



CITY COUNCIL/COMMUNITY
REDEVELOPMENT AGENCY
STAFF REPORT

DATE: July 6, 2011

CONSENT CALENDAR

SUBJECT: APPROVE A REAL PROPERTY COOPERATION AGREEMENT BETWEEN THE CITY OF PALM SPRINGS AND THE COMMUNITY REDEVELOPMENT AGENCY FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN COMMUNITY REDEVELOPMENT AGENCY-FUNDED CAPITAL IMPROVEMENT AND AFFORDABLE HOUSING PROJECTS

FROM: David H. Ready, City Manager/Executive Director

BY: Community and Economic Development

SUMMARY

On March 16, 2011, the Agency and City entered an Agreement whereby the Agency transferred a number of properties to the City of Palm Springs, in part to preserve the ownership of those assets in the community's inventory in the face a determined efforts by the Governor and the Legislature to eliminate redevelopment in California.

A number of those properties had scheduled improvements by the Agency or capital projects underway that would have furthered the elimination of blight and effectuation of the Implementation Plan in the two merged Project Areas. This Agreement would provide the funding to the City to carry out those efforts in the next year or so.

RECOMMENDATION:

1. Adopt Agency Resolution No. ____, "APPROVE A REAL PROPERTY COOPERATION AGREEMENT BETWEEN THE CITY OF PALM SPRINGS AND THE COMMUNITY REDEVELOPMENT AGENCY FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN COMMUNITY REDEVELOPMENT AGENCY-FUNDED CAPITAL IMPROVEMENT AND AFFORDABLE HOUSING PROJECTS"
2. Adopt City Council Resolution No. ____, "APPROVE A REAL PROPERTY COOPERATION AGREEMENT BETWEEN THE CITY OF PALM SPRINGS AND THE COMMUNITY REDEVELOPMENT AGENCY FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN COMMUNITY REDEVELOPMENT AGENCY-FUNDED CAPITAL IMPROVEMENT AND AFFORDABLE HOUSING PROJECTS"

3. Adopt City Council Resolution No. ____, OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MAKING FINDINGS PURSUANT TO SECTION 33445 AND SECTION 33445.1 OF THE CALIFORNIA HEALTH & SAFETY CODE RELATING TO THE FINANCING OF CERTAIN REAL PROPERTY IMPROVEMENTS BY THE COMMUNITY REDEVELOPMENT AGENCY AND ACQUISITION OF REAL PROPERTY BY THE CITY OF PALM SPRINGS TO EFFECTUATE THE REDEVELOPMENT PLAN IN THE MERGED PROJECT AREA #1
4. Authorize the City Manager/Executive Director or his designee to execute all necessary documents.

STAFF ANALYSIS:

The properties transferred to the City are considered Property Held for Resale, acquired as part of land assembly or for redevelopment purposes; or assets of the Agency acquired from private parties. Excluded from the transfer are parcels acquired with funds acquired with Low- and Moderate-Income Housing Funds, which must be appraised and sold for fair market value, with the proceeds remitted back to the Low-Mod Fund. The Agency's largest affordable housing parcel, at Indian and San Rafael Road, recently went under an MAI appraisal for that purpose.

Among those transferred to the City were the following parcels:

- The Cork n Bottle. This 2,094 square feet property, referred to as APN 513-081-017, is located at 342-344 North Palm Canyon Drive near Amado Road, within Merged Project Area No. 1. The transfer of the Property is subject to the terms of the tenant Lease with Moustapha El-Khalil, executed on September 3, 2004
- The Plaza Theater. Located at 124-132 South Palm Canyon Drive (APN 513-144-008), the Property is subject to the terms of the Lease with the Partnership for the Performing Arts and certain easements and leases with the Wessman Family Trust and Plaza Investment Company for certain courtyard, alleyway, and trash area access.
- Casa del Camino Property. This 32,852 s.f. property is located at 1479 N. Palm Canyon Drive (near Stevens Road), APN 505-182-004.
- Catholic Church Parking Lot. This 39,440 s.f..lot at the northwest corner of Alejo and Belardo Road (APN 505-324-002). The property was acquired by the Agency in 1983 and is subject to the terms of an agreement with Our Lady of Solitude Catholic Church for use of site for parking.

- Frances Stevens Park: a 3.48 acre park and cultural facilities (APN 505-325-003), including the Palm Canyon Theater (538 North Palm Canyon Drive) and the Desert Art Center (550 North Palm Canyon Drive).
- Downtown Parking Garage. This is a sublease interest in the real property located at the northwest corner of Indian Canyon Drive and Baristo Road (APNs 513-154-045, 513-154-046, 513-154-047, 513-154-044, and 513-154-048).
- Village Green (211 South Palm Canyon Drive; APN: 513-153-017). The transfer of the Property was subject to the terms of any easements and leases with the Palm Springs Historical Society, the Agua Caliente Band of Cahuilla Band Indians, and Palm Springs Fudge.
- Palm Springs Visitor Center and Palm Springs Entry Sign (2901 North Palm Canyon Drive; APN: 504-040-001-8). (2901 North Palm Canyon Drive; APN: 504-040-001-8). The Property is subject to the terms of any easements and leases and Agreements with the Agua Caliente Band of Cahuilla Band and the Culver Nichols Charitable Trust. In 1971 Nichols granted the City by license a right to place the City's gateway entry sign on a portion of the Nichols Site, at no cost to the City. In 2003, the parties entered a Lease Agreement, which included the area subject to the Right of Way as well as Property for the construction of a parking lot ("Parking Improvements") for its new Visitor Center, landscaped pathways ("Pathways"), and entry landscaping and signage improvements ("Entry Improvements") through its Public Arts Commission. The area between the gateway sign and the Visitor Center was to be minimally developed as a series of landscaped pathways. This Lease superseded and replaced the Right of Way Agreement.

However, in order for the Agency to fund any improvements on City-owned properties, the City Council acting as the legislative body must make appropriate findings under Section 33445 under the Health & Safety Code. A summary of the anticipated projects is as follows:


- The Plaza Theater. This Project would fund the reserve for major landlord property improvements on the project, including the replacement of HVAC units with high-efficiency units, potential replacement of the roof with an insulated, reflective roofing system, and a proposed upgrade of the additional restrooms located in the adjacent Plaza Las Flores building.
- Casa del Camino Property. This property is located adjacent to the already-City-owned O'Donnell Reservoir property. The Project would consist of preparing the two sites for marketing as a redevelopment opportunity site, including the potential demolition of the former reservoir structure. Staff will proceed with

getting estimates of the reservoir demolition; if the City proceeds with the project the plans and specs may return to City Council for approval before going to bid.

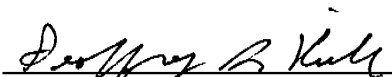
- Catholic Church Parking Lot. In partnership with one of the neighboring property owners and with additional funding from the City's parking fund, the project would consist of the renovation, re-landscaping and repaving of this key parking facility. Staff will proceed with the redesign of the parking lot and obtaining an estimate of the work if the City proceeds with the project the plans and specs may return to City Council for approval before going to bid.
- Frances Stevens Park: There are several ADA-related deficiencies in the Desert Art Center, and well as several structural and mechanical problems and some requested property upgrades. The project would be to eliminate those problem conditions in this Class 1 Historic Property. A new lease with the Desert Art Center will return to Council in the next several months, and the Palm Canyon Theater lease is scheduled to expire in May, 2012.
- Downtown Parking Garage. While the property is subject to the Lease Revenue Bonds of the City, this project would consist of facilitating the development of the northerly 5' strip of surplus property in the project through the expansion of Fisherman's Market's patio and seating area onto this unused sidewalk. Most of the cost would be borne by the adjacent property owner/developer. If there is interest in doing this, the City will have to take the parcel out of the bond security: that will require the consent of Union Bank, as well an MAI appraisal of the property after release of the property.
- Village Green. There are several major structural issues at this Class 1 Historic Property due to water intrusion and lead paint. This project would rectify those issues through a historically-sensitive roof repair and new surface treatment for these adobe structures.
- Palm Springs Visitor Center. Since the acquisition of the Visitor Center by the City in 2003, it was always the intent of the City and Nichols that the Visitor Center and the ultimate development of the Nichols Site represent an integrated, harmonious project, and that the boundaries of the Property be altered to accommodate such development, and that reciprocal ingress, egress and parking covenants may be utilized to integrate the development. However, the lease with Nichols has now expired, and Nichols now desires to sell the parking lot and entry sign property. At the time of the Property Transfer (3/11) the Agency was considering a purchase of the Property from Nichols. This Project would provide for a down payment on the purchase, while Nichols would take back a note from the City for the balance. Once the final boundaries for the purchase site are determined, a purchase and sale agreement with Nichols will return to Council in the next several months.

FISCAL IMPACT:

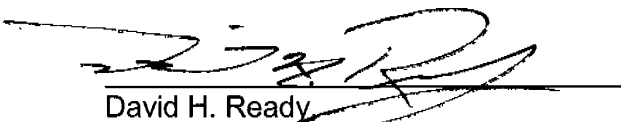
The Agency has an amount of \$884,641 in Fund 921 in Merged Area No.1. The Agreement would transfer those funds into a Special Revenue Account of the City to be used toward the implementation of these projects.



John Raymond, Director
Community and Economic Development



Geoffrey Kiehl
Director of Finance/City Treasurer



David H. Ready
City Manager/Executive Director

Attachment: Resolutions (2) Approving the Real Property Cooperation Agreement
Real Property Cooperation Agreement
Resolution Making Findings Under Section 33445 of California
Redevelopment Law

RESOLUTION NO. _____

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING A REAL PROPERTY COOPERATION AGREEMENT BETWEEN THE CITY OF PALM SPRINGS AND THE COMMUNITY REDEVELOPMENT AGENCY FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN COMMUNITY REDEVELOPMENT AGENCY-FUNDED CAPITAL IMPROVEMENT AND AFFORDABLE HOUSING PROJECTS

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Real Property Cooperation Agreement Between the City of Palm Springs and the Community Redevelopment Agency for Payment of Costs Associated with Certain Community Redevelopment Agency-Funded Capital Improvement and Affordable Housing Projects ("Agreement") is hereby approved.

SECTION 2 The Executive Director or his designee is hereby authorized to execute all documents related to the Agreement.

ADOPTED THIS _____ day of _____, 2011.

David H. Ready, Executive Director

ATTEST:

James Thompson, Assistant Secretary

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, Assistant Secretary of the Community Redevelopment Agency of City of Palm Springs, hereby certify that Resolution No. ____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, Assistant Secretary
Community Redevelopment Agency of
the City of Palm Springs, California

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING A REAL PROPERTY COOPERATION AGREEMENT BETWEEN THE CITY OF PALM SPRINGS AND THE COMMUNITY REDEVELOPMENT AGENCY FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN COMMUNITY REDEVELOPMENT AGENCY-FUNDED CAPITAL IMPROVEMENT AND AFFORDABLE HOUSING PROJECTS

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SECTION 1. The Real Property Cooperation Agreement Between the City of Palm Springs and the Community Redevelopment Agency for Payment of Costs Associated with Certain Community Redevelopment Agency-Funded Capital Improvement and Affordable Housing Projects ("Agreement") is hereby approved.

SECTION 2 The City Manager or his designee is hereby authorized to execute all documents related to the Agreement.

ADOPTED THIS _____ day of _____, 2011.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. ____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

REAL PROPERTY COOPERATION AGREEMENT
FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN COMMUNITY
REDEVELOPMENT AGENCY-FUNDED CAPITAL IMPROVEMENT
AND AFFORDABLE HOUSING PROJECTS

THIS COOPERATION AGREEMENT (the "Agreement") is entered into this _____ day of June, 2011, by and between the CITY OF PALM SPRINGS (the "City") and the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS (the "Agency"), with reference to the following facts:

A. The Agency has prepared Redevelopment Plans for the Merged Project No. 1 and Merged Project No. 2 Redevelopment Projects (the "Project Areas"), which results in the allocation of taxes from the Project Areas to the Agency for purposes of redevelopment.

B. The intent of the Redevelopment Plans is, in part, to provide for the construction and installation of necessary public infrastructure and facilities and to facilitate the repair, restoration and/or replacement of existing public facilities and to perform specific actions necessary to promote the redevelopment and the economic revitalization of the Project Areas; and to increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside the Redevelopment Project Areas; and to take all other necessary actions to implement the redevelopment plans for the respective redevelopment projects and to expend tax increment to accomplish the goals and objectives of the respective redevelopment projects.

C. The Agency has adopted its Five-Year Implementation Plans for the Project Areas (the "Plans") with established goals to support affordable housing, economic development, community revitalization, commercial revitalization, and institutional revitalization. To implement the programs and activities associated with each goal, the Agency has made redevelopment fund commitments based on estimated available tax increment revenue and debt financing structures.

D. Pursuant to California Redevelopment law, section 33220, certain public bodies, including the City may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Collectively, the projects associated with this Agreement are listed in the attached Exhibit 1, which are incorporated herein by this reference (the "Projects"). The programs and activities associated with the Projects include acquisition, development of design criteria, design, planning, preparation of construction bid documents, financial analysis, and new construction or rehabilitation. To carry out the Projects in accordance with the objectives and purposes of the redevelopment plans for the Project Areas and the Plans, the Agency desires assistance and cooperation in the implementation and completion of the Projects. The

City agrees to aid the Agency and cooperate with the Agency to expeditiously implement the Projects in accordance with the redevelopment plans for the Project Areas and the Plan and undertake and complete all actions necessary or appropriate to ensure that the objectives of the redevelopment plans for the Project Areas and the Plan are fulfilled within the time effectiveness of the Project Areas.

E. The Agency had acquired certain real property in the City of Palm Springs for the purpose of effectuating the Redevelopment Plans for Merged Project Area No. 1 and No. 2. Such properties, described in Exhibit 1, were acquired from private owners and from the City of Palm Springs, and were transferred to the City of Palm Springs on March 16, 2011 for the purpose of preserving those long-term assets in the community's inventory. Such properties had scheduled improvements that were outside the nature of property maintenance that will help eliminate blighting conditions and further the Redevelopment Plans.

E. In considering the Agency's desire to ensure timely implementation and completion of the Projects, the Agency wishes to enter into this Agreement with the City to provide funding to the City for a number of the capital improvements related to the Projects. The purpose of this Agreement is to facilitate the implementation of the Projects and to provide funding necessary to effectuate the completion of the Projects with available tax increment in this current fiscal year and forthcoming fiscal years.

F. Net available tax increment is defined as any tax increment, net of existing debt service payments, and existing contractual obligations received by the Agency or any lawful successor of the Agency and/or to any of the powers and rights of the Agency pursuant to any applicable constitutional provision, statute or other provision of law now existing or adopted in the future. The pledge of net available tax increment will constitute obligations to make payments authorized and incurred pursuant to Section 33445 and other applicable statutes. The obligations set forth in this Agreement will be contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies.

G. The City Council (the "Council") and the Agency by resolution have each found that the use of Agency redevelopment funding for the Projects is in accordance with Section 33445 of the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.) ("CRL") and Section 33445(a) of the CRL and other applicable law. The said Council and Agency resolutions are each based on the authority of the Agency, with the consent of the Council, to pay all or part of the cost of the installation and construction of any building, facility, structure, or other improvements which is publicly owned either within or outside a project area, if the Council makes certain determinations.

H. By approving and entering into this Agreement, the Agency has approved the pledge of tax increment from the Project Areas to provide a source of funding for these capital projects.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. INTRODUCTORY PROVISIONS

The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

II. AGENCY'S OBLIGATIONS

1. The Projects are those projects which are listed on the attached Exhibit 1, which is incorporated herein by this reference. The Agency agrees to pay to the City an amount equal to the cost to the City to carry out the Projects, including without limitation all costs incurred by the City for the planning, financing, development, permitting, design, site testing, bidding, construction and construction management of the Projects. The Agency's obligations under this Agreement, including without limitation the Agency's obligation to make the payments to the City required by this Agreement, shall constitute an indebtedness of the Agency for the purpose of carrying out the redevelopment of the Project Areas and are obligations to make payments authorized and incurred pursuant to Section 33445 and other applicable statutes. The obligations of the Agency set forth in this Agreement are contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies.

2. The obligations of Agency under this Agreement shall be payable out of net available tax increments, as defined in the above recitals and/or as defined or provided for in any applicable constitutional provision, statute or other provision of law now existing or adopted in the future, levied by or for the benefit of taxing agencies in the Redevelopment Project Areas, and allocated to the Agency and/or any lawful successor entity of the Agency and/or any entity established by law to carry out any of the redevelopment plans for the Project Areas and/or expend tax increment or pay indebtedness of the Agency to be repaid with tax increment, pursuant to Section 33670, et seq., of the California Community Redevelopment Law or any applicable constitutional provision, statute or other provision of law now existing or adopted in the future, in the minimum amounts set forth in the Payment Schedule attached hereto as Exhibit 2 and incorporated herein by this reference.

3. The indebtedness of Agency under this Agreement shall be subordinate to the rights of the holder or holders of any existing bonds, notes or other instruments of indebtedness (all referred to herein as "indebtedness") of the Agency incurred or issued to finance the Redevelopment Project Areas, including without limitation any pledge of tax increment revenues from the Redevelopment Project Areas to pay any portion of the principal (and otherwise comply with the obligations and covenants) of any bond or bonds issued or sold by Agency with respect to the Redevelopment Project Areas.

4. All payments due to be made by the Agency to the City under this Agreement shall be made by the Agency in accordance with the schedule set forth in

Exhibit 2 and as otherwise necessary to reimburse the City for the cost to the City of performing its obligations hereunder. City shall provide Agency with a quarterly report accompanied by evidence reasonably satisfactory to the Agency's Executive Director that the City has progressed in the development and construction of the Project for which payment is made by the Agency commensurate with such payments and has incurred costs or obligations to make payments equal to or greater than such amount.

III. CITY'S OBLIGATIONS

1. The City shall accept any funds offered by the Agency pursuant to this Agreement and shall devote those funds to completion of the Projects by (i) reimbursing the City or using such funds to make City expenditures to perform the work required to carry out and complete the Projects; (ii) utilizing such funds to pay debt service on bonds or other indebtedness or obligations that the City has or will incur for such purposes; and/or paying such funds into a special fund of the City to be held and expended only for the purpose of satisfying the obligations of the City hereunder.

2. It is the responsibility of City to pay all development and construction costs in connection with the Projects from funds paid to the City by the Agency under this Agreement.

3. The City shall perform its obligations hereunder in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each Project in accordance with the Schedule of Performance attached hereto as Exhibit 3 and incorporated herein by this reference.

IV. LIABILITY AND INDEMNIFICATION

In contemplation of the provisions of California Government Code Section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code Section 895, the parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, cost or expenses that may be incurred by such other party solely by reason of Government Code Section 895.2.

V. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

1. This Agreement shall be executed in triplicate originals, each of which is deemed to be an original. This Agreement shall constitute the entire understanding and agreement of the parties.

2. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

3. This Agreement is intended solely for the benefit of the City and the Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Agency, there shall be no third party beneficiaries under this Agreement.

4. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

VI. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

VII. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party. All notices of defaults shall clearly indicate a notice of default under this Agreement.

VIII. BINDING ON SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

IN WITNESS WHEREOF, Agency and Developer have signed this Amendment on the respective dates set forth below.

“Agency”

Dated: _____

Community Redevelopment Agency of
the City of Palm Springs, a California
community redevelopment agency

By: _____
David H. Ready, Esq., Ph.D.,
Executive Director

APPROVED AS TO FORM:

ATTEST:

By: _____
Douglas C. Holland, Esq.
Agency Counsel

By: _____
James Thompson
Agency Secretary

“City”

Dated: _____

City of Palm Springs,
a California Charter City

By: _____
David H. Ready, Esq., Ph.D.,
City Manager

APPROVED AS TO FORM:

ATTEST:

By: _____
Douglas C. Holland, Esq.
City Attorney

By: _____
James Thompson
City Clerk

EXHIBIT 1
PROPERTIES AND PROJECTS

- The Plaza Theater. Located at 124-132 South Palm Canyon Drive (APN 513-144-008), the Property is subject to the terms of the Lease with the Partnership for the Performing Arts and certain easements and leases with the Wessman Family Trust and Plaza Investment Company for certain courtyard, alleyway, and trash area access. This Project would fund the reserve for major landlord property improvements on the project, including the replacement of HVAC units with high-efficiency units, replacement of the roof with an insulated, reflective roofing system, and an upgrade of the additional restrooms located in the adjacent Plaza Las Flores building.
- Casa del Camino Property. This 32,852 s.f. property is located at 1479 N. Palm Canyon Drive (near Stevens Road), APN 505-182-004. This property is located adjacent to the City-owned O'Donnell Reservoir property. The Project would consist of preparing the two sites for marketing as a redevelopment opportunity site, including the potential demolition of the former reservoir structure.
- Catholic Church Parking Lot. This 39,440 s.f. lot at the northwest corner of Alejo and Belardo Road (APN 505-324-002). The property was acquired by the Agency in 1983 and is subject to the terms of an agreement with Our Lady of Solitude Catholic Church for use of site for parking. The project would consist of the renovation, re-landscaping and repaving of this key parking facility.
- Frances Stevens Park: a 3.48 acre park and cultural facilities (APN 505-325-003), including the Palm Canyon Theater (538 North Palm Canyon Drive) and the Desert Art Center (550 North Palm Canyon Drive). The Property is subject to a lease of the Palm Canyon Theater and the Desert Art Center and a Theater Use Agreement with the Palm Springs International Film Festival for the use of the Palm Canyon Theater; and a Lease Agreement between Desert Art Center, Inc. of the Coachella Valley. There are several ADA-related deficiencies in the Desert Art Center, and well as several structural problems. The project would be to eliminate those problem conditions in this Class 1 Historic Property.
- Downtown Parking Garage. This is a sublease interest in the real property located at the northwest corner of Indian Canyon Drive and Baristo Road (APNs 513-154-045, 513-154-046, 513-154-047, 513-154-044, and 513-154-048). The Sublease is subject and subordinate in all respects to the Lease Agreement. The project would consist of facilitating the development of the northerly 5' strip of surplus property in the project through the expansion of Fisherman's Market's patio and seating area onto this unused sidewalk.
- Village Green (211 South Palm Canyon Drive; APN: 513-153-017). The transfer of the Property is subject to the terms of any easements and leases with the Palm Springs Historical Society, the Agua Caliente Band of Cahuilla Band

Indians, and Palm Springs Fudge. There are several major structural issues at this Class 1 Historic Property due to water intrusion and lead paint. This project would rectify those issues through a historically-sensitive roof repair and new surface treatment for these adobe structures.

- Palm Springs Visitor Center (2901 North Palm Canyon Drive; APN: 504-040-001-8). The Property is subject to the terms of any easements and leases and Agreements with the Agua Caliente Band of Cahuilla Band and the Culver Nichols Charitable Trust. In 1971 Nichols granted the City by license a right to place the City's gateway entry sign on a portion of the Nichols Site, at no cost to the City. In 2003, the parties entered a Lease Agreement, which included the area subject to the Right of Way as well as Property for the construction of a parking lot ("Parking Improvements") for its new Visitor Center, landscaped pathways ("Pathways"), and entry landscaping and signage improvements ("Entry Improvements"). The area between the gateway sign and the Visitor Center was to be minimally developed as a series of landscaped pathways. This Lease superseded and replaced the Right of Way Agreement. It was always the intent of the parties that the Visitor Center and the ultimate development of the Nichols Site represent an integrated, harmonious project, and that the boundaries of the Property be altered to accommodate such development, and that reciprocal ingress, egress and parking covenants may be utilized to integrate the development. In late 2007, the City sold the Visitor Center and its interest in the Lease to the Agency. The lease with Nichols has now expired, and Nichols now desires to sell the parking lot and entry sign property. At the time of the Property Transfer (3/11) the Agency was considering a purchase of the Property from Nichols. This Project would provide for a down payment on the purchase, while Nichols would take back a note from the City for the balance.
- 3.63 acre property at Indian and San Rafael. Acquired by the Agency using Low/Mod Housing funds in September, 2001, the Agency had negotiated with a housing developer since 2007 for the development of for-sale attached housing for moderate-income households. The Agency closed on the purchase of the land in September, 2001, which means it must have conveyed it for development by September, 2006 under California Redevelopment Law Section 33334.16, which limits the time an agency may hold land acquired with Low-Mod Setaside Funds to no more than five (5) years plus one five-year extension; therefore, the Agency must dispose of or caused the development of a low or moderate income project by September 2011. In the event that physical development of the property for this purpose has not begun by the end of the extended period, the property shall be sold and the proceeds deposited in the Agency's Low and Moderate Income Housing Fund. Given the time necessary to either dispose of the property outright (through a purchase and sale agreement) or through a disposition and development agreement, the purpose of this action would be to convey the property to the City with a note to the Low- and Moderate-Income Housing Fund for the balance of the price, with the ultimate sale or agreement with a developer undertaken by the City.

RESOLUTION NO.

OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS,
CALIFORNIA, MAKING FINDINGS PURSUANT TO
SECTION 33445 AND SECTION 33445.1 OF THE
CALIFORNIA HEALTH & SAFETY CODE RELATING TO
THE FINANCING OF CERTAIN REAL PROPERTY
IMPROVEMENTS BY THE COMMUNITY
REDEVELOPMENT AGENCY AND ACQUISITION OF REAL
PROPERTY BY THE CITY OF PALM SPRINGS TO
EFFECTUATE THE REDEVELOPMENT PLAN IN THE
MERGED PROJECT AREA #1

WHEREAS, the Central Business District Redevelopment Project was established on July 11, 1973, by Ordinance No. 959 and amended by Ordinance No. 1276 on November 11, 1986, Ordinance No. 1497 on December 21, 1994, Ordinance 1576 on December 15, 1999; Ordinance Nos. 1649 and 1651 adopted May 4, 2004; and Ordinance No. 1760 adopted May 27, 2009; and

WHEREAS, the South Palm Canyon Redevelopment Project was established on November 30, 1983, by Ordinance No. 1203 and amended by Ordinance No. 1494 on December 21, 1994, Ordinance 1576 on December 15, 1999; Ordinance Nos. 1649 and 1651 adopted May 4, 2004; and Ordinance No. 1760 adopted May 27, 2009; and

WHEREAS, the Ramon-Bogie Project was established on November 30, 1983, by Ordinance No. 1202 and amended by Ordinance No. 1490 on December 21, 1994, Ordinance 1576 on December 15, 1999; Ordinance Nos. 1649 and 1651 adopted May 4, 2004; and Ordinance No. 1760 adopted May 27, 2009; and

WHEREAS, the Oasis Redevelopment Project was established on July 10, 1994, by Ordinance No. 1224 and amended by Ordinance No. 1495 on December 21, 1994, Ordinance 1576 on December 15, 1999; and Ordinance Nos. 1649 and 1651 adopted May 4, 2004; and

WHEREAS, the North Palm Canyon Redevelopment Project was established on September 19, 1984, by Ordinance No. 1227 and amended by Ordinance No. 1498 on December 21, 1994, Ordinance 1576 on December 15, 1999; and Ordinance Nos. 1649 and 1651 adopted May 4, 2004; and

WHEREAS, the Highland-Gateway Redevelopment Project was established on November 20, 1984, by Ordinance No. 1231 and amended by Ordinance No. 1491 on December 21, 1994, Ordinance 1576 on December 15, 1999; and Ordinance Nos. 1649 and 1651 adopted May 4, 2004; and

WHEREAS, Project Area No. 9 was established on December 29, 1988, by

Ordinance No. 1321 and amended by Ordinance No. 1496 on December 21, 1994 and Ordinance Nos. 1649 and 1651 adopted May 4, 2004; and

WHEREAS, the Central Business District Redevelopment Project, the South Palm Canyon Redevelopment Project, the Ramon-Bogie Redevelopment Project, the Oasis Redevelopment Project, the North Palm Canyon Redevelopment Project, and the Highland-Gateway Redevelopment Project were merged on May 31, 2000, by Ordinance No. 1584 to become Merged Project Area No. 1; and

WHEREAS, the Redevelopment Plan for the Merged Project Area states that the Agency is authorized to install and construct, or to cause to be installed and constructed, within or without the Project Area, for itself or for any public body or entity, for the benefit of the Project Area, public improvements and public utilities, including, but not limited to, street and alley improvements and bridges (§324); and

WHEREAS, California Health & Safety Code Section 33445 states that: "(a) Notwithstanding Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located inside or contiguous to the project area, if the legislative body determines all of the following:

(1) That the acquisition of land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the project area by helping to eliminate blight within the project area or providing housing for low- or moderate-income persons.

(2) That no other reasonable means of financing the acquisition of the land or installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community.

(3) That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to Section 33490.

The Redevelopment Plan for the Merged Project Area states that the Agency is authorized to install and construct, or to cause to be installed and constructed, within or without the Project Area, for itself or for any public body or entity, for the benefit of the Project Area, public improvements and public utilities; and

WHEREAS the Community Redevelopment Agency and City Council have approved, by resolution, a Real Property Cooperation Agreement Between the City of Palm Springs and the Community Redevelopment Agency for Payment of Costs Associated with Certain Community Redevelopment Agency-Funded Capital Improvement and Affordable Housing Projects to provide funding for certain real property improvements and property acquisition in the Project Area on North Indian Canyon Drive, Alejo Road, North Palm Canyon Drive, and Alejo Road, as furthering the purposes of the Redevelopment and allowed under the Redevelopment Plan; and

WHEREAS, the acquisition of the 3.63 acre property at Indian and San Rafael acquired by the Agency using Low/Mod Housing funds in September, 2001, which requires under California Redevelopment Law Section 33334.16, (limiting the time an agency may hold land acquired with Low-Mod Setaside Funds to no more than five (5) years plus one five-year extension); the Agency dispose of or caused the development of a low or moderate income project by September 2011.

WHEREAS, in the event that physical development of the property for this purpose has not begun by the end of the extended period, the property shall be sold and the proceeds deposited in the Agency's Low and Moderate Income Housing Fund and given the time necessary to either dispose of the property outright (through a purchase and sale agreement) or through a disposition and development agreement, this action would be to convey the property to the City with a note to the Low- and Moderate-Income Housing Fund for the balance of the price, with the ultimate sale or agreement with a developer undertaken by the City. Because of the Low-Mod nature of the projects proposed on this site, the Council finds this action to be consistent with Section 33334.16 and 33445.1 of California Redevelopment Law.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Public Improvements and acquisition of real property proposed for the Plaza Theatre, Casa del Camino property, Catholic Church Parking Lot, Frances Stevens Park, the Downtown Parking Garage, the Village Green, and the Visitor Center are consistent with Section 33445 of California Redevelopment Law.

SECTION 2. The acquisition of real property by the City of Palm Springs at the southeast corner of San Rafael Road and Indian Canyon Drive is consistent with Sections 33334.16 and 33445.1 of California Redevelopment Law.

ADOPTED this ___th day of _____, 2011.

STEPHEN P. POUCKET, MAYOR

CERTIFICATION

COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson
City Clerk, City of Palm Springs