CITY OF MODESTO REDEVELOPMENT SUCCESSOR AGENCY

AGENDA

City of Modesto
Special Redevelopment Successor Agency Meeting
Tenth Street Place
Basement Chambers
1010 Tenth Street
Modesto, California

Tuesday June 23, 2020 at 5:30 p.m.

*Roll Call - Agency Members Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

* Some Councilmembers may be calling in.  (Please Note: In order to respond to COVID-19 the City will hold this meeting via teleconference pursuant to the Governor’s Executive Order N-29-20.)

THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC

In order to minimize the spread of the COVID-19 virus, this meeting will be conducted pursuant to the provisions of the Governor's Executive Order N-29-20, which suspended certain requirements of the Brown Act and will not be physically open to the public. You may observe a livestream of the meeting at http://media.modestogov.com.

If you wish to make either a general public comment or to comment on a specific agenda item, please submit your comment (include Agenda Item Number in the subject line), to the City Clerk at ccmeetings@modestogov.com. Public comments will be accepted by email until the close of the public comment period for the specific item. You do not have to wait until the meeting begins to submit a comment.

All comments will be shared with the Agency Members and placed in the record. The City Clerk will read public comments at the Redevelopment Successor Agency meeting, not to exceed three minutes per comment (approximately 250 words). Every effort will be made to read your comment into the record, but some comments may not be read due
to time limitations.

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Persons requesting accommodation should contact the City in advance of the meeting, and as soon as possible, at (209) 577-5396.

PUBLIC COMMENT PERIOD

Please refer to special public comment instructions above.

Only interested persons may present these matters. Under State law, Agency Members may respond to matters being presented under this item only as follows:

a. Briefly respond to statements made or questions raised.
b. Ask a question for clarification.
c. Provide a reference to staff or other resources for factual information.
d. Request staff to report back at a subsequent meeting.
e. Finally, an Agency Member or the Council itself may take action to direct staff to place a matter of business on a future agenda.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED

Information concerning the consent items listed below has been forwarded to each Agency Member prior to this meeting for study. Unless some member of the audience or Agency Member has a question concerning an item and asks that it be withdrawn from the consent list, the Agency approves the items at one time. The action taken by the Agency in approving consent items is set forth in the explanation of this individual item. Any and all of the following agenda items are subject to action by the Modesto City Council.

This Agenda is on file at the Modesto-Stanislaus Library Reference Room, 1500 I Street, Modesto, in the City Clerk’s Office, Sixth Floor, 10th Street Place, and is available on the City’s Web site at www.modestogov.com.

In accordance with the requirements of Title II of the Americans with Disabilities Act (“ADA”) of 1990, the Fair Employment & Housing Act (“FEHA”), the Rehabilitation Act of 1973 (as amended), Government Code section 11135 and other applicable codes, the City of Modesto (“City”) will not discriminate against individuals on the basis of disability in the City’s services, programs, or activities. For more information, please visit the City of Modesto website https://www.modestogov.com/865/Americans-with-Disabilities-Act-ADA

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk (209) 577-5396. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.
CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Commissioner.

CONSENT

A. Consider approving the minutes from the Redevelopment Successor Agency of March 1, 2016. (Funding Source: Not Applicable)

   Staff Recommendations:
   • Motion approving the minutes from the Redevelopment Successor Agency of March 1, 2016.

   Clerk; Stephanie Lopez, 577-5397, slopez@modestogov.com

CONSENT

B. Consider approving the declaration of City of Modesto Redevelopment Successor Agency-owned property of the approximately 1.5-acre surface parking lot adjacent to the Modesto Centre Plaza at the corner of 11th and K streets (APN 105-048-011) as surplus land and directing the Executive Director to follow the procedures set forth in the Surplus Land Act for the sale of surplus land. (Funding Source: Redevelopment Successor Agency)

   Staff Recommendations:
   • Resolution approving the declaration of City of Modesto Redevelopment Successor Agency owned property of approximately 1.5-acre surface parking lot adjacent to the Modesto Centre plaza at the corner of 11th and K Streets (APN 105-048-011) as surplus land and directing the Executive Director to follow the procedures set for in the Surplus Land Act for the sale of surplus land.

   Community & Economic Development; Laurie Smith, 577-5347, lsmith@modestogov.com

MATTERS TOO LATE FOR THE AGENDA

These may be presented by members of the Agency and staff upon determination by a majority vote that an emergency exists, as defined by State law, or by a 2/3 vote that (1) there is a need to take immediate action, and (2) that the need for action came to the City’s attention after the agenda was posted.

ADJOURNMENT

Posted pursuant to Government Code Section 54954.2 on the bulletin board at Tenth Street Place on date at time by signature
CITY OF MODESTO REDEVELOPMENT SUCCESSOR AGENCY

MINUTES

City of Modesto

Special Redevelopment Successor Agency Meeting

Tenth Street Place
Second Floor, Room 2001
1010 Tenth Street
Modesto, California

Tuesday, March 1, 2016 at 5:30 p.m.

Roll Call – Present: Agency Members Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Chairperson Brandvold
Absent: None

PUBLIC COMMENT PERIOD

None.

CONSENT ITEMS – ROLL CALL VOTE REQUIRED: 1 and 2
ACTION CONSENT ITEMS 1-2: (Kenoyer/Madrigal; 7/0)

CONSENT ITEMS

An item may be removed from consent and discussed at the request of an audience member or Commissioner.

CONSENT
1. Consider approving the minutes from the Redevelopment Successor Agency of December 15, 2015. (Not Applicable)

   Staff Recommendations:
   • Motion approving the minutes from the Redevelopment Successor Agency of December 15, 2015.

   Clerk; Stephanie Lopez, 577-5397, slopez@modestogov.com
ACTION: Motion (Kenoyer/Madrigal; 7/0) approving the minutes from the Redevelopment Successor Agency of December 15, 2015.

CONSENT

2. Consider approving the Third Amended Long Range Property Management Plan of the City of Modesto Redevelopment Successor Agency pursuant to Health and Safety Code Section 34191.5(b) and SB107. (Funding source: Redevelopment Property Tax Trust Fund)

Staff Recommendations:
- Resolution approving the Third Amended Long Range Property Management Plan of the City of Modesto Redevelopment Successor Agency pursuant to Health and Safety Code Section 34191.5(b) and SB107.

Community & Economic Development; Laurie Smith, 577-5347, lsmith@modestogov.com

ACTION: Resolution 01-2016 (Kenoyer/Madrigal; 7/0) approving the Third Amended Long Range Property Management Plan of the City of Modesto Redevelopment Successor Agency pursuant to Health and Safety Code Section 34191.5(b) and SB107.

MATTERS TOO LATE FOR THE AGENDA

None.

ADJOURNMENT

This meeting was adjourned at 6:40 p.m.

Attest:_____________________________

STEFANIE LOPEZ, Agency Secretary
TO: Chair & Agency Members

THROUGH: Joseph P. Lopez, Executive Director

FROM: Laurie A. Smith, Assistant Executive Director

SUBJECT: Declaration of Surplus Land (APN 105-048-011)

CONTACT: Laurie A. Smith, Director of Parks, Recreation and Neighborhoods, lsmith@modestogov.com, 577-5347

DESCRIPTION: Consider approving the declaration of City of Modesto Redevelopment Successor Agency-owned property of the approximately 1.5-acre surface parking lot adjacent to the Modesto Centre Plaza at the corner of 11th and K streets (APN 105-048-011) as surplus land and directing the Executive Director to follow the procedures set forth in the Surplus Land Act for the sale of surplus land. (Funding: Redevelopment Successor Agency)

STRATEGIC PLAN ELEMENT: This action supports the City’s 2020-2025 Strategic Plan’s Economic Vitality Goals and Strategies E and G to drive the success of a vibrant and economically sustainable business climate and to make downtown Modesto a regional destination.

BACKGROUND: On February 11, 2020, by Resolution No. 2020-084, the Modesto City Council approved an agreement with Management Advisory Services (MAS) for professional services and project co-management for the Downtown Modesto Hotel Project. That agreement is intended to lead to the issuance of a “Request for Qualifications” to secure a hotel developer for the approximately 1.5-acre parking lot property adjacent to the Modesto Centre Plaza. The property, APN 105-048-011, is owned by the City of Modesto Redevelopment Successor Agency (Successor Agency).

At the time of the contract execution, it was noted that if the Successor Agency doesn’t enter into an Exclusive Right to Negotiate Agreement (ENA) with a qualified hotel developer by December 31, 2020, it must comply with the provisions of the Surplus Land Act pursuant to Government Code Section 54200 et seq. Since the MAS contract execution, the economic consequences of COVID-19 and its effect on the hospitality industry make it less likely that the Successor Agency will be able to secure an ENA with a hotel developer by end of the year. As a result, the property designated for the hotel will be subject to the Surplus Land Act requirements.
While the COVID-19 situation may create a temporary pause in development timelines, staff continues to believe it is strategic to prepare the Request for Qualifications, and keep it “shelf ready” to issue when the timing is right. (The Surplus Land Act specifically allows the issuance of a Request for Qualifications while the other requirements of the Act are being followed.) There are also several actions that the Successor Agency and the City can continue to process so that the property can be made ready for sale or lease. Those actions include subdividing the site to create a separate parcel, unencumbering the parking lot site from the 1993 COP bond (if it is found necessary to do so), and negotiating tax agreements with the various taxing entities should the City determine to discount the sales price to improve the viability of the hotel development.

The City can continue to pursue the above actions while simultaneously moving forward with the Surplus Land Act requirements.

The Surplus Land Act requires all local agencies to prioritize affordable housing, as well as parks and open space, when disposing of surplus land. New legislation which took effect on January 1, 2020, requires that before a local agency take any action to dispose of land, the land must be declared either "surplus land" or "exempt surplus land," as supported by written findings. To proceed, the City of Modesto Redevelopment Successor Agency will need to adopt a resolution declaring the approximately 1.5-acre parking lot property located on a portion of the Modesto Centre Plaza site at the corner of 11th and K Streets (APN 105-048-011) as surplus land (Attachment).

Upon the Successor Agency’s determination that the subject property is surplus land, the procedures set forth in Government Code Section 54220 et seq. must be followed. Those procedures require the Successor Agency and the City acting as its agent, to offer the sale or lease of surplus land to certain public entities for a period of 60 days, as follows:

1. For the purpose of developing low- and moderate-income housing, a written notice of availability of the surplus land shall be sent to any "local public entity" as defined in Health and Safety Code Section 50079 within whose jurisdiction the surplus land is located and to "Housing Sponsors" that have notified the California Department of Housing and Community Development ("HCD") of their interest in surplus land. Currently, the HCD list shows 188 affordable housing developers statewide that have requested notification of surplus land in Stanislaus County. Local public entities to be notified include the Stanislaus Regional Housing Authority.

2. For open-space purposes, a written notice of availability of the surplus land shall be sent to the City of Modesto Parks and Recreation Department, the County of Stanislaus Parks and Recreation Department, and the State Resources Agency.

3. For the purpose of use by a school district for school facilities construction or open-space purposes, a written notice of availability of the surplus land shall be sent to the school districts that serve this site including the Modesto City and High School District, the Yosemite Community College District and the Stanislaus County Office of Education.

If the Successor Agency does not receive a letter of interest from any entity, it may proceed with the lease or sale to other entities, including issuance of the RFQ for hotel development.
If the Successor Agency receives a letter of interest from any of the above entities, the City would then enter into good faith negotiations concerning the price and terms of the sale with that entity for a period of 90 days. If the price or terms cannot be agreed upon after 90 days (or if no entity gives notice of interest), the Successor Agency may sell or lease the surplus land without further regard to the surplus land procedures, except that any residential development on the surplus land that contains 10 or more units must restrict 15% of the units for affordable housing. Nothing in the surplus land procedures requires the Successor Agency to sell or lease the surplus land at less than fair market value. There is no current appraised value of the property.

At the conclusion of the 60-day notice period, staff will report the results to the Successor Agency to receive further direction on the disposition of the property.

**FISCAL IMPACT:**
There is no fiscal impact associated with this action.

**COMMITTEE RECOMMENDATION:**
On June 1, 2020 the Economic Development Committee considered the declaration of the property as surplus land. The Committee unanimously recommended the Successor Agency declare the property surplus pursuant to the Surplus Land Act.

**CEQA/NEPA REQUIREMENTS:**
The sale or lease of the Property as surplus is exempt from environmental review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15312 (Surplus Government Property Sales). However, if development was proposed on the Property by a subsequent buyer, then that development would be reviewed under CEQA.

**RECOMMENDED SUCCESSOR AGENCY ACTION:**
**Staff Recommendations:**
Resolution approving the declaration of City of Modesto Redevelopment Successor Agency owned property of approximately 1.5-acre surface parking lot adjacent to the Modesto Centre plaza at the corner of 11th and K Streets (APN 105-048-011) as surplus land and directing the Executive Director to follow the procedures set for in the Surplus Land Act for the sale of surplus land.

Approved by:

Laurie A. Smith, Assistant Executive Director

Joseph P. Lopez, Executive Director

Attachments:
1. Resolution
2. Surplus Land Site Map
RESOLUTION APPROVING THE DECLARATION OF THE REDEVELOPMENT SUCCESSOR AGENCY DECLARING AGENCY-OWNED PROPERTY OF THE APPROXIMATE 1.5 ACRE SURFACE PARKING LOT ADJACENT TO THE MODESTO CENTRE PLAZA AT THE CORNER OF 11TH AND K STREETS (APN 105-048-011) AS SURPLUS LAND AND DIRECTING THE EXECUTIVE DIRECTOR TO FOLLOW THE PROCEDURES SET FORTH IN THE SURPLUS LAND ACT FOR THE SALE OF SURPLUS LAND

WHEREAS, the City of Modesto Redevelopment Successor Agency (the "Successor Agency") owns the parking lot adjacent to the Modesto Centre Plaza at the corner of 11th and K Streets known as APN 105-048-011 (the “Parking Lot”); and

WHEREAS, the Successor Agency desires to sell approximately 1.5 acres of the Parking Lot (the "Property"); and

WHEREAS, the California State Legislature enacted AB 1486 effective January 1, 2020 which includes former redevelopment agency properties in the California Surplus Land Act (Gov. Code 54220, et seq.) (the “Act”); and

WHEREAS, Successor Agency desires to have the Property declared surplus in compliance with the Act.

NOW THEREFORE, BE IT RESOLVED by the Agency members of the City of Modesto Redevelopment Successor Agency as follows:

1. The Successor Agency hereby finds and declares that the Property is no longer necessary for the Successor Agency's use and is therefore surplus land as defined in Gov. Code section 54221.
2. The Successor Agency hereby authorizes the Executive Director to send written notices of availability that the Property is for sale, to negotiate the terms of a proposed sale of the Property, and to otherwise follow the procedures of the Act.

3. Any proposed agreement for the sale of the Property shall be subject to the approval of the Agency.

4. The declaration of the Property as surplus is exempt from environmental review under the California Environmental Quality Act ("CEQA").

5. This Resolution shall take effect immediately upon its adoption by the Successor Agency, and the Secretary of the Board shall attest to and certify the vote adopting this Resolution.
The foregoing resolution was introduced at a scheduled meeting of the City of Modesto Redevelopment Successor Agency held on the 23rd day of June 2020, by Agency member , who moved for its adoption, which motion being duly seconded by Agency Member , was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Member:

NOES: Agency Member:

ABSENT: Agency Member:

ATTEST: ____________________________

STEPHANIE LOPEZ,
Agency Secretary
(SEAL)

APPROVED AS TO FORM:
BY: ____________________________

JOSE M. SANCHEZ, Agency Counsel