

SUCCESSOR AGENCY RESOLUTION NO. 2015-_____

RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CHULA VISTA APPROVING A PURCHASE AND SALE AGREEMENT WITH MV PROPERTIES, INC. TO SELL ASSESSOR PARCEL NOS. 568-334-05, 568-334-06, 568-334-07, AND 568-334-08 FOR \$425,000.00

WHEREAS, the State passed AB26X1, AB1484, and SB 107, filed with the Secretary of State on June 29, 2011, June 27, 2012, and September 22, 2015 respectively, and as such, formed the “dissolution laws” to end and “wind down” the affairs of Redevelopment Agencies throughout the State; and

WHEREAS, pursuant to the aforementioned “dissolution laws,” the Oversight Board (“Oversight Board”) for the Successor Agency (“Successor Agency”) to the Redevelopment Agency for the City of Chula Vista has been established to take certain actions to implement the “winding down” the affairs of the former Redevelopment Agency of the City of Chula Vista; and

WHEREAS, AB1484 required the preparation by the Successor Agency, approval by the Oversight Board, and submission to the State Department of Finance (“DOF”) of a “Long-Range Property Management Plan” (“LRPMP”) for DOF’s approval; and

WHEREAS, the LRPMP specifies how the Successor Agency will dispose of the real property assets of the former Redevelopment Agency for the City of Chula Vista; and

WHEREAS, the DOF approved the LRPMP on July 15, 2014; and

WHEREAS, the LRPMP approved by the DOF identified various properties for disposal by the Successor Agency via sale to a private party, including the parcels which are the subject of this Resolution; and

WHEREAS, the in February 2015, the Successor Agency issued a request for proposal to select a realtor to assist in the sale of properties identified in the LRPMP to private parties; and

WHEREAS, the Successor Agency selected South Coast Commercial realtors to assist the Successor Agency in the sale of the properties; and

WHEREAS in June, 2015, the South Coast Commercial advertised the properties for sale and directly marketed the property to over 20,000 individuals and companies nation-wide; and

WHEREAS in June, 2015, the Mayor and Successor Agency staff hosted a walking tour of the six properties for potential buyers; and

WHEREAS, in July, 2015, the Successor Agency received three bids for the purchase and development of four parcels, identified as Assessor’s Parcel Nos. 568-334-05, 568-334-06,

568-334-07, and 568-334-08, (collectively the “Parcels”), the Parcels having been approved for disposition by sale to a third party under the LRPMP and being the property addressed by this Resolution; and

WHEREAS, the proposal submitted by the principal of McNamara Real Estate Ventures (“MREV”), Seth Keegan McNamara, was determined to be the best qualified offer to purchase and develop the Parcels; and

WHEREAS, MREV submitted an appraisal by Integra Realty Services, an MAI appraiser, dated August 25, 2015, which determined the value of the Parcels to be \$425,000.00; and

WHEREAS, the Successor Agency desires to sell the Parcels for the amount of \$425,000.00, determined by the Successor Agency to be a fair and reasonable price for the purchase of the Parcels that will affect the sale and development of the Parcels expeditiously in a manner aimed at maximizing value; and

WHEREAS, during the preparation of the Purchase and Sale Agreement (“PSA”), it was determined that MREV was not an active corporation in the state of California due to a failure to file required paperwork and pay a fee (which MREV has subsequently corrected and now an active corporation); and

WHEREAS, MREV’s principal also owns and operates MV Properties, Inc., a California corporation, a company in good standing that can assign its right to purchase and develop the Parcels to MREV or alternatively to a new limited liability company owned and operated by MREV’s principal after the opening of escrow but before closing; and

WHEREAS, the PSA was prepared with MV Properties, Inc., as the Buyer; and

WHEREAS, the Successor Agency and the principal of MV Properties, Inc. (and MREV) agree that it is their mutual desire for MV Properties, Inc., to enter into this PSA and for MV Properties, Inc., (or its assignee) to develop the Parcels consistent with MREV’s offer as submitted; and

WHEREAS, the Oversight Board has heard and considered evidence regarding the sale of the Parcels from the Successor Agency to MV Properties, Inc., including but not limited to MREV’s inactive status during the PSA preparation and information regarding the use of the Parcels as a residential multi-family development project including nine units (the “Project”) and the Project site and

WHEREAS, prior to the Oversight Board meeting, MREV completed the required paper work and paid the fee, resulting in MREV again being an active corporation in good standing; and

WHEREAS, the Oversight Board approved the PSA with MV Properties, Inc., with the modification that the PSA include a term that a deposit in the amount of \$5,000 be paid; and

WHEREAS, the Successor Agency finds that the Project is exempt from the application of the California Environmental Quality Act (“CEQA”) pursuant to its categorical exemption pursuant to CEQA Guidelines Section 15332 as an “In-Fill Development Project,” and that there are no cumulative impacts or unusual circumstances that would make the Project an exception to the applicability of this exemption from CEQA.

NOW, THEREFORE, THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY FOR THE CITY OF CHULA VISTA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct, and are incorporated into this Resolution by this reference.

Section 2. The “REAL PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS” between the Successor Agency and MV Properties, Inc., a California corporation (the “Agreement” or “PSA”), to sell Assessor’s Parcel Nos. 568-334-05, 568-334-06, 568-334-07, and 568-334-08 to the latter for the price of \$425,000.00, plus any fees, charges and costs accrued during due diligence and/or escrow, in the form substantially presented to the Successor Agency and Oversight Board, a true and correct copy of which is maintained as a public record in the Office of the City Clerk, is hereby approved by the Successor Agency.

Section 3. The Successor Agency has heard and considered evidence regarding the sale of the Parcels from the Successor Agency to MV Properties, Inc., a California corporation including but not limited to information regarding the use of the Parcels as a residential multi-family development project including nine units (the “Project”) and the Project site, and finds that the Project is exempt from the application of the California Environmental Quality Act (“CEQA”) pursuant to its categorical exemption pursuant to CEQA Guidelines Section 15332 as an “In-Fill Development Project,” and that there are no cumulative impacts or unusual circumstances that would make the Project an exception to the applicability of this exemption from CEQA.

Section 4. The City Manager, in his capacity as the Executive Officer for the Successor Agency, is authorized to execute all required documents to effectuate the sale of these Parcels to MV Properties, Inc., a California corporation and its successor in interest, and to make changes in documents related to said sale, including the sales agreement itself, as may be required or approved by the City Attorney, in his capacity as General Counsel to the Successor Agency.

Section 5. Pursuant to California Health and Safety Code Section 34179(h)(1)(D), as modified by SB 107, there is no requirement to submit “[t]ransfers of governmental property pursuant to an approved long-range property management plan” to the Department of Finance for approval and, as a result, this Resolution shall be effective upon its adoption and certification.

Section 6. The Successor Agency Secretary shall certify to the adoption of this Resolution.

Presented by

Approved as to form by

Gary Halbert
Executive Director

Glen R. Googins
General Counsel