 feet from the centerline and 10 feet from the right-of-way line of any street, no side yard setback, and 10% of the lot depth (10 feet max) for the rear setback. Required parking is generally two spaces per bedroom and one space per 500 square feet of commercial building area. It should be noted that recently approved mixed-use projects in downtown Isla Vista received modifications to allow for less onsite parking, no setbacks, and greater building height than is allowed under current zoning. The subject appears to be legally conforming to current zoning.

A significant change to the zoning to most of Isla Vista has been approved by the County of Santa Barbara and awaits approval by the California Coastal Commission. If approved as proposed, the subject will be rezoned "Community Mixed-Use 45" This zoning designation allows for higher density residential and mixed use development with less stringent parking requirements. Maximum building height would be increased to 40 feet. Further, the zone eliminates the front yard setback and requires that buildings have at least 75% with no setback.

There is a recorded agreement between the owners of the mixed-use development located across the street from the subject property (Currently under construction at APN 075-112-016) and the County of Santa Barbara Redevelopment Agency to provide 15 residential parking spaces and 17 commercial parking spaces on the subject site (subject to annual and daily fees). However, this agreement may no longer be enforceable and, therefore, not an encumbrance to the subject property since the State of California dissolved redevelopment agencies across the state. Per instructions from the client, the subject has been appraised under the extraordinary assumption that the parking lot agreement is not an encumbrance on the subject property. If the subject is encumbered with the requirement to provide the parking spaces discussed above, its value will likely be negatively impacted.

Improvement Description

General:

Improvements to the subject consist of an asphalt paved parking lot with concrete curbing, drainage, landscaping, hardscaping, irrigation, fencing, and lighting. Additionally, there are a series of steel support structures/shade structures over the parking spaces that are covered with photovoltaic panels. There are a total of 45 parking spaces and 97 photovoltaic panels. The panels generate a net excess amount of electricity equal to a value of approximately \$23 per month.



Subject As Viewed From Street



Subject Property

Highest & Best Use (As Though Vacant)

Given current levels of demand and rental values in Isla Vista, it is likely that the highest and best use of the subject property "as though vacant" would be to develop a multi-story mixed-use (retail/residential) project.

Highest & Best Use (As Improved)

As improved, the current use of the subject as a parking lot is a reasonable interim use. A higher and better use of the property would be to develop a multi-story mixed-use project.

Valuation

The valuation of the subject property will consist of the Sales Comparison Approach.

Sales Comparison Approach

In the Sales Comparison Approach to value, sales of comparable properties are analyzed for the purpose of indicating what a typical well-informed buyer and/or seller would consider in forming an opinion of the worth of the subject property as of the date of value. This valuation concept is based on the theory of substitution in which a basic premise is that a typical buyer would not pay more for a particular property than the cost to acquire an alternative property that similarly satisfies his wants and needs.

I have investigated sales that are deemed to be comparable to the subject. The unit of comparison used in the following analysis is price per square foot of land area. Set out below is a summary of the most pertinent data.

| MARKET SURVEY – LAND SALES | | | | | |
|----------------------------|---|--------------|-----------|-------------|----------------|
| No. | Location/APN/Zoning | Land Sq. Ft. | Sale Date | Sale Price | Price/ Sq. Ft. |
| 1. | 909 Embarcadero Del Mar 075-112-016 C-2 | 9,300 | 8/2004 | \$927,000 | \$100 |
| 2. | 6522 & 6530 Seville Rd. 075-171-013 & 014 C-2 | 16,408 | 6/2005 | \$2,000,000 | \$122 |
| 3. | 6533 Trigo Road 075-173-003 & 026 C-2 | 16,500 | 12/2010 | \$2,175,000 | \$132 |
| 4. | 6547 Trigo Road 075-173-023 & 024 C-2/SR-H-20 | 11,400 | 8/2008 | \$1,725,000 | \$151 |
| | Subject Property 075-111-015 C-2 | 16,750 | 7/2008 | \$1,405,495 | \$84 |

Data No. 1 (909 Embarcadero Del Mar; \$100/Sq. Ft.) is the older sale of the property located across the street from the subject. This parcel is level at street grade and rectangular in shape. At the time of sale, the property was improved with a single story restaurant building of 1,972 square feet. This property was purchased by a developer who subsequently acquired approvals for a three story, 27,850 square foot mixed-use commercial/residential development with 24 residential units. The project is currently under construction.

Data No. 2 (6522 & 6530 Seville Rd.; \$122/Sq. Ft.) is the older sale of two adjacent rectangularly shaped parcels that are improved with two storage buildings totaling 5,816 square feet. The buyer of the property, a developer, recently received approvals to raze the existing improvements and construct a new 44,835 square foot mixed-use project. This property has a peripheral location within the central business district of Isla Vista.

Data No. 3 (6533 Trigo Road; \$132/Sq. Ft.) is the late 2010 sale of an unusually shaped parcel of level land located at southern end of the central business district in Isla Vista. This property had been used as a service station. However, prior to the sale, the buyer acquired approvals to construct a four story mixed-use 44,994 square foot development on the site. This development is currently under construction.

Data No. 4 (6547 Trigo Road; \$151/Sq. Ft.) is the mid 2008 sale of a slightly irregularly shaped parcel of land that is situated on two corners at the southern end of the central business district in Isla Vista. The parcel is level at street grade and partially zoned C-2 and partially zoned high density student residential. The property was improved with a small restaurant and retail store at the time it sold. The buyer of this parcel pursued and received approvals subsequent to the sale for a four story

20,697 square feet mixed-use structure on the site. This development is currently under construction.

The subject property was purchased by the redevelopment agency in 2008 through negotiations, though the property was not openly marketed. At the time of purchase, the property suffered soil contamination which negatively impacted the value of the property. The contamination has since been remediated. The land value of the subject property today is judged to be more than \$84 per square foot.

The data indicate a range of price per square foot of land from \$100 to \$151. The subject benefits from the fact that it is situated on a prominent corner in Downtown Isla Vista. Further, it is improved with a parking lot that can provide an interim income stream while redevelopment approvals are being sought. Based on current market conditions and the comparable sales discussed above, the value of the subject property is estimated to be above the midpoint of the range, say \$140 per square foot of site area.

| | |
|--|-----------------|
| Value of Subject (per Sq. Ft. of Site Area): | \$140 |
| Usable Site Area (Sq. Ft.): | <u>x 16,750</u> |
| Value of Subject: | \$2,345,000 |
| Value of Subject, Rounded: | \$2,350,000 |

Value Conclusion

Therefore, I estimate that the "as is" market value of the Fee Simple Estate in the subject property, based on assumptions, limiting conditions and certification stated, as of the date of value was \$2,350,000.

TWO MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS

The subject has been appraised under the extraordinary assumption that the parking lot agreement (discussed on page 4) is not an encumbrance on the subject property. If the subject is encumbered with the requirement to provide the parking spaces discussed above, its value will likely be negatively impacted.

I hope the information contained within this summary appraisal report is sufficiently explanatory. Should you have any questions or require further detail, please feel free to contact me.

Sincerely,


Stephen G. Schott, MAI
CA #AG024150

ADDENDA/USPAP REPORTING REQUIREMENTS

Ownership Information

The owner of record for the subject property is the Santa Barbara County Redevelopment Agency. There are no sales of the subject property within the past three years.

Assessors Parcel Number

Book 75, Page 111, Parcel 015

Pertinent Conditions of Title

A title report for the subject has not been reviewed. It is an assumption of this appraisal that there are no existing easements, liens or encumbrances that could adversely affect the value or use of the subject property.

Type of Value and Date of Appraisal

This appraisal sets forth my opinion as to the *market value* of the fee simple estate in the real property described herein. Opinions and other matters expressed in this report are stated as of February 29, 2012.

Function of Appraisal

The function of this appraisal is to provide valuation information to the client for decision making purposes.

Intended Use & User

The intended use of this appraisal report is for decision making purposes. The intended user is the owner of the property.

Scope of Appraisal

Generally, a valuation analysis has been completed including an inspection and description of the subject property and surrounding area, consideration of highest and best use, and the application of valuation analyses. Insofar as is practical, every effort has been made to verify as factual and true all data set forth in this report. However, no responsibility is assumed for the accuracy of any information furnished by others. This is a Summary Appraisal Report.

Exposure Time

The estimated exposure time (the time prior to the date of value that the property would have needed to have been marketed for in order for it to sell) for the subject property would have been six months, assuming a realistic asking price.

Definition of Terms

MARKET VALUE

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (a) Buyer and seller are typically motivated;
- (b) Both parties are well informed or well advised, and acting in what they consider their best interest;
- (c) A reasonable time is allowed for exposure in the open market;
- (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Uniform Standards of Professional Appraisal Practice (of the Appraisal Foundation)

LEASED FEE ESTATE

The term "leased fee estate", as used in this report is defined as follows:

A property held in fee with the right of use or occupancy conveyed by lease to others. A property consisting of the right of ultimate repossession at the termination of the lease.

FEE SIMPLE ESTATE

The term, "fee simple estate", as used in this report, is defined as follows:

An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following extraordinary assumption:

- 1) **The subject has been appraised under the extraordinary assumption that the parking lot agreement (discussed on page 4) is not an encumbrance on the subject property. If the subject is encumbered with the requirement to provide the parking spaces discussed above, its value will likely be negatively impacted.**

This appraisal report has been made with the following general assumptions and limiting conditions:

- 1) This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
- 2) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- 3) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 4) Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 5) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 6) All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

- 7) It is assumed that there are no hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 8) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- 9) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- 10) It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- 11) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- 12) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
- 13) The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for environmental conditions, or for any expertise or engineering knowledge required to discover them. The

appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

- 14) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
- 15) Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
- 16) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 17) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with property written qualification and only in its entirety.
- 18) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinion, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment is not contingent upon developing or reporting predetermined results
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- that this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and in accordance with the Code of Professional Ethics and the standards of Professional Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have appraised a portion of the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment (for the proposed Edison easement).

As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.



STEPHEN G. SCHOTT, MAI
CA#AG024150



Fire Department

"Serving the community since 1926"

HEADQUARTERS

4410 Cathedral Oaks Road
Santa Barbara, CA 93110-1042
(805) 681-5500 FAX: (805) 681-5553

Michael W. Dyer
Fire Chief
County Fire Warden

Christian J. Hahn
Deputy Fire Chief

REMEDIAL ACTION COMPLETION CERTIFICATION

November 22, 2011

Mr. Ben F. Terry
Chevron EMC
6101 Bollinger Canyon Road
San Ramon, CA 94583

Mr. Grady Williams
Santa Barbara County, General Services Department
1105 Santa Barbara Street, 4th Floor
Santa Barbara, CA 93101

SUBJECT: LUFT Site #51655
Chevron Facility No. 30-6624 (Former Unocal 76 Station 5209)
881 Embarcadero Del Mar, Isla Vista, California

Dear Mr. Terry and Mr. Williams:

This letter confirms the completion of a site investigation and corrective action for the underground storage tank formerly located at the above-described location. Thank you for your cooperation throughout this investigation. Your willingness and promptness in responding to our inquiries concerning the former underground storage tank are greatly appreciated.

Based on information in the above-referenced file and with the provision that the information provided to this agency was accurate and representative of site conditions, this agency finds that the site investigation and corrective action carried out at your underground storage tank site is in compliance with the requirements of subdivisions (a) and (b) of Section 25296.10 of the Health and Safety Code and with corrective action regulations adopted pursuant to Section 25299.3 of the Health and Safety Code and that no further action related to the petroleum release(s) at the site is required.

This notice is issued pursuant to subdivision (g) of Section 25296.10 of the Health and Safety Code.

Please contact our office if you have any questions regarding this matter.

Sincerely,

Michael W. Dyer
Fire Chief







Completion Certification 51655

pc: Mr. Allan Patton, UST Cleanup Fund Manager
Mr. Mark Fahan, Holguin, Fahan, & Associates

Serving the cities of Buellton, Goleta and Solvang, and the Communities of Casmalia, Cuyama, Gaviota, Hope Ranch, Los Alamos, Los Olivos, Mission Canyon, Mission Hills, Orcutt, Santa Maria, Sisquoc, Vandenberg Village

COUNTY OF SANTA BARBARA
REDEVELOPMENT AGENCY INCREMENT SUMMARY &
APPROXIMATE CONTRIBUTION RATES BY DISTRICT
FISCAL YEAR 2012 - 2013

 **Total = 28.5%**

| | Affected Taxing Entities | SB CO IV RDA Ratio |
|-------------------|------------------------------------|---|
| County | General | 16.7%  |
| CITIES | Goleta City | 1.0% |
| SPECIAL DISTRICTS | Co Svc Area 31 | 0.5%  |
| | SB Co Fire Prot Dist | 10.1%  |
| | SB Co Flood Zone 2 | 0.2%  |
| | So Coast Flood Zone 2 | 1.0%  |
| | SB Co Water Agency | 0.3%  |
| | Goleta Cemetery | 0.2% |
| | Santa Barbara MTD | 0.2% |
| | SB Coastal Vector Control District | 0.2% |
| | Isla Vista Park & Recreation | 3.9% |
| | Goleta West Sanitary District | 5.9% |
| SCHOOL ENTITIES | Goleta Union School | 26.6% |
| | Santa Barbara Unified (High) | 12.9% |
| | Santa Barbara Community College | 4.5% |
| | County School Svc Fund | 3.1% |
| | ERAF | 12.7% |
| | TOTAL % OF RDA INCREMENT | 100.00% |



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 26, 2013

Mr. Errin Briggs, Program Manager
County of Santa Barbara
123 East Anapamu
Santa Barbara, CA 93101

Dear Mr. Briggs:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the County of Santa Barbara 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. Mark Paul, Deputy Director of Finance and Administration, County of Santa Barbara
Mr. Robert W. Geis, CPA, Auditor-Controller, County of Santa Barbara
California State Controller's Office

