



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

Department Name: CEO
Department No.: 990
For Agenda Of: April 22, 2008
Placement: Admin
Estimated Tme: 5 minutes on 5/6
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
Redevelopment Agency Board of Directors

FROM: Department Michael F Brown, County Executive Officer
Director

Contact Info: Terri Maus-Nisich, Assistant County Executive Officer (x 3412)
Ronn Carlentine, Real Property Manager (x 3078)
Jamie Goldstein, Deputy Director Redevelopment Agency (x 8050)

SUBJECT: Set Hearing for Real Property Acquisition of 976 Embarcadero Del Mar, Isla Vista

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors set a hearing for May 6, 2008, to:

- a) Find that the acquisition of the property located at 976 Embarcadero Del Mar, in Isla Vista, (Property) by the County of Santa Barbara Redevelopment Agency (Agency) was evaluated in the Isla Vista Master Plan EIR and pursuant to CEQA Guidelines Sections 15180 and 15162, no additional environmental review is required; and
- b) Adopt the County Resolution making findings required by California Health & Safety Code Sections 33445 and 33679 to use Redevelopment Agency funds to purchase the Property; and
- c) Conduct a hearing as required by Health & Safety Code Section 33679 for purchase of the Property; and
- d) Adopt the County Resolution approving the summary of costs and findings of the California Health and Safety Code Section 33433 Report for the lease of approximately 3,600 square feet back to the seller, Saint Athanasius Orthodox Church (Church).

That the Board of Directors of the Redevelopment Agency set a hearing for May 6, 2008, to:

- e) Find that the acquisition of the Property by the Agency was evaluated in the Isla Vista Master Plan EIR, and pursuant to CEQA Guidelines Sections 15180 and 15162, no additional environmental review is required; and

- f) Adopt the Agency Resolution making findings required by Health & Safety Code Sections 33445 and 33679 for the acquisition of the Property; and
- g) Adopt the Resolution of Intent to Purchase the Property from the Church; and
- h) Execute the Real Property Sale Contract and Escrow Instructions between the Agency and the Church to acquire the Property in the amount of \$1,875,000, and authorize the Executive Officer, or designee, to initial various provisions therein on behalf of the Agency; and
- i) Authorize the Executive Director to extend escrow up to 60 additional days, if necessary to facilitate funding of the acquisition; and
- j) Authorize the Executive Director to execute a 4-year Lease Agreement, with the County as Lessor, and the Church as Lessee, upon the successful close of escrow.

Summary Text:

This item is on the agenda to consider the acquisition of property at 976 Embarcadero Del Mar in Isla Vista (Property) from Saint Athanasius Orthodox Church (Church), a willing seller, for the appraised fair market value of \$1,875,000 with a 4-year lease-back agreement.

The recently adopted Isla Vista Master Plan includes policies directing the Agency to establish partnerships with property owners and businesses within the Embarcadero Loop to help them relocate to sites outside the loop in the long term. In this case, the Church will be constructing a new church facility in the Goleta area. The 4-year lease-back agreement will allow them to continue to provide worship services to their parishioners during construction. Once construction is complete and the lease-back agreement is terminated, the Agency will use the Property to facilitate the goals of the Master Plan.

Background:

Located at 976 Embarcadero Del Mar (APN: 075-163-017), the Property is at the southern end of the Embarcadero Loop in downtown Isla Vista. The site is adjacent to a public park and the Isla Vista Medical Clinic. Your Board authorized opening escrow for the acquisition of the neighboring Clinic site on April 15th, 2008.

Acquisition of these two privately-owned properties in the Embarcadero Loop will provide the Agency flexibility in implementing the Isla Vista Master Plan. The properties are contiguous and each has substantial on-site parking. After the lease-back period for each property, the land may potentially be used for parking to facilitate redevelopment projects and/or the expansion of open space.

In an appraisal dated June 5, 2007, the Hammock, Arnold, Smith and Company determined fair market value for the property to be \$1,875,000. Using that value, Agency staff worked with the Church to negotiate the purchase of the site with a lease-back agreement. The purpose of the lease is to maintain the Church's presence in Isla Vista. In addition, the lease payments will help to off-set the fiscal impacts of the acquisition.

Fiscal Analysis:

The acquisition will be funded entirely by the Redevelopment Agency and will have no impact on the General Fund. The Agency's adopted FY 07/08 Budget describes a proposed debt issuance to fund this and other Redevelopment initiatives. That debt issuance was recommended for approval by the County's Debt Advisory Committee and the Board of Supervisors on February 5, 2008. It is expected those debt proceeds will be available in June 2008, which will be used to finance this acquisition.

The terms of the Real Property Sale Contract include a provision making the close of escrow contingent on the availability of funds. With a 60-day escrow period, the Agency will have ample time to issue debt prior to the scheduled end of escrow. The Purchase Contract also provides for a 60-day extension of escrow, if necessary, to facilitate funding.

Special Instructions:

Publish hearing notice in a newspaper of general circulation for two successive weeks prior to hearing on May 6, and indicate that the reports required by Health and Safety Code Sections 33433 and 33445 will be available for public review

Authored by:

Grady/Goldstein

cc:

Mary McMaster, County Counsel
Kevin Ready, County Counsel
Mark Paul, Auditor Controller