

LONG-RANGE PROPERTY MANAGEMENT PLAN

CITY OF MODESTO REDEVELOPMENT SUCCESSOR AGENCY



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Prepared By:



KOSMONT COMPANIES
865 S. Figueroa Street, #3500
Los Angeles, CA 90017
Telephone: (213) 417-3300
www.kosmont.com

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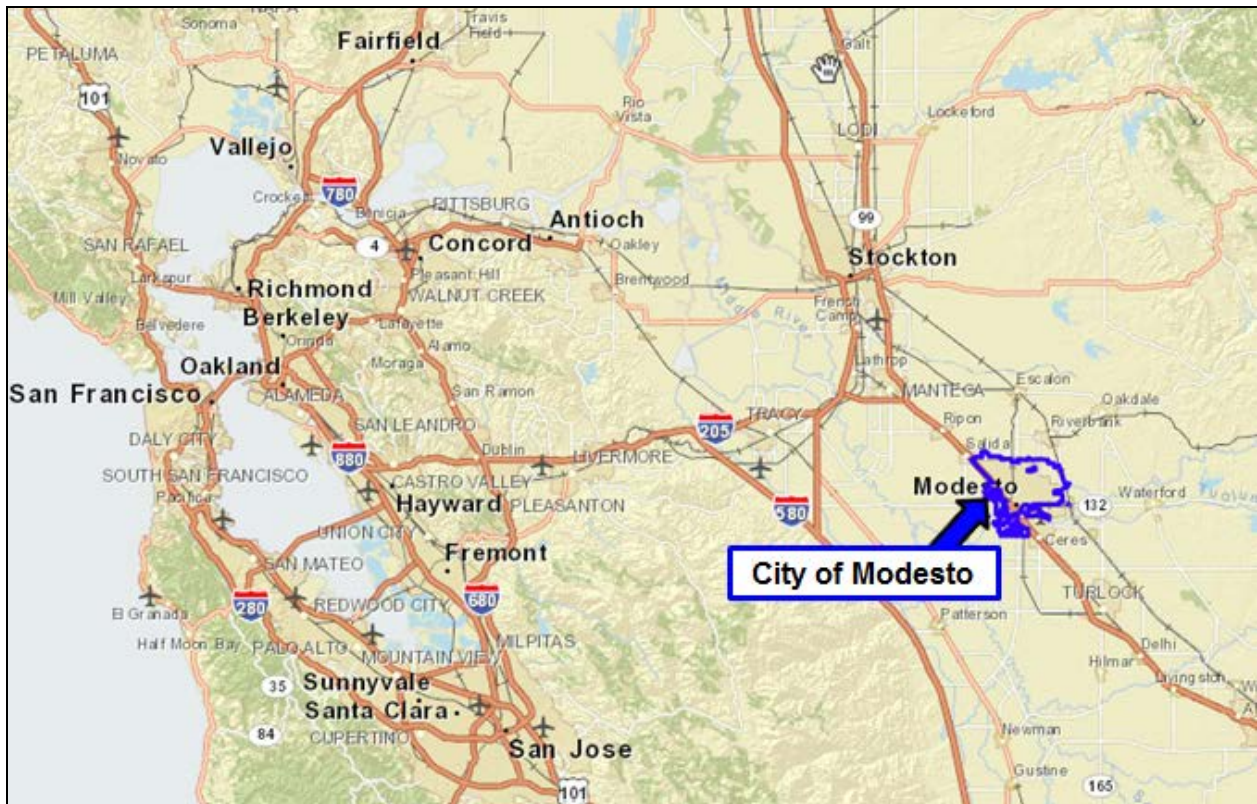
The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

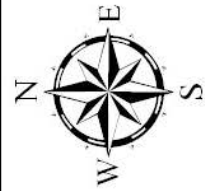
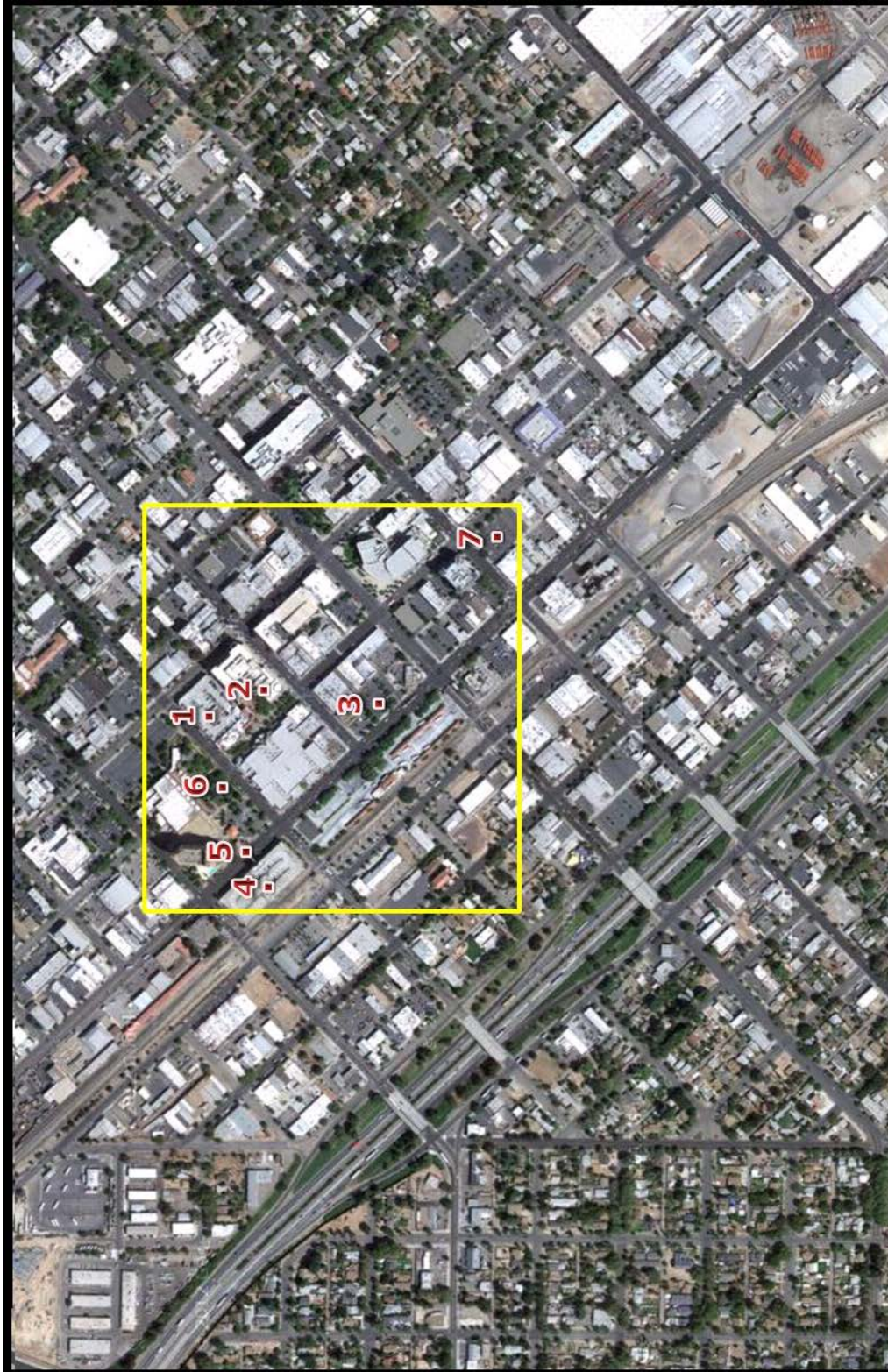
865 South Figueroa Street, 35th Floor Los Angeles California 90017 ph 213.417.3300 fax 213.417.3311

1.0 Introduction

1.1 Background & Purpose

Health and Safety Code Section 34191.5, added by AB 1484 (signed into law on June 27, 2012), requires each Successor Agency (“SA”) to prepare and approve a Long-Range Property Management Plan (“LRPMP”) that addresses the disposition and use of the real properties of the former redevelopment agency. Properties held by a successor agency cannot be disposed of until the State Department of Finance (“DOF”) has approved the LRPMP. This document is the LRPMP for the Successor Agency to the former Modesto Redevelopment Agency.





Redevelopment Properties Location Map



1.2 Successor Agency Property Summary

There are eleven (11) parcels/seven (7) properties owned and controlled by the Successor Agency. All eleven (11) parcels/seven (7) properties entail fee simple property.

#	Address/Description	APN	Purpose			
			Public	Econ. Dev.	Liquid.	Enf. Oblig.
1	11 th Street Parking Garage	105-037-032	X			X
2	1010 10 th Street - 1 st Floor Retail	105-037-033; 105-037-034	X			X
3	9 th Street Parking Lot	105-041-021	X	X		
4	1125 9 th Street - Parking Garage	105-048-006	X			X
5	9 th Street Pedestrian Bridge	105-048-008	X			X
6	1150 9 th Street - Centre Plaza	105-048-011	X			X
7	777 10 th Street - Parking Lot	106-042-01; 106-042,02; 106-042-03; 106-042-04	X	X		

2.0 Long-Range Property Management Plan (PMP)

Property #1: 11th Street Parking Garage



Parcel Data – Property #1

Address	Southwest Corner 11 th Street and K Street
APN	105-037-032
Lot Size	1.15 acre (50,094 square feet)
Use	Parking Structure
Zoning	DC (Downtown Core)
Current Title	Modesto Redevelopment Agency
Improvements	Four-story + basement parking structure (<i>connected to Tenth Street Place (TSP), City-County Administration Building</i>)

Acquisition & Valuation Information – Property #1

Purchase Date	6/29/2001 (<i>date of existing grant deed in the former RDA name</i>)
Purchase Price	New Construction
Funding Source	Land was purchased using City general fund monies; construction loan/financing obtained by pledging tax increment.
Purpose	To construct a multi-level parking facility for the City-County Administration building and adjacent retail businesses.
Estimate of Current Value	\$7,035,624
Method of Valuation	Straight line depreciation on fixed assets.

Revenues Generated by Property & Contractual Requirements – Property #1

**City / Successor
 Agency Lease
 Agreement**

Annual revenue generated equals \$409,117. A portion of this revenue is derived from the parking fees which are charged as follows:
 \$1 per hour 6 a.m. to 6 p.m.
 \$5 flat fee 6 p.m. to 6 a.m.
 Additionally, included in that revenue amount are three (3) parking agreements as summarized below:
 \$38,472 from Centerra Capital (Parking Garage retail space)
 \$44,250 from Civic Partners (TSP retail space)
 \$114,411 from AIM Property Management (Cinema)
 Annual expenses include:
 \$281,291 for maintenance
 \$1,353,104 debt service (FY14 including Tenth Street Place)
 Contractual requirements have been recorded in the form of parking agreements (Attachment A) with regard to parking lot space allocations: of the 727 parking spaces in the parking garage, 377 are dedicated to government employee parking. The parking agreement with Centerra Capital entitles use and occupancy of a maximum of 55 parking spaces. The parking agreement with Civic Partners entitles use and occupancy of available parking spaces on a first come, first served basis utilizing a validation system which neither guarantees nor reserves parking spaces within the Parking Garage. The parking agreement with AIM Property Management entitles use and occupancy of available parking spaces on a first come, first served basis utilizing a validation system which neither guarantees nor reserves parking spaces within the Parking Garage.

History of Environmental Contamination or Remediation Efforts – Property #1

None

The Final Environmental Impact Report for The Amended Preliminary Plan for The Modesto Redevelopment Agency, which was prepared for the Redevelopment Agency of the City of Modesto in March 1991, discusses the significant and potentially significant impacts of the redevelopment proposal and proposed mitigation measures. In all cases, the mitigation measures proposed should have reduced impacts to insignificant levels; thus, no significant unavoidable impacts were expected as a result of the redevelopment project (Attachment B).

Transit-Oriented Development & Advancement of Agency Planning Objectives – Property #1

Potential for TOD

Not applicable, fully developed as parking structure.

Agency Planning Objectives

Maintaining the property as parking to support the adjacent City-County government building and retail businesses, is a planning objective identified in former planning Redevelopment Agency planning documents (Attachment C).



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Brief History of Previous Development Proposals and Activities – Property #1

History Unknown.

Recommendation for Disposition – Property #1

Retain as Government Use To transfer the property to the City of Modesto as it serves a government use. Additionally, a portion of the land acquired for the construction of the parking garage was originally owned by the City of Modesto and was transferred to the Modesto Redevelopment Agency without consideration for the purpose of furthering the Tenth Street Plaza project.

Property #2: 1010 10th Street 1st Floor Retail



Parcel Data – Property #2	
Address	1010 10th Street 1st Floor Retail Space
APN	105-37-33,105-37-34
Lot Size	26,984 square feet
Use	Ground Floor Retail in joint City-County Administration Building
Zoning	DC (Downtown Core)
Current Title	Modesto Redevelopment Agency
Improvements	1 st floor retail space of the City/County Administration Building

Acquisition & Valuation Information – Property #2	
Purchase Date	8/24/2001 (date of existing grant deed in the former RDA name)
Purchase Price	New Construction
Funding Source	Land was purchased using City general fund monies; construction loan/financing obtained by pledging tax increment.
Purpose	First floor retail/office leasable space in the multi-story joint administration building from which both the City of Modesto and County of Stanislaus operate. The goal is to provide coordinated and efficient service to the community.
Estimate of Current Value	\$956,912
Method of Valuation	Straight line depreciation on fixed assets.

Revenues Generated by Property & Contractual Requirements – Property #2

<p>City / Successor Agency Lease Agreement</p>	<p>Annual Revenues:\$106,294 Annual Maintenance Costs: \$63,017 Annual Debt Service: a portion of \$1,353,104 (<i>in conjunction with debt service on the 11th Street Parking Garage</i>) “Pursuant to the DDA and the Master Agreement, Landlord has purchased from the JPA the Retail Airspace Parcel consisting of approximately 27,689 gross square feet, more or less, (the “Premises”) located on the ground floor of the JPA Building. The Premises are specifically delineated as Parcels A-1 and A-2 on that certain Record of Survey recorded as Book 26 of Surveys, Page 29, Stanislaus County Records...” “Landlord hereby grants to Tenant the option to purchase the Premises at any time during the term of this Lease (including any Option Term), on the terms and conditions contained in Exhibit C...” (Attachment D)</p>
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History of Environmental Contamination or Remediation Efforts – Property #2

<p>None</p>	<p>The Final Environmental Impact Report for The Amended Preliminary Plan for The Modesto Redevelopment Agency, which was prepared for the Redevelopment Agency of the City of Modesto in March 1991, discusses the significant and potentially significant impacts of the redevelopment proposal and proposed mitigation measures. In all cases, the mitigation measures proposed should have reduced impacts to insignificant levels; thus, no significant unavoidable impacts were expected as a result of the redevelopment project (Attachment B).</p>
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Transit-Oriented Development & Advancement of Agency Planning Objectives – Property # 2

<p>Potential for TOD</p>	<p>Not applicable, fully developed as a public use facility.</p>
<p>Agency Planning Objectives</p>	<p>To fully complete the sales transaction/purchase option outlined in the Lease Agreement with Option to Purchase By and Between Redevelopment Agency of the City of Modesto and Civic Partners Modesto, Inc.</p>

Brief History of Previous Development Proposals and Activities – Property # 2

<p>History</p>	<p>Unknown.</p>
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Recommendation for Disposition – Property # 2

**Retain as
Government
Use**

To transfer the property to the City of Modesto as it serves a government use and is bound by an enforceable obligation/debt service as well as a lease with option to purchase agreement with Civic Partners. The City of Modesto desires to take ownership of these properties and the accompanying lease agreement “as is” and will be responsible for the management of the lease agreement and the property in accordance with the Joint Powers Authority that governs the City-County Administration Building as well as the terms in the lease agreement.

Property #3: 9th Street Parking Lot



Parcel Data – Property #3

Address	9 th Street Parking Lot
APN	105-041-021
Lot Size	19,040 square feet
Use	Parking Lot
Zoning	DC (Downtown Core)
Current Title	Modesto Redevelopment Agency
Improvements	Flat parking lot

Acquisition & Valuation Information – Property #3

Purchase Date	12/1/1994 <i>(date of existing grant deed in the former RDA name)</i>
Purchase Price	\$0
Funding Source	Purchased with City of Modesto general fund monies and transferred without consideration to the Redevelopment Agency.
Purpose	A portion of the parking lot was for the DDA with McDonald's Corporation for the development of a restaurant, associated parking and landscaping, trash enclosures, and restorative work on adjacent parking lot. The asset continues to serve a public purpose as a flat parking lot. The title remains in the RDA's name.
Estimate of Current Value	Due to the nature of the reporting of fixed assets, this property is not clearly identifiable in records and therefore an estimate of current value is unknown.
Method of Valuation	N/A

Revenues Generated by Property & Contractual Requirements – Property #3

City / Successor Agency Lease Agreement Annual revenue generated equals \$30,727. This revenue is derived from the parking fees which are charged as follows:
 \$1 per hour 6 a.m. to 6 p.m.
 \$5 flat fee 6 p.m. to 6 a.m.
 The annual maintenance of this parcel is \$16,250.

History of Environmental Contamination or Remediation Efforts – Property #3

None Unknown.

Transit-Oriented Development & Advancement of Agency Planning Objectives – Property #3

Potential for TOD The property supports the Modesto Downtown Transportation Center which resides across 9th Street and runs Amtrak, ACE, a connection to BART, Greyhound buses, and all Modesto Area Express lines.

Agency Planning Objectives The City of Modesto will take responsibility for this property and maintain it in its current flat parking lot state until such a time as a Downtown Core development proposal comes forward for this prime downtown Modesto location.

Brief History of Previous Development Proposals and Activities – Property #3

History The DDA with McDonald's Corporation for the development of a restaurant, associated parking and landscaping, trash enclosures and restorative work on adjacent parking lot. Any other development proposals/activities for this parcel are unknown.

Recommendation for Disposition – Property #3

Retain as Government Use Transfer to the City of Modesto. This property was previously owned by the City of Modesto and was conveyed to the Redevelopment Agency for purposes of disposition to a developer pursuant to a DDA. The Resolution related to this transfer specifically states "...and the Site will not be acquired by the Agency, either directly or indirectly, with tax increment monies..." (Attachment D)

Property #4: 1125 9th Street Parking Garage



Parcel Data – Property #4

Address	1125 9 th Street Parking Garage
APN	105-048-006
Lot Size	70,567 square feet
Use	Parking Garage
Zoning	DC (Downtown Core)
Current Title	Modesto Redevelopment Agency
Improvements	Four-story parking garage

Acquisition & Valuation Information – Property #4

Purchase Date	6/30/1988 <i>(date placed in service as a fixed asset)</i>
Purchase Price	New Construction
Funding Source	Land was purchased using City general fund monies; construction loan/financing obtained by pledging tax increment.
Purpose	To construct a multi-level parking garage in support of the Community Center construction project.
Estimate of Current Value	\$1,714,740
Method of Valuation	Straight line depreciation on fixed assets.

Revenues Generated by Property & Contractual Requirements – Property #4

City / Successor Agency Lease Agreement

Annual revenue generated equals \$175,051. A portion of this revenue is derived from the parking fees which are charged as follows:

\$1 per hour 6 a.m. to 6 p.m.

\$5 flat fee 6 p.m. to 6 a.m.

Included in that revenue amount is an agreement with the DoubleTree Hotel in the amount of \$103,440. This agreement reduces every time the monthly parking pass is increased and also allocates parking spaces between the agencies (Attachment F): of the 787 parking spaces in the parking garage, 160 are dedicated to government employee parking.

This property costs \$300,637 to maintain each year. In addition, this property is included in the debt service payments with the Modesto Centre Plaza and the 9th Street Pedestrian Bridge – this annual payment is \$1,961,450.

History of Environmental Contamination or Remediation Efforts – Property #4

None

This location is part of six properties subject to the Oversight Agreement within a project area as defined in Health and Safety Code Section 33320.1. Passive soil gas surveys conducted by the Regional Water Quality Control Board and consultants to the City of Modesto and the Modesto Redevelopment Agency in 1989 to 1991 and 2000 to 2001, respectively indicate that PCE has entered the subsurface soils from discharge to sanitary sewer lines. **This information is per the Department of Toxic Substances Control ENVIROSTOR database.*

Transit-Oriented Development & Advancement of Agency Planning Objectives – Property #4

Potential for TOD

Not applicable, fully developed as parking structure.

Agency Planning Objectives

Maintaining the property as parking to support the Modesto Centre Plaza/Community Center is a planning objective identified in former planning Redevelopment Agency planning documents (See Attachment G).

Brief History of Previous Development Proposals and Activities – Property #4

History

To construct the existing multi-level parking garage in support of the Community Center.

Recommendation for Disposition – Property #4

Retain as Government Use

To transfer the property to the City of Modesto as it serves a government use. The City of Modesto desires to take ownership of this property and the accompanying parking agreement “as is” as it is already responsible for the management of the agreement and the annual maintenance of this facility.



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Property #5: 9th Street Pedestrian Bridge



Parcel Data – Property #5

Address	9 th Street Pedestrian Bridge
APN	105-48-08
Lot Size	703 square feet
Use	Pedestrian Bridge
Zoning	DC (Downtown Core)
Current Title	Modesto Redevelopment Agency
Improvements	703 square foot pedestrian bridge between the parking garage and the hotel/community center.

Acquisition & Valuation Information – Property #5

Purchase Date	March 23, 1984 <i>(date of existing grant deed in the former RDA name)</i>
Purchase Price	New Construction
Funding Source	Land was purchased using City general fund monies; construction loan/financing obtained by pledging tax increment.
Purpose	Public Use
Estimate of Current Value	Due to the nature of the reporting of fixed assets, this property is not clearly identifiable in records and therefore an estimate of current value is unknown.
Method of Valuation	N/A

Revenues Generated by Property & Contractual Requirements – Property #5

City / Successor Agency Lease Agreement	There are no revenues for this property nor are there any contractual requirements. The City currently pays for the annual maintenance of the facility which is approximately \$16,970. In addition, this property is included in the debt service payments with the Modesto Centre Plaza and the 9 th Street Parking Garage – this annual payment is \$1,961,450.
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History of Environmental Contamination or Remediation Efforts – Property #5

None **Unknown.**

Transit-Oriented Development & Advancement of Agency Planning Objectives – Property #5

Potential for TOD **Not Applicable.**

Agency Planning Objectives Maintaining the property pedestrian bridge to provide access from parking garage to Modesto Centre Plaza/Community Center is a planning objective identified in the 1983 RDA Master Plan (Attachment G).

Brief History of Previous Development Proposals and Activities – Property # 5

History Property was developed as a pedestrian bridge in 1988 to support the Modesto Centre Plaza/Community Center as part of the redevelopment project identified in the 1983 RDA Master Plan (Attachment G).

Recommendation for Disposition – Property # 5

Retain as Government Use This property will be retained by the City for government use, as its value is undetermined due to no revenue. The City of Modesto desires to take ownership of this property “as is” as it is already responsible for the annual maintenance of this facility.

Property #6: 1150 9th Street – Modesto Centre Plaza



Parcel Data – Property #6	
Address	1150 9 th Street
APN	105-048-011
Lot Size	181,209 square feet
Use	Community Center: Public & Enforceable Obligations
Zoning	DC (Downtown Core)
Current Title	Modesto Redevelopment Agency
Improvements	Community Center

Acquisition & Valuation Information – Property #6	
Purchase Date	7/31/1991 <i>(date of existing grant deed in the former RDA name)</i>
Purchase Price	New Construction
Funding Source	Land was purchased using City general fund monies; construction loan/financing obtained by pledging tax increment.
Purpose	Centre Plaza
Estimate of Current Value	\$4,001,166
Method of Valuation	Straight line depreciation on fixed assets.

Revenues Generated by Property & Contractual Requirements – Property #6

City / Successor Agency Lease Agreement	<p><u>Revenue Generated by Property & Contractual Requirements:</u> Annual revenue generated equals \$744,000. This revenue is generally derived from the following sources:</p> <table border="0"> <tr> <td>Labor Charges for Services:</td> <td style="text-align: right;">\$ 24,000</td> </tr> <tr> <td>Commissions (Cultural and Tech Services):</td> <td style="text-align: right;">\$ 230,000</td> </tr> <tr> <td>Equipment Rentals:</td> <td style="text-align: right;">\$ 75,000</td> </tr> <tr> <td>Room Rentals:</td> <td style="text-align: right;">\$ 410,000</td> </tr> <tr> <td>Misc.</td> <td style="text-align: right;">\$ 5,000</td> </tr> </table> <p>The Modesto Centre Plaza is under a catering contract with the DoubleTree Hotel (Attachment H). Revenue from this catering contract is included in the line item for “Commissions.”</p> <p>Revenue is also received from the Parking Lot which is part of this parcel. Annual revenues total: \$52,587. Annual maintenance costs total approximately: \$50,000. In addition, this property is included in the debt service payments with the 9th Street Parking Garage and the 9th Street Pedestrian Bridge – this annual payment is \$1,961,450.</p>	Labor Charges for Services:	\$ 24,000	Commissions (Cultural and Tech Services):	\$ 230,000	Equipment Rentals:	\$ 75,000	Room Rentals:	\$ 410,000	Misc.	\$ 5,000
Labor Charges for Services:	\$ 24,000										
Commissions (Cultural and Tech Services):	\$ 230,000										
Equipment Rentals:	\$ 75,000										
Room Rentals:	\$ 410,000										
Misc.	\$ 5,000										

History of Environmental Contamination or Remediation Efforts – Property #6

None	<p>Prior to purchase by the City of Modesto, the Modesto Centre Plaza site was occupied by Bradbury’s Cleaners. During construction and demolition work at the site, four leaking underground storage tanks used to store Stoddard Solvent were uncovered. Contaminated soils were excavated to 25 feet below ground surface, aerated, and backfilled into the excavation area. <i>*This information is per the Department of Toxic Substances Control ENVIROSTOR database.</i></p>
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Transit-Oriented Development & Advancement of Agency Planning Objectives – Property #6

Potential for TOD	Not applicable, fully developed as a community center.
Agency Planning Objectives	Maintaining the property as public space to increase tourism downtown as a planning objective identified in the 1983 RDA Master Plan (Attachment G).

Brief History of Previous Development Proposals and Activities – Property #6

History	Unknown.
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Recommendation for Disposition – Property #6

Retain as Government Use	Transfer of property to the City of Modesto for government use. The City of Modesto desires to take ownership of this property and the accompanying catering agreement “as is” as it is already responsible for the management of the agreement and the operations (including maintenance) of this facility.
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Property #7: 777 10th Street – Parking Lot (Proposed Courthouse Site)



Parcel Data – Property #7	
Address	777 10th Street
APN	106-042-001, 106-042-002, 106-042-003, 106-042-004
Lot Size	31,500 square feet
Use	Parking Lot
Zoning	DC (Downtown Core)
Current Title	Modesto Redevelopment Agency
Improvements	Flat Parking Lot

Acquisition & Valuation Information – Property #7	
Purchase Date	1/25/2005
Purchase Price	\$0
Funding Source	City of Modesto General Fund – property was transferred without consideration to the Redevelopment Agency for a DDA.
Purpose	Use from pre-1987 to present is a flat parking lot. These parcels are currently part of an entire block of parcels that the State Administrative Office of the Courts has selected as the future site for the State of California Superior Court Courthouse for Stanislaus County.
Estimate of Current Value	Unknown.
Method of Valuation	A certified appraisal was completed by the State of California Judicial Council Administrative Office of the Court (AOC) in 2011. It is the property of the AOC and has not been released for public disclosure.

Revenues Generated by Property & Contractual Requirements – Property #7

City / Successor Agency Lease Agreement Annual revenue generated equals \$89,266. This revenue is derived from the parking fees which are charged as follows:
 \$1 per hour 6 a.m. to 6 p.m.
 \$5 flat fee 6 p.m. to 6 a.m.
 Annual maintenance costs for this property are approximately \$42,561.22.

History of Environmental Contamination or Remediation Efforts – Property #7

None A Phase 2 environmental study was recently conducted by the State of California Administrative Office of the Courts; however, the findings have not been released for public disclosure. In addition, a Phase 1 was conducted as part of a previous development project lead by Team Modesto.

Transit-Oriented Development & Advancement of Agency Planning Objectives – Property #7

Potential for TOD The property is located within close proximity (0.2 miles/ 5 minute walk) of the Modesto Downtown Transportation Center, which provides access to Amtrak, ACE, a connection to BART, and all Modesto Area Express lines. Also located next to bus stop for Modesto Area Express, Bus Lines include 25, 34, 37, 38, and 39.

Agency Planning Objectives These parcels are currently part of an entire block of parcels that the State Administrative Office of the Courts has selected as the future site for the State of California Superior Court Courthouse for Stanislaus County. In addition, these parcels are located along 10th Street which is a focal point in the 2007 RDA Master Plan (Attachment I).

Brief History of Previous Development Proposals and Activities – Property #7

History These parcels were originally acquired and owned by the City of Modesto and were the subject of two mixed-use projects which did not come to fruition.

Recommendation for Disposition – Property #7

Retain as Government Use Transfer of these parcels to the City of Modesto in order to meet the State of California Administrative Office of the Courts' deadline for securing the State of California Stanislaus County Superior Courthouse project. In addition, this property was previously owned by the City of Modesto and was conveyed to the Redevelopment Agency for purposes of disposition to a developer pursuant to a DDA. No property tax increment was used to purchase these parcels.

3.0 Attachments

- A. 11th Street Parking Garage Agreements and Assignment of Agreements
- B. 1991 – FINAL Environmental Impact Report
- C. 1994 RDA Master Plan
- D. Civic Partners Lease Agreement
- E. DDA between City and RDA for 9th Street Lot/McDonalds
- F. Amendment to 9th Street Parking Garage Agreement with DoubleTree Hotel
- G. 1983 RDA Master Plan
- H. DoubleTree Catering and Concessionaire Agreement
- I. 2007 RDA Master Plan