



**STAFF REPORT  
SUCCESSOR AGENCY AGENDA**

**DATE:** July 5, 2013

**STUDY SESSION DATE:** N/A

**AGENDA ITEM:** Resolution

**MEETING DATE:** July 15, 2013

- **TITLE OF ITEM:** Long Range Property Management Plan for Successor Agency Properties.
- **BRIEF DESCRIPTION:** Successor Agency will receive a report and consider approval of a resolution recommending forwarding the Long Range Property Management Plan to the Oversight Board and Department of Finance for approval.
- **STAFF RECOMMENDATION:** Staff recommends that the Successor Agency receive the report and approve a resolution directing staff to forward the Long Range Property Management Plan to the Oversight Board.

**DEPARTMENT SUMMARY:** Assembly Bill 1484 amended the Dissolution Act and added Health and Safety Code Section 34191.5 last June. The amendment requires the preparation of a Long Range Property Management Plan (LRPMP) that addresses the disposition of the real property owned by the City of Hollister Successor Agency. The plan must be forwarded to the Oversight Board for approval and subsequently submitted to the Department of Finance (DOF) for approval no later than November 29, 2013. After the LRPMP is approved by the DOF, the Successor Agency property will be transferred to a Successor Agency Community Redevelopment Property Trust Fund. The DOF template for the LRPMP was used to prepare the attached plan. The plan also includes a Supplement to provide additional background information on the properties. The City of Hollister Successor Agency has three properties included in the attached LRPMP – Fire Station 1 at 110 Fifth Street, the Leatherback property at 411 Hillcrest Road and the 400 Block properties on the west side of San Benito Street commonly referred to as the “Grassy lot”. The report recommends transferring the ownership of Fire Station 1 and a 7,795 square portion of the Fifth Street parking lot to the City of Hollister since the land is used for governmental purposes. The plan recommends allowing the City of Hollister 18 months to exercise a first option to purchase the 400 Block Grassy lot for to assure that the keystone property is developed in keeping with efforts to establish a catalyst site for economic development in Downtown Hollister. If the City does not acquire the Grassy lot, it is recommended that the Successor Agency enter into an exclusive negotiating agreement for a 30,000-40,000 square foot mixed use project. Finally, the report recommends disposing of the Leatherback property for a commercial development that supports economic development by reducing the gap in the types of commercial services available in Hollister.

**ATTACHMENTS:** Resolution, Long Range Property Management Plan

**FINANCIAL IMPACT:** \$

**CEQA:** Exempt

**DEPARTMENT:** Development Services Department

**CONTACT PERSON:** Mary M. Paxton *MP*

**DEPARTMENT HEAD:** William B. Avera

**PHONE NUMBER:** (831) 636-4316

**THIS REPORT WAS REVIEWED BY THE EXECUTIVE DIRECTOR AND CONCURS WITH THE STAFF RECOMMENDATION:** \_\_\_\_\_

Clint Quilter, Executive Director

## RESOLUTION NO. 2013-03 SA

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLISTER, ACTING IN ITS CAPACITY AS THE SUCCESSOR AGENCY FOR THE CITY OF HOLLISTER REDEVELOPMENT AGENCY (RDA), APPROVING A LONG RANGE PROPERTY MANAGEMENT PLAN FOR SUCCESSOR AGENCY PROPERTIES

**WHEREAS**, on February 1, 2012, pursuant to AB x1 26 (the "Dissolution Act"), the Hollister Redevelopment Agency (the "Dissolved RDA") was dissolved, along with all redevelopment agencies in the State of California, and all assets and obligations of the Dissolved RDA were transferred by operation of law to the Successor Agency; and

**WHEREAS**, on June 27, 2012 Assembly Bill 1484 amended the Dissolution Act and added requirements in Health and Safety Code Section 34191.5 that requires the Successor Agency to prepare a Long Range Property Management Plan for the disposition of Successor Agency property within six months of the issuance of the Finding of Completion for the Due Diligence Review; and

**WHEREAS**, the Department of Finance issued of Finding of Completion on May 29, 2013 for the City of Hollister Successor Due Diligence Review of Housing and Other Funds; and

**WHEREAS**, the Successor Agency has prepared a Long Range Property Management Plan in compliance with the provisions of Health and Safety Code Section 34191.5 and the guidelines posted on the Department of Finance web page; and

**WHEREAS**, the Long Range Property Management Plan recommends the transfer of Fire Station 1 located at 110 Fifth Street and a 7,795 square foot portion of the Fifth Street Parking lot providing access to the Briggs Building to be transferred to the City of Hollister to facilitate the retention of the properties for continued governmental use pursuant to Health and Safety Code Section 34191.5 (H)(2).

**WHEREAS**, the Long Range Property Management Plan recommends disposition of the 400 block grassy lot in a manner that will fulfill the goals of the City of Hollister Five Year Implementation Plans for a keystone property in downtown Hollister; and

**WHEREAS**, the Long Range Property Management Plan recommends requiring a Development Disposition Agreement for the sale of the Leatherback property to assure that the nearly \$5 million dollars spent by the former Redevelopment Agency to acquire and remove a blighted non-conforming industrial land use will facilitate economic development; and

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Hollister acting in its capacity as the Successor Agency of the Former Hollister RDA and in conformance with Health and Safety Code Section 34191.5, hereby approves the Long Range Property Management Plan dated July 10, 2013.

**NOW, THEREFORE BE IT FURTHER RESOLVED** that the City Council of the City of Hollister acting in its capacity as the Successor Agency of the Former Hollister RDA hereby authorizes and directs the Development Services Director or the Director's designee, acting on behalf of the Successor Agency, to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hard copy all notices and transmittal necessary or convenient in connection with the approval of the Long Range Management Property Management Plan and other actions taken pursuant to this Resolution.

**PASSED AND ADOPTED** at the regular meeting held on this 15<sup>th</sup> day of July 2013, by the following vote:

AYES:  
NOES:  
ABSTAINED:  
ABSENT:

\_\_\_\_\_  
Ignacio Velazquez, Chairman

ATTEST:

\_\_\_\_\_  
Geri Johnson, City Clerk

APPROVED AS TO FORM:

Wellington Law Offices

By: \_\_\_\_\_



## LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

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**Instructions:** Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

[Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov)

The subject line should state "[Agency Name] Long-Range Property Management Plan". The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to [Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov).

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Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

### GENERAL INFORMATION:

Agency Name: **City of Hollister**

Date Finding of Completion Received: May 29, 2013

Date Oversight Board Approved LRPMP:

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### Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

Yes  No

For each property the plan includes the purpose for which the property was acquired.

Yes  No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

Yes  No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

Yes  No

For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

Yes  No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

Yes  No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

Yes  No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

Yes  No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

Yes  No

The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Yes  No

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## ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.  
Please see the Attached City of Hollister Successor Agency Long Range Property Management Plan.

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**Agency Contact Information**

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Date:

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Title: Program Manager

Phone: (831) 636-4316

Email: mary.paxton@hollister.ca.gov

Date:



Successor Agency:  
County:

City of Hollister  
San Benito

**LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA**

No.	Property Type	HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)			Value Basis	Date of Estimated Current Value	SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)
		Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value			Proposed Sale Value	Proposed Sale Date	
1	Parking Lot/Structure	Governmental Use	Parking lot	8/1995	\$220,000 (See Chapter 2 of Supplement)		Book	Unassessed for property tax	\$ -	Not applicable	Parking lot
2	Police/Fire Station	Governmental Use	Fire Station	2005	\$ 850,000		Book	Unassessed for property tax	\$ -	Not applicable	Fire Station
3	Vacant Lot/Land	Future Development	Mixed Use	11/1991, 1994, 8/1995	\$544,290 & \$220,000 (See Chapter 4.B.1 and Table 3 of Supplement)	\$ 220,000.00	Appraised	6/18/2013	\$ 220,000.00	Uncertain - sale for future development that will advance objectives of economic development	Loma Prieta Earthquake disaster recovery, consolidation of properties and economic development (See Chapter 4.B.2 of supplement)
4	Vacant Lot/Land	Future Development	Mixed Use	2008	\$ 4,000,000	\$ 1,830,000.00	Appraised	6/18/2013	\$ 1,830,000.00	Uncertain - sale for future development that will advance objectives of economic development	Removal of a non-conforming blighted land use and economic development (See Chapter 4A.2 of supplement)

Successor Agency:  
County:

City of Hollister  
San Benito

**LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY**

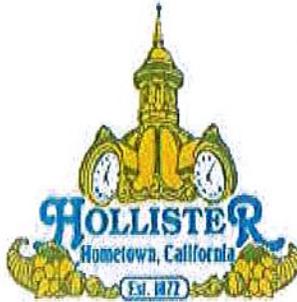
No.	Property Type	HSC 34191.5 (c)(2)	HSC 34191.5 (c)(1)(C)				HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)
		Permissible Use	Address	APN #	Lot Size	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development
1	Parking Lot/Structure	Governmental Use	320 Fifth Street	Portion 054-011-030 and 054--011-019	0.18 acre	Downtown Mixed Use	\$ -	None - no fee for parking	None	1. Classified as a Brownfield? NO	Access to parking structure
2	Police/Fire Station	Governmental Use	110 Fifth Street	054-101-007	0.29 acre	Downtown Mixed Use	\$ -	None	None	1. Classified as a Brownfield? NO 2. 2008 Surface fault hazard investigation proved no potential for surface fault rupture on property	Bus stop located on Fourth Street between East and San Benito Street
3	Vacant Lot/Land	Future Development	400, 410, 414, 430, 438 San Benito Street	054-011-036 054-011-019 054-011-030	0.41 acre	Downtown Mixed Use	\$ 220,000.00	None	See Chapter 4.B.5	1. Classified as a Brownfield? NO 2. 1991 Surface fault hazard investigation proved no potential for surface fault rupture on property	Near two transit stops and contiguous to off-street parking garage. Mixed use zoning district.
4	Vacant Lot/Land	Future Development	111 Hillcrest Road	056-025-019 056-019-024	6.46 acres	Neighborhood Mixed Use	\$ 1,830,000.00	None	None	1. Classified as Brownfield?- NO 2. Contaminated soil removed as part of demolish and site clearance of former tar paper plant.	Walking distance to two bus lines. Mixed use zoning.

Successor Agency:  
County:

City of Hollister  
San Benito

**LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY**

		HSC 34191.5 (c)(2)	1.5 (c)(1)(G)	HSC 34191.5 (c)(1)H
No.	Property Type	Permissible Use	Advancement of planning objectives of the successor agency	History of previous development proposals and activity
1	Parking Lot/Structure	Governmental Use	Access to Briggs Building Parking Structure and parking lot	Not applicable - see Chapter 2 of Supplement
2	Police/Fire Station	Governmental Use	Public Safety	See Chapter 2 - Tractor Shop was acquired and converted to a fire station in 1970. Demolition and reconstruction of fire station 2010-2012
3	Vacant Lot/Land	Future Development	See Chapter 4.B of Supplement	See Chapter 4.5.B
4	Vacant Lot/Land	Future Development	See Chapter 4.A of Supplement	1) No Exclusive Negotiating Agreement. 2) Notice of Completion of demolition and site clearance recorded after June 30 2011.



# **SUPPLEMENT**

**CITY OF HOLLISTER SUCCESSOR AGENCY  
ADDITIONAL INFORMATION FOR THE LONG RANGE  
PROPERTY MANAGEMENT PLAN**

**July 8, 2013**

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## APPENDIX

- Appendix A – 1995 Recorded Lot Line Adjustment and Resolution
- Appendix B – Trenching plan for 400 Block Grassy lot

## CHAPTER 1: Introduction

Governor Gerald Brown signed into law Assembly Bill 1484 (AB 1484) on June 27, 2012. The AB 1484 budget trailer bill made substantial changes to the redevelopment agency dissolution process implemented by Assembly Bill 1x 26 known as the Dissolution Act. One of the key components of AB 1484 is the requirement that all successor agencies develop a Long Range Property Management Plan (LRPMP) that governs the disposition and use of the former redevelopment agency property that is not used for governmental purposes. This document is the Long Range Property Management Plan for the Successor Agency to the former City of Hollister Redevelopment Agency.

The Long Range Property Management Plan (LRPMP) submitted by the Successor Agency must be reviewed and approved by the Oversight Board and submitted for review and approval by the Department of Finance no later than November 29, 2013. After the plan is approved by the Department of Finance, the Successor Agency property will be placed in a Community Redevelopment Property Trust Fund. Successor Agency property cannot be transferred until the Oversight Board and Department of Finance approve the plan.

Section 31419.5(c) of the Health and Safety Code states a LRPMP must include an inventory of the successor agency property with the information listed below. The Department of Finance has posted the following guidelines for the preparation of the LRPMP on their web site that was also used to develop this plan:

1. Date the property was acquired, value at the time of purchase and estimated current value.
2. Purpose for the acquisition.
3. Parcel data (address, size, current zoning, general plan designation, and identify of property in the redevelopment agency plan.
4. Estimate of current value of the parcel and any available appraisal information.
5. Estimate of any lease, rental or other revenues generated by the property and a description of contractual requirements for disposition of those funds.
6. History of environmental contamination (brownfield site designation, environmental studies and history of any remediation efforts).
7. Description of the properties potential for transit oriented development and advance of the planning objectives of the successor agency.
8. Brief history of previous development proposals and activities.
9. Address the use or disposition of each property
  - a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county or city and county.
  - b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or for governmental use as described above, the proceeds from the sale shall be distributed to the

taxing entities.

The Department of Finance posted a template for the Long Range Property Management Plan on their home page for the Dissolution of Redevelopment Agencies which is provided on the following pages. This report provides Additional Information to supplement the Long Range Property Management Plan.

## **CHAPTER 2: Properties dedicated to governmental uses (HSC 34191.5 (c)(1)(H)(2))**

Health and Safety Code Section 34191.5 (c) (H) (2) provides guidance for retention of Successor Agency properties that are used for governmental use in the development of the Long Property Management Plan.

- Health and Safety Code Section 34181 (a) allows the Oversight Board to direct Successor Agency transfer ownership's of assets that were constructed and used for governmental purposes such as roads, and fire stations to the appropriate public jurisdiction pursuant to any existing agreements relating the construction or use of the asset.
- Health and Safety Code Section 34181 (a) also states, "Any compensation to be provided to the successor agency for the transfer of that asset shall be governed by the agreements relating to the construction or use of that asset"

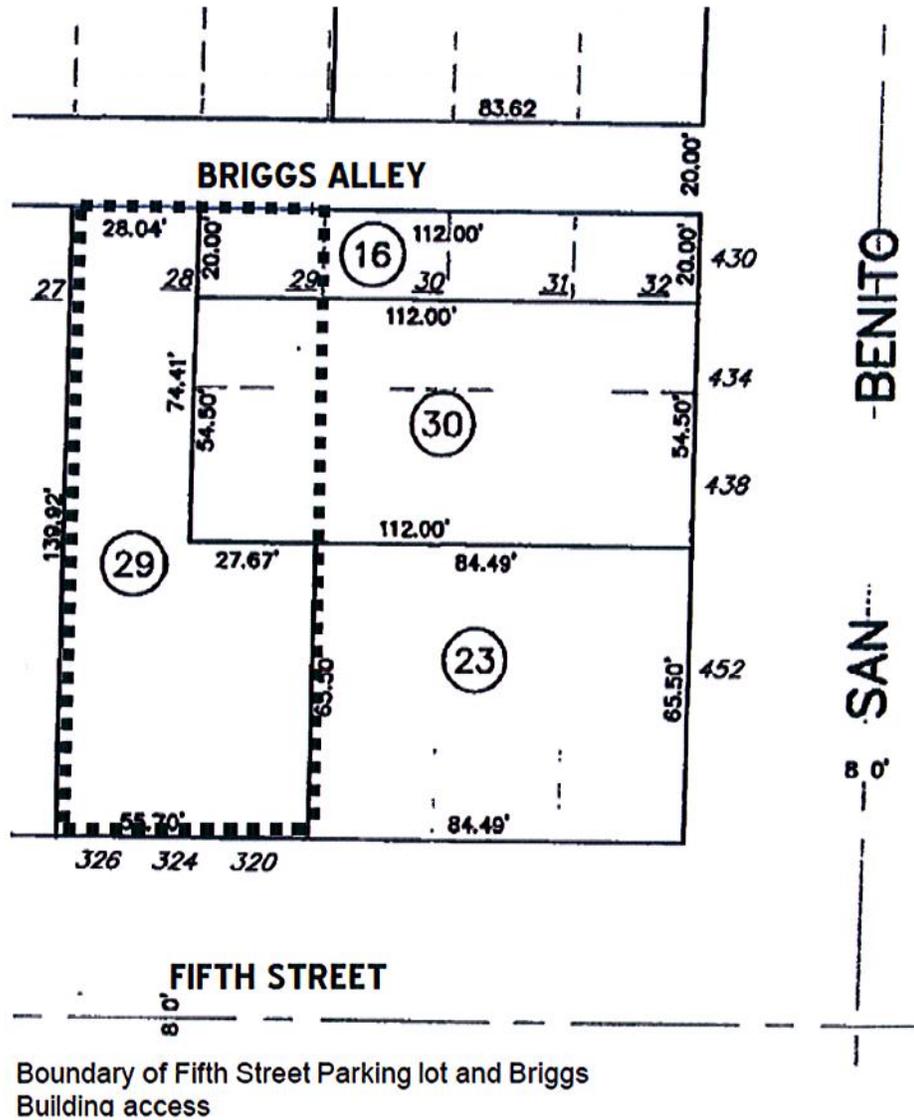
The City of Hollister Successor Agency owns properties that are currently used for governmental purposes: Fire Station 1 located at 110 Fifth Street in downtown Hollister and the northeast portion of a municipal parking lot located at 320 Fifth Street. The Successor Agency does not derive any income from rents or leases at the Fire Station 1 property or the portion of the parking lot at 320 Fifth Street.

Fire Station 1: The City of Hollister acquired and converted a former tractor shop to develop the City of Hollister Fire Station 1 at 110 Fifth Street in 1970. The former City of Hollister Redevelopment Agency (RDA) purchased the fire station from the City of Hollister in 2005 for \$850,000. The RDA initially planned to construct a new fire station at the former Fremont School site. The concept was ruled out when plans were approved to construct a new courthouse on the former Fremont School site. Other options to purchase property in the downtown area were deemed unfeasible. Subsequently, the Agency Board secured architectural services and approvals from the City of Hollister to demolish and reconstruct Fire Station 1 at 110 Fifth Street between 2008 and 2010. The project was funded with a 2009 tax exempt redevelopment bond. The station demolition and reconstruction commenced in February 2011.

Fifth Street Parking Lot: The City of Hollister acquired San Benito County Assessor Parcel 054-011-029 in April of 1989 in anticipation of constructing the Briggs Building commercial building and parking structure. The parking lot area on APN 054-011-029 area was expanded into Successor Agency property on San Benito County Assessor Parcel 054-011-016 and 030 as shown on Figure 1 as result of the Loma Prieta Earthquake.

**Figure 1 - Fifth Street Parking Lot  
(APN 054-011-029 and western portions of parcels 16 and 30)**

**DETAIL OF SAN BENITO COUNTY ASSESSOR BOOK 54 PAGE 11**



The October 1989 Loma Prieta Earthquake severely damaged multiple buildings on the "400 Block" of San Benito Street. Buildings south of Briggs Alley that housed Mauro's Stationary and Maddux Jewelry at 430, 434 and 438 San Benito Street were demolished as a result of the earthquake. The Hollister Redevelopment Agency acquired the properties in August of 1995 for \$220,000. The properties (APN 054-011-016 and 030) consisted of four lots totaling 14,080 square feet or 0.32 acre. The western portion of the parcels was developed as part of a new Fifth Street municipal parking lot with driveway access to the Briggs Commercial Building/Parking Structure constructed in 1995. However, ownership of the parking lot area was never transferred from the Redevelopment Agency to the City of Hollister. There is no known record of an agreement between the City of Hollister and the Redevelopment Agreement for the construction of the parking lot.

Approval and recordation of a lot line adjustment and deeds will be required to facilitate the transfer of the western portions of the parking lot at 320 Fifth Street from the Successor Agency to the City of Hollister. Staff has submitted a lot line adjustment application to the City of Hollister Engineering Department. Figure 2 shows that parcel 1, which includes the parking lot would be 7,795 square feet. Parcel 2, which is part of the 400 Block "grassy lot", would be 6,285 square feet.

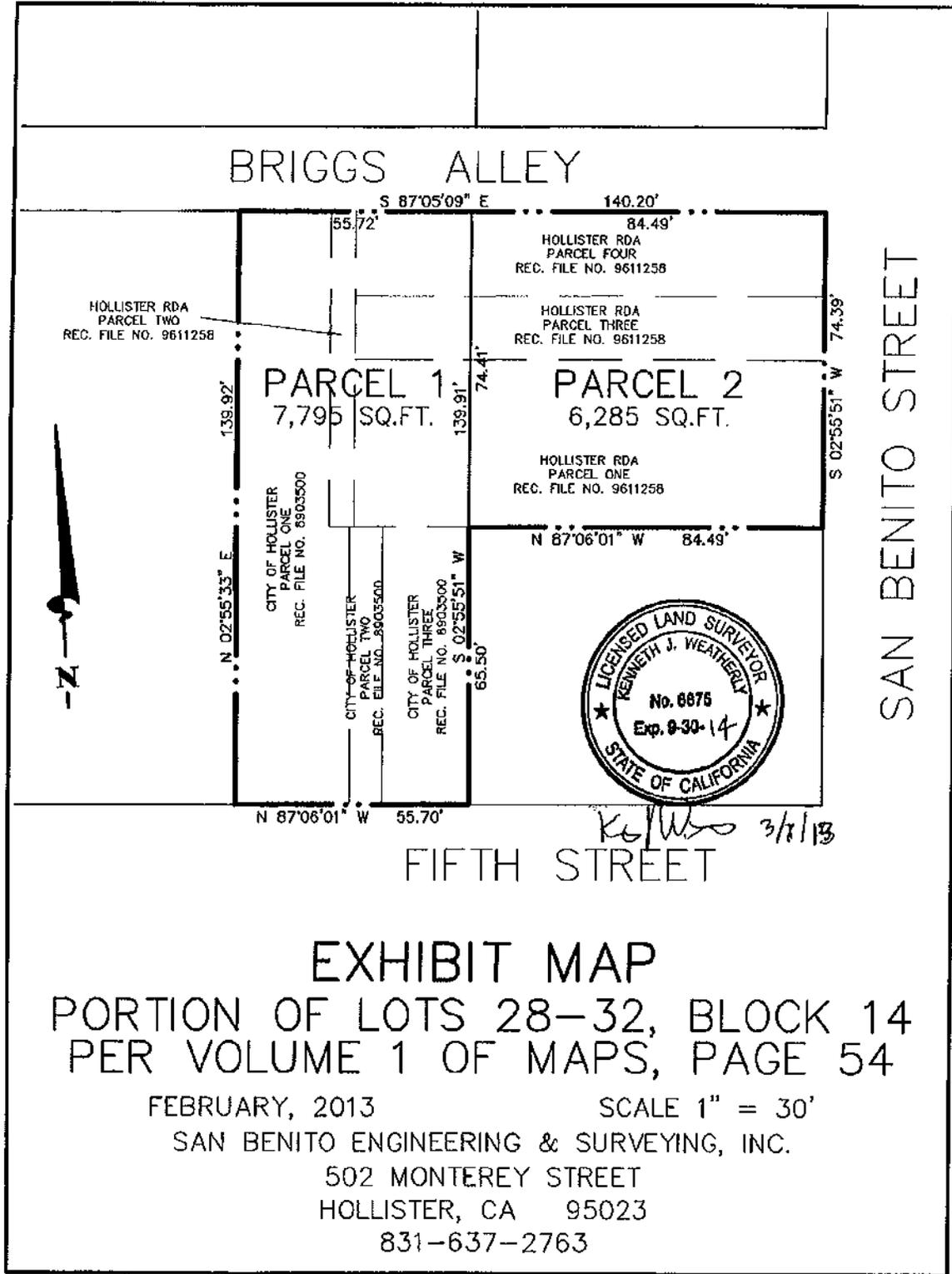
## Recommendations:

Section 34191.5 (c)((1)(H)(2) of the Dissolution Act allows Fire Station 1 and the 7,795 square foot portion of the Fifth Street municipal parking lot to be transferred to the City of Hollister so that the governmental properties will remain for their intended use. The following recommendations will facilitate the transfer of the properties to the City of Hollister to continue their intended uses.

1. Oversight Board directs the City of Hollister Successor Agency to authorize the City Manager to execute documents to record the lot-line adjustment shown on Figure 2 and transfer ownership of Parcel 1 in the lot-line adjustment to the City of Hollister. Parcel 2 would be placed in the Successor Agency Community Redevelopment Property Trust Fund.
2. Oversight Board directs the City of Hollister Successor Agency to authorize the City Manager to execute documents to transfer ownership of Fire Station 1 from the City of Hollister Successor Agency to the City of Hollister.

Figure 2

Lot Line Adjustment Proposed for Fifth Street Parking Lot



**CHAPTER 3: Properties that will be retained to fulfill an enforceable obligation (HSC 34191.5 (c)(1)(H)(2))**

Section 34191.5 (c)(1)(H)(2) of the Health and Safety Code requires that Successor Agencies identify in a long-range property management plan any properties that will be retained to fulfill an enforceable obligation. The City of Hollister Successor Agency does not have any properties that will be retained to fulfill an enforceable obligation.

**Recommendations:** None.

**CHAPTER 4: Non-housing Successor Agency Properties that are not used for governmental purposes or to fulfill an enforceable obligation (HSC 34191.5 (c)(1)(H)(2))**

The City of Hollister Successor Agency has two properties that could be disposed of as assets because the properties are not used for governmental purposes or to fulfill an enforceable obligation. These properties are the former Leatherback tarpaper plant at 111 Hillcrest Road and the 400 Block Properties on San Benito Street often referred to as the "grassy lot".

**4.A.1 LEATHERBACK PROPERTY DATA**

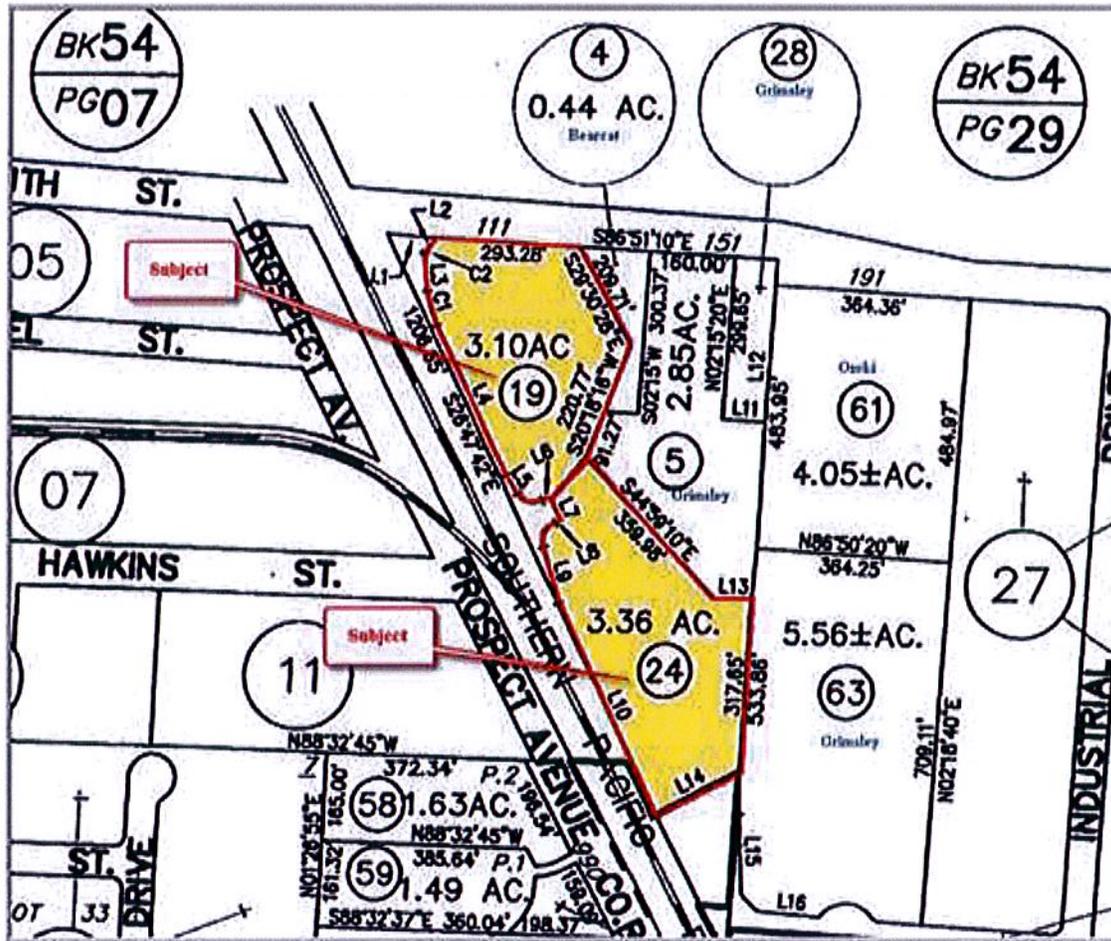
<b>Address (See Figure 3)</b>	111 Hillcrest Road
<b>Assessor Parcel Numbers/Size (See Figure 4)</b>	056-025-019 = 3.10 acres <u>056-025-024= 3.36 acres</u> 6.46 acres
<b>General Plan (See Figure 5)</b>	Mixed-Use
<b>Zoning</b>	Neighborhood Commercial Mixed Use
<b>Acquisition</b>	
• Date	April 21, 2008
• Value at purchase	\$4,000,000
• Cost of purchase	\$4,000,000
<b>Revenues of property from lease, rental etc.</b>	\$0
<b>Cost to Maintain Property</b>	Weed Abatement and water: \$5,164 per year

**Figure 3 - Leatherback – 111 Hillcrest Road  
(Aerial photo of tarpaper plant PRIOR to site clearance)**



## Figure 4 - Leatherback Properties

Assessor Parcel Number 054-025-019 & 054-025-024

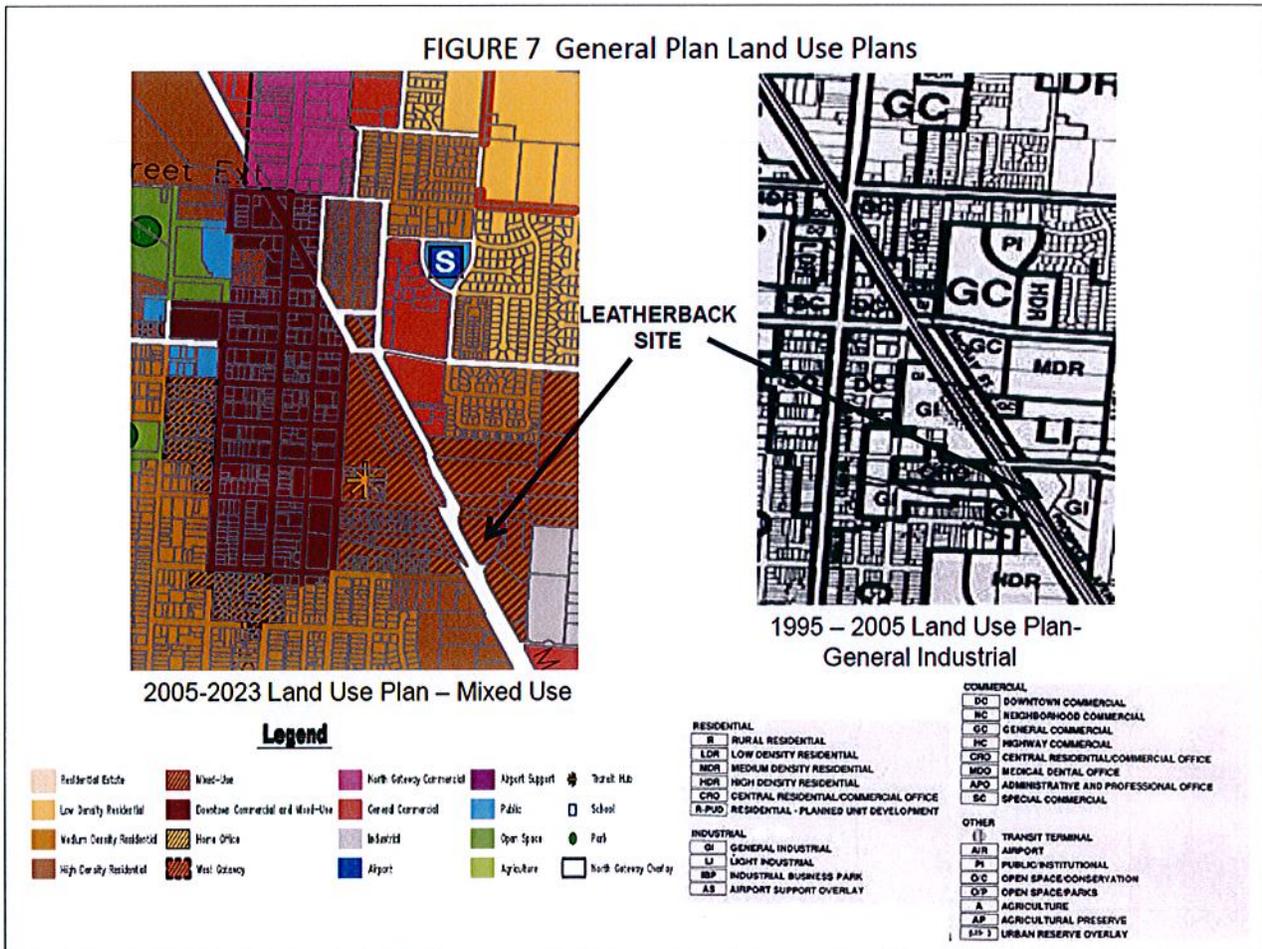


### 4.A.2 Purpose of purchase of Leatherback property.

The City of Hollister Redevelopment Agency spent \$4,000,000 to acquire the Leatherback property and spent \$930,538 to clear the site. The purpose of the acquisition and demolition was to eliminate blight, remove a non-conforming industrial land use and to facilitate economic revitalization.

The City of Hollister 2005-2023 General Plan revision charted a new course for land use south and east of downtown Hollister. The new land use plan replaced the industrial land use designation with a Commercial and Mixed Use high-density residential/commercial land use designation as shown on Figure 6. An existing tomato

## Figure 5 – Changes to General Plan Land Use designation at Leatherback Properties



cannery and associated warehouses, a walnut processing plant, cement plant and the former Leatherback tarpaper plant all became non-conforming land uses. When the Leatherback plant closed, the Redevelopment Agency acquired the facility to eliminate the one of non-conforming land uses. The property served as a pivotal acquisition for economic development because it had the potential to begin the transition of industrial land uses to commercial and mixed commercial and high-density residential land uses near the city center. The acquisition has the potential to link three commercial areas in Hollister – the Historic Downtown, McCray Street, and Tres Pinos/Airline Highway.

#### **4.A.3 The history of environmental contamination, any designation as a brownfield site and any related environmental studies and remediation efforts.**

Contaminated soils were removed from the Leatherback property at a depth of at least five feet as a part of the site clearance between 2010 and 2011. The property was not classified as a brownfield site.

#### **4.A.4 Description of the property's potential for transit-oriented development and advancement of the planning objectives of the successor agency.**

A Southern Pacific Railroad rail track parallels the west side of McCray Street. The track primarily serves an existing tomato cannery to the west. A substantial upgrade to the track bed or an alternative type of rail car would be required for the existing track to support passenger services. The City of Hollister General Plan identifies two potential transit hubs. The southern hub would be roughly 1000 feet west of the property frontage on South Street generally between Sally and Pine Streets. The second site is located north of downtown Hollister just over a mile to the north.

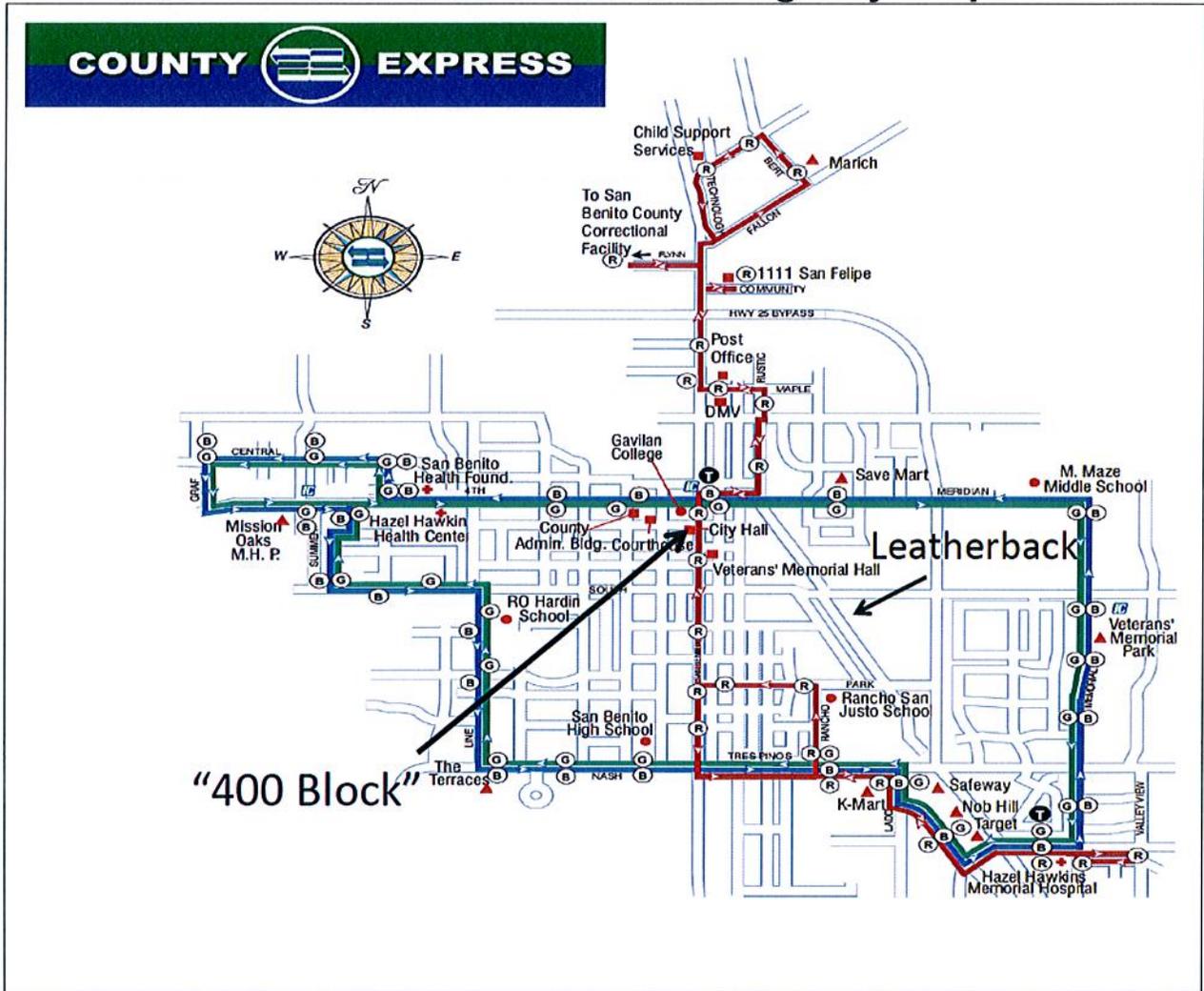
San Benito Transit presently provides Dial-a-Ride Service and transit service on three fixed routes in the City of Hollister as shown on Figure 6. None of the fixed routes bypass the Leatherback property frontages on Hillcrest Road and McCray Street. The closest stop is situated 900 feet from the southwest corner of the property near the intersection of Park Street and Rancho Drive for the "Red Line". The "Red Line" provides north-south service to the industrial area of Hollister and Community Workforce Development Center off of San Felipe Road, passes through downtown Hollister on San Benito Street, bypasses the nearby Prospect Villa Senior apartments with connections to commercial uses along Tres Pinos Road, Ladd Lane, the Heritage Plaza shopping center and to medical offices near Hazel Hawkins Memorial Hospital. The "Blue" and "Green" lines provide transit services to the perimeter of Hollister. The closest stops are located on Tres Pinos Road roughly 0.55 to 0.70 mile to the south.

The City of Hollister received an Environmental Justice Transportation Planning Grant from Caltrans in 2012 to prepare a Complete Streets Planning Study for the section of McCray Street fronting the Leatherback property. The planning study will examine and formulate a plan to improve all modes of transportation on McCray Street between Hillcrest Road and Airline Highway and on Sunnyslope/Tres Pinos/Nash Roads between Memorial Drive and Homestead Avenue.

As noted in Section 4.A.2, the project area is transitioning from industrial land uses to mixed use commercial and high density residential.

Figure 6

Transit Services near Successor Agency Properties



4.A.5 Brief history of previous development proposals and activity, including the rental or lease of property.

Rental or lease activity: The Successor Agency has not rented or leased the property since it was acquired. The property remains vacant.

History of previous development proposals: The former Leatherback property is within the redevelopment project area in the City of Hollister legally known as the Hollister Community Development Project Area. The former City of Hollister Redevelopment Agency acquired the former Leatherback tarpaper plant in 2008 when the business closed.

The former Agency conducted environmental review and funded the demolition of all previous buildings and materials from the former tarpaper plant. Soils were removed up to depth of at least five feet to clean up contaminated soils. Site clearance was substantially completed by June of 2011. The former Agency was unable to enter into an Exclusive Negotiating Agreement for the Leatherback property due to the passage of the Dissolution Act/Voluntary Program Act, subsequent litigation and the elimination of redevelopment.

#### **4.B.6. Estimate of costs to maintain the property**

Costs for maintenance of the Leatherback property are primarily related to weed abatement to avoid fire hazard. The estimated cost is \$5,000 per year

#### **4.A.7 Estimate of the Current Value of the Property and Any Appraisal Information**

The Leatherback property is located within an area of transition. Two legal non-conforming land uses border the property to the north and east – a walnut processing plant borders north of Hillcrest Road, outdoor storage of pallets and barrels for a tomato cannery are located to the northwest and an concrete batch plant abuts the property to the east. There are two large infill commercial developments associated with annexations of unincorporated islands. The larger 33-acre annexation area is situated north of Hillcrest Road and east of McCray Street. The property was approved for annexation in June 2013 with potential for 250,000 square feet of commercial development. A smaller 13-acre unincorporated island was recently annexed to the City of Hollister with a commercial zoning designation just south of the property. The annexation area had one of the last orchards in the City of Hollister. Removal of the orchard was precipitated by condemnation of property for the construction of the bypass to State Highway 25 just east of the Leatherback property and associated construction of East Park Street between McCray Street and the bypass. It is anticipated that infill commercial development on the bypass corridor will occur within the near future. A Walgreens drug store is currently under construction at the southern tip of this annexation area at the intersection of Tres Pinos Road/Sunnyslope Road with Airline Highway. There is also potential for transition for the existing small lot single family homes on the west side of McCray Street and Prospect Avenue. These properties could be redeveloped for higher density mixed use.

An appraisal of the property was prepared for this long-range property management plan for an “as is” fee simple value. The appraisal titled Appraisal Report 111 Hillcrest Road, Hollister California, June 18, 2013, Hollister, California was prepared by Michael Cullinan, Cullinan Appraisal and Realty and is hereby incorporated by reference into this plan. The appraisal report can be viewed at the City of Hollister Successor Agency home page at <http://hollister.ca.gov/Site/html/gov/office/successor.asp>. The report concluded that the “as is” fee simple value of 6.46 acre site as of June 18, 2013 is \$1,830,000 or \$12.25 per square foot.

The appraisal report includes the following notations regarding supply and demand and the valuation of the property and the value of the property.

- ❖ There was a thin basis of comparative sales of commercial property of similar size in the City and the region. There is a significant amount of vacant commercial/mixed use designated land located along Fourth Street in the "West Gateway" entrance to Hollister that is vacant but not actively listed for sale.
- ❖ There are numerous commercial sites in the downtown area that have been listed for sale for a number of years with minimal activity.
- ❖ Several smaller downtown properties with buildings are selling for below replacement cost which has resulted in minimal market demand for downtown specific vacant sites.
- ❖ There is greater interest and demand for larger sites that can support larger modern style buildings.
- ❖ The existing supply of vacant commercial sites is greater than the demand but interest appears to be increasing for better located sites.

The June 2013 appraised value for the Leatherback property of \$1.8 million dollars is less than half of the \$4 million dollars the RDA paid to acquire the property in 2008 prior to the financial "meltdown" in the fall of 2008.

**Figure 7**  
**Successor Agency Properties on 400 Block “Grassy Lot”**



**4.B.1 400 BLOCK PROPERTY DATA**

<b>Addresses (See Figure 8)</b>	400, 410, 414, 420, 422, 426, 434 and 438 San Benito Street
<b>Assessor Parcel Numbers/Size (See Table 1 and Figure 8)</b>	054-011-016 - 2,240 sq. ft. 054-011-030- 6,104 sq. ft.. <u>054-011-036 - 11,700 sq. ft.</u> 20,044 sq. ft.

<b>General Plan</b>	Downtown Commercial Mixed-Use
<b>Zoning</b>	Downtown Mixed Use (40 du/acre)
<b>Acquisition</b>	
• Dates	1994-1995 - See Table 2
• Value at purchase	\$703,000 – See Table 2
• Cost of purchase	\$703,000 – See Table 2
<b>Revenues of property from lease, rental etc.</b>	\$0
<b>Cost to Maintain Property</b>	Maintain grass and water: \$8,132

The 400 Block "Grassy Lot" property includes part of the Fifth Street municipal parking lot which provides access to the Briggs Building Commercial Building and Parking Structure and two City of Hollister properties. Table 1 lists the size of each assessor parcel in the 400 Block "Grassy Lot" along with the amount of land that is recommended to be transferred to the City of Hollister for continued use as the Fifth Street parking lot in Chapter 2 of this plan. Table 1 also lists two City of Hollister properties that are part of the "Grassy Lot". One of the City of Hollister properties is a section of the Briggs Alley right-of-way that is now covered with turf. The second property consists of a portion of San Benito County Assessor's Parcel 054-011-036 that was the former New China Café property. The property was purchased by the City of Hollister in 1991. For the purposes of this plan, it is considered to be an asset of the Successor Agency rather than the City of Hollister.

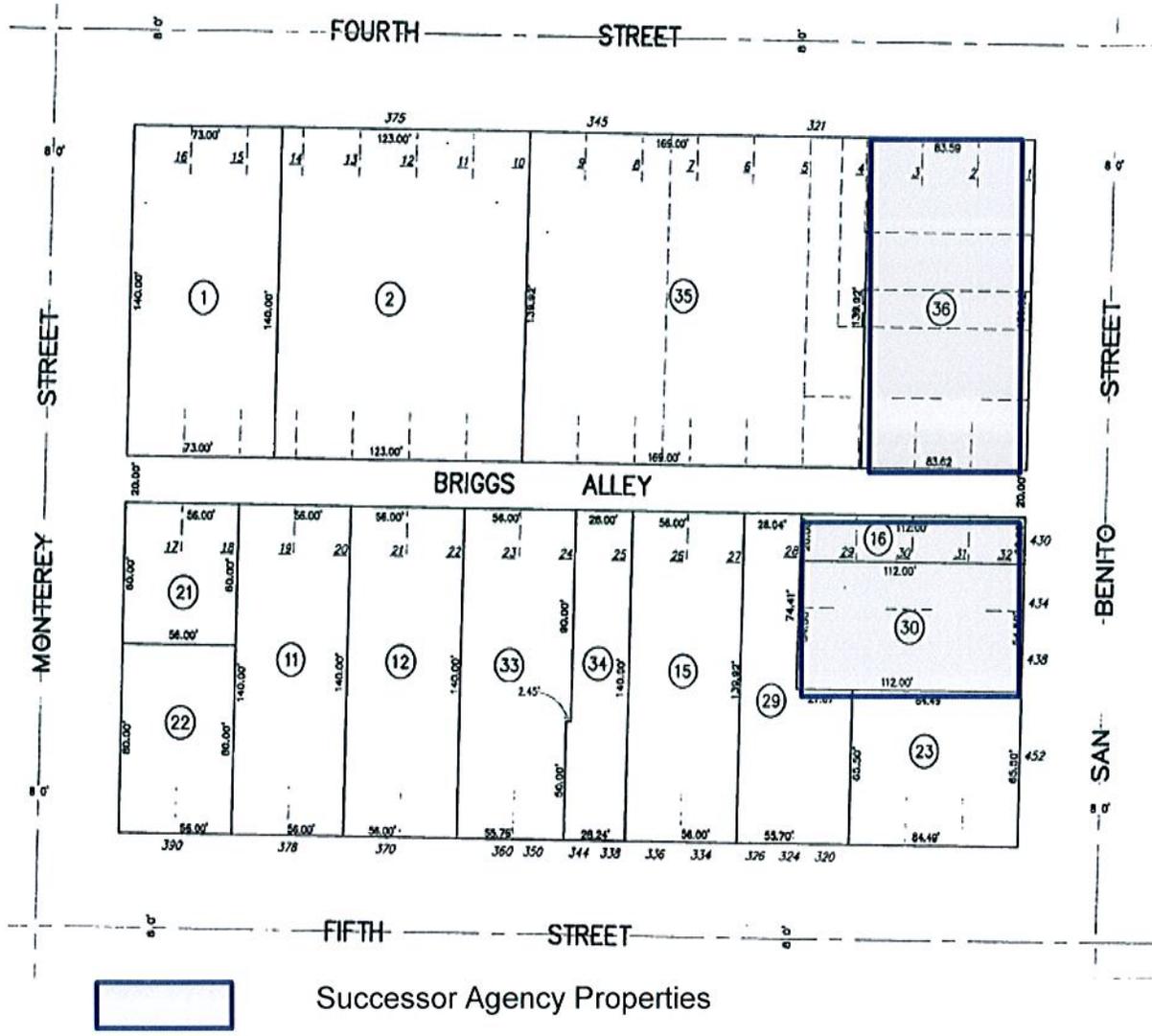
**TABLE 1**

<b>Successor Agency Properties on 400 Block Grassy Lot</b>			
<b>Assessor Parcel</b>	<b>Address</b>	<b>Size</b>	<b>Land Use</b>
054-011-016	430 San Benito Street	2,240 SQ. FT.	<u>East Portion:</u> 1,697 SQ FT. Grassy lot/seasonal farmer's market, non-profit staging area  <u>West Portion:</u> 553 SQ FT. portion of Municipal Parking Lot
054-011-030	434 , 438 San Benito Street	6,104 SQ. FT.	<u>East Portion:</u> 4,015 SQ. FT. Grassy lot/seasonal farmer's market, non-profit staging area  <u>West Portion:</u> 2,059 SQ FT. portion of Municipal Parking Lot
054-011-036	400, 410, 414, 420, 422, 426 San Benito Street	11,700 SQ. FT. (2)	Grassy lot/seasonal farmer's market, non-profit staging area
<b>City of Hollister Properties on 400 Block Grassy Lot</b>			
<b>Assessor Parcel</b>	<b>Address</b>	<b>Size</b>	<b>Land Use</b>
None	Briggs Alley	About 2,804 SQ. FT.	Grassy lot/seasonal farmer's market, non-profit staging area
Portion of APN 054-011-036		2,016 SQ. FT.	Former New China Café – Grassy lot/seasonal farmer's market, non-profit staging area

**Notes:**

Briggs Alley is a 20-foot by 80 foot right-of-way between assessor Parcel Numbers 054-011-016 and 054-011-036.

**Figure 8 - Current Assessor Parcel Map  
400 Block San Benito Street (west side)**



**Table 2 Successor Agency Acquisitions on the 400 Block**

<b>Successor Agency Properties on 400 Block Grassy Lot</b>			
<b>Assessor Parcel Number</b>	<b>Date of Acquisition</b>	<b>Value of property at the time of acquisition</b>	<b>Purchase Price</b>
054-011-016 054-011-030	August 14, 1995	\$63,000 (1) \$159,000(1)	\$222,000 for both vacant parcels
054-011-036 <b>(Current)</b>  054-011-005 <b>(Retired)</b> 054-011-007 <b>(Retired)</b> 054-011-032 <b>(Retired)</b>	February 2, 1994	\$126,000 (2)  \$ 45,000(2)  \$310,000(2)(3)	\$481,000 for two vacant parcels and one developed parcel

- (1) Hanna & Associates, Appraisal Report 430, 434 and 438 San Benito Street Two Parcels of Vacant Commercial Land APN's 054-0110-16 and 30, June 1995
- (2) Richard M. Betts, MAI, SRA, ASA, Appraisal of 400, 414, and 420-426 San Benito Street and 321 Fourth Street, Hollister CA, November 23, 1992
- (3) Appraised value of APN 054-011-032 included two buildings that were part of "Sunrise Plaza" with a total lease area of about 5,242 square feet. The third 1,336 square foot building with a bar and restaurant called "The Office". The cost to demolish the building was \$62,000.
- (4) APN 054-011-036 also includes the retired APN 054-011 that was purchased by the City of Hollister from the owners of the New China Café – the Tztoo family.

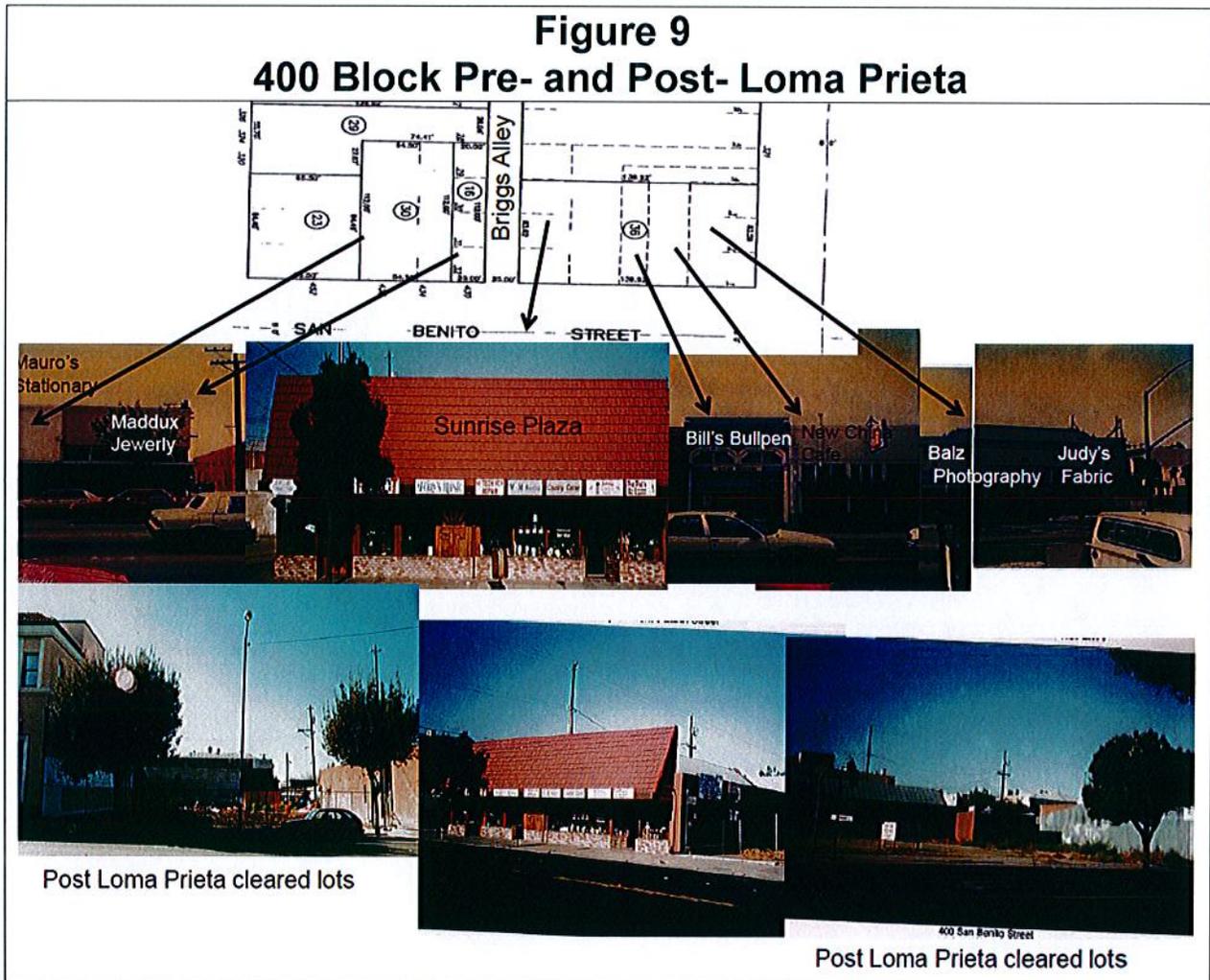
**4.B.2. Purpose of purchase of 400 Block Properties.**

The former Hollister Redevelopment Agency purchased several properties on the "400 Block" of San Benito Street to eliminate blight related to catastrophic damage to buildings from the Loma Prieta Earthquake. The acquisition also implemented programs in the 1991 Downtown Strategy and Plan to assemble the 400 Block properties for economic development. The 1991 Plan was developed in response to the Loma Prieta earthquake and unrelated downtown fires.

In October of 1989, the Loma Prieta Earthquake severely damaged 14 buildings on seven blocks fronting Hollister's main street – San Benito Street - in Downtown Hollister.

Shortly after the earthquake there was a catastrophic fire from arson on the 600 block that destroyed additional buildings. An accidental fire also destroyed a movie theater that was red-tagged due to the earthquake on the 700 block.

Five unreinforced masonry buildings that were located on what is now called the "Grassy Lot" or the "400 Block" were severely damaged by the Loma Prieta earthquake and subsequently demolished. The Sunrise Plaza mini mall and a bar/restaurant called the Office remained but were surrounded by empty lots as shown on the lower half of Figure 9.



**Table 3**  
**400 Block businesses that were relocated or closed as due to structural damage from the Loma Prieta Earthquake**

<b>Assessor Parcel Number</b>	<b>Business Name</b>	<b>Address</b>
Retired 054-011-005	Judy's Fabrics	400 San Benito Street
Retired 054-011-006	New China Cafe	410 San Benito Street
Retired 054-011-007	Bill's Bullpen	414 San Benito Street
	Briggs's Alley	None
054-011-016	Maddux Jewelry	430 San Benito Street
054-011-030	Mauro's Stationary	438 San Benito Street

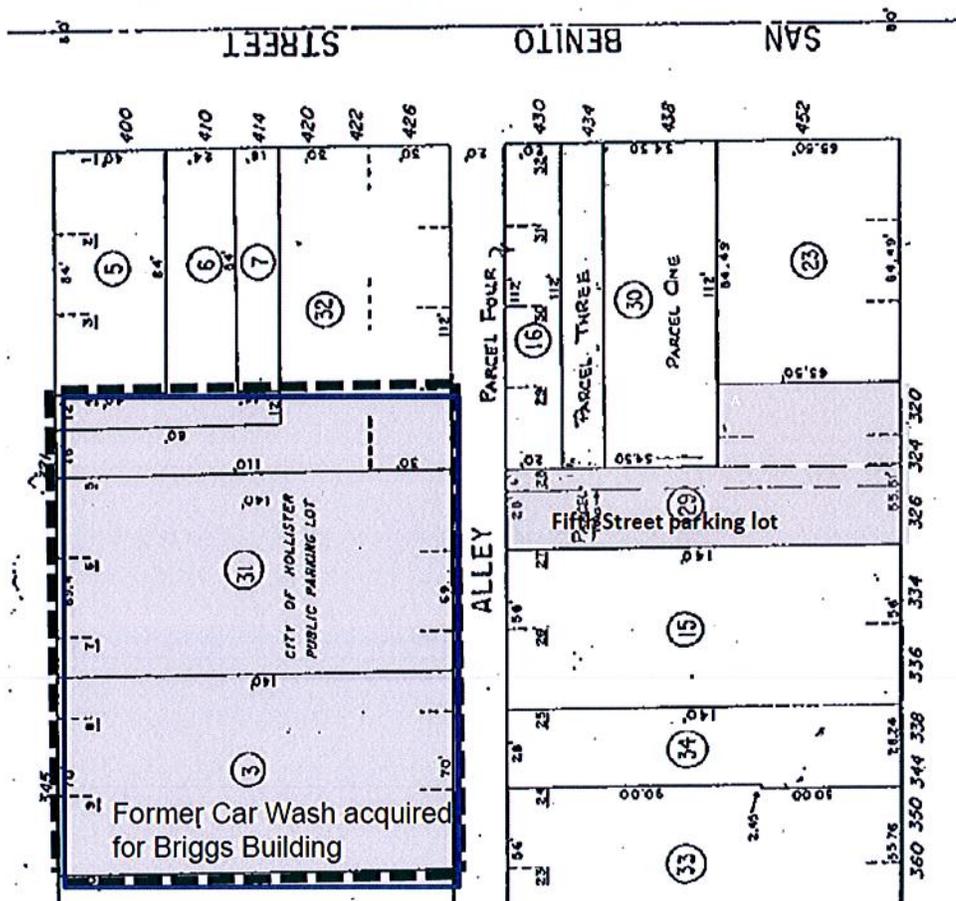
The former City of Hollister Redevelopment Agency (RDA) pooled tax increment and grants from the federal Economic Development Administration and State Department of Commerce to fund the preparation of the 1991 Hollister Downtown Strategy Plan to provide programs to address the catastrophic damage or destruction of over 20 buildings in Downtown Hollister. Strategies 1, 2, 4, 5, 7, 8, 10 and 11 pertained to the "400 Block"

- Strategy 1: Create a Vibrant Downtown Core**
- Strategy 2: Locate the earthquake fault**
- Strategy 3: Reconstruct Earthquake damaged buildings
- Strategy 4: Redevelop Sites Resulting from Earthquake or Fire**
- Strategy 5: Provide added Parking**
- Strategy 6: Strengthen and Rehabilitate Landmark Buildings
- Strategy 7: Encourage Uses that Generate Nighttime Activity**
- Strategy 8: Enhance Entrances to Downtown**
- Strategy 9: Plan for Future Transition to Non-industrial uses
- Strategy 10: Maximum Opportunities for In-town Housing**
- Strategy 11: Encourage a Retail/Housing Mix along San Benito Street**
- Strategy 12: Provide Public Streetscape Improvements

The Downtown Strategy and Plan identified the vacant lots on the 400 Block as an opportunity to assemble property and facilitate development of a large development project with a multi-use building (retail, cinema and housing). The former Redevelopment Agency purchased the 400 Block properties between 1994 and 1995 in anticipation of entering into an agreement for a mixed-use commercial building with a multiplex cinema. The purchase dates and prices are listed in Table 2.

**Briggs Building:** The Agency also proceeded to support the acquisition of a car wash and construction of a multi-story commercial building and parking garage called the Briggs Building in 1995. The Economic Development Grant used to help fund the construction of the Briggs Building required single ownership of the building for the grant lien. Nearly 29 feet of the west portions of retired RDA Assessor Parcel Number 054-011-032, and close to one foot of the western edge of RDA Assessor Parcel Numbers 054-011-005 and 007 were developed as part of a pedestrian plaza/walkway for the Briggs Building. Two other parcels underlying the new Briggs Building were owned by the City of Hollister and the former City of Hollister Redevelopment Agency. A lot line adjustment was approved in 1995 to transfer ownership of the land underlying the Briggs Building to the City of Hollister and what is now the grassy lot area to the City of Hollister Redevelopment Agency. The former Agency approved Resolution 95-54R authorizing the transfer. A copy of the recorded lot line adjustment and resolution that was recorded in 1995 is provided in Appendix A. The lot line adjustment map shows that the former New China Café property (lot 5) was intended to be transferred to the Hollister Redevelopment Agency. It recently came to staff's attention that grant deeds were not recorded to complete the lot line adjustment. Chapter 5 of this plan recommends recordation of the grant deeds to complete the intent of Resolution 95-54R.

**Figure 10 - Briggs Building Acquisitions**



The following recommendations will facilitate the intended completion of the 1995 lot line adjustment

1. Oversight Board directs the City of Hollister Successor Agency to authorize the City Manager to execute documents to record grant deeds to complete the recorded 1995 lot-line adjustment shown in Attachment 1.

#### **4.B.3. History of environmental contamination, any designation as a brownfield site and any related environmental studies and remediation efforts.**

Environmental contamination/brownfield site/remediation efforts. **None.**

Environmental Studies. The 400 Block is located within the Alquist-Priolo Earthquake Hazard Zone for the East Branch of the Calaveras Fault. The Alquist-Priolo Special Studies Zone Act requires a surface fault hazard investigation prior to new construction or reconstruction of buildings to establish the presence or absence of surface fault rupture on property in a fault hazard zone. If a fault is located, a non-buildable area is established on the property that prohibits the construction of structures for human occupancy. The former City of Hollister Redevelopment Agency (RDA) commissioned a surface fault hazard investigation to clear the 400 Block properties for development in 1991. A copy of the trenching map is provided in Appendix B. A potentially active surface fault was not located and the property was cleared for new development.

#### **4.B.4. Description of the property's potential for transit-oriented development and advancement of the planning objectives of the successor agency.**

The 400 Block property is one of the optimal locations in Hollister for transit-oriented development mixed use development. San Benito Transit presently provides Dial-a-Ride Service and transit service on three fixed routes in the City of Hollister. Both of the fixed routes have stops within a block of the 400 Block property as show on Figure 6. The "Red" Line" provides north-south service to the industrial area of Hollister and Community Workforce Development Center off of San Felipe Road, passes through downtown Hollister on San Benito Street, bypasses the nearby Prospect Villa Senior apartments with connections to commercial uses along Tres Pinos Road, Ladd Lane, the Heritage Plaza shopping center and to medical offices near Hazel Hawkins Memorial Hospital. The 'blue' and 'green' lines provide transit services to the perimeter of Hollister.

#### **4.B.5. Brief history of previous development proposals and activity, including the rental or lease of property.**

Rental or lease activity: The Successor Agency has not rented or leased the 400 Block grassy lot since it was acquired. However, the City Council adopted policy for use of the 400 Block in 2001 and updated the policy in 2010. In 2001, Resolution 2001-176 stated that the 400 Block could be used for a local non-profit organization for a group activity open to the public. Approval from the City Clerk was required with conditions with performance standards for the use of the property and hours of use. In 2010, the City Council passed Resolution 2010-24 recognizing the 400 Block as a location for future economic development but updated the performance standards for use of the property by non-profits for group activities open to the public. Examples of uses of the 400 Block are listed below:

- ❖ Seasonal Farmer’s Market
- ❖ Movies Under the Stars
- ❖ Water Conservation demonstrations
- ❖ Staging area for parades
- Street Lighting Ceremony Holiday trees
- Walk a Mile in her Shoes staging area
- Downtown summer street festival

History of previous development proposals: The majority of the development proposals for the 400 Block have contemplated use of the assembled parcels for a commercial or mixed use two story structure. Table 4 summarizes RDA approved resolutions to authorize execution of Exclusive Negotiating Agreements between 1994 and 2004. The first agreements around 1994 and 1995 were for a mixed use building with a multi-plex cinema that was a “near term” project identified in the 1991 Downtown Strategy and Plan. However, construction of a multiplex theater just east of downtown on McCray Street brought the project to a standstill.

In 2000 the RDA entered into an agreement with Lexmar Development Company for a Center for the Arts.

New construction was halted in late 2002 in the City of Hollister due to a state imposed sewer moratorium. The third 2004 agreement was for a hotel, but lifting of the sewer moratorium was later than anticipated by Redevelopment Agency staff and protracted due to the fact that initial plans to construct a wastewater treatment plant were altered. The City of Hollister ultimately constructed a regional water reclamation facility designed to serve unincorporated properties in unincorporated pockets surrounded by the city and new development in an urban water area established by interagency agreements. The sewer moratorium was lifted just after the onset of the Great Recession in December 2008. Consequently, the 2004 agreement faltered.

**Table 4  
History of Exclusive Negotiating Agreements for 400 Block**

<b>Date</b>	<b>Resolution Number</b>	<b>Action</b>	<b>Use</b>
1992-1994	--	RDA negotiates with Mauro family for a Development and Disposition Agreement to develop the 400 Block site with a movie theater.	
12/12/1994	94-79R	Authorize Exclusive Negotiating Agreement with Green Valley	Two-story mixed use building 34,000 sq. ft. building with a theater, restaurant, and retail and office space.
3/6/1995	95-24R	Extension of time to period to negotiate with Barry Swenson Builders	Same as above.
June 30, 1998	98-12R	Authorize Exclusive Negotiating Agreement with Lexmar Development Company LLC	Performing Arts Center
	98-26	Extension of time period to negotiate with Lexmar	
7/17/2000	2000-22R	Authorize ENA for the Center for the Arts of San Benito County	
8/6/2001	2001-R Extension of time to period to negotiate		
9/17/2001	2001-76R	Policy for use of 400 Block by non-profits	
	2004-26R	Authorize ENA with Todd Dubois.	Hotel
March 15, 2010	201024-R	Policy for use of 400 Block by non-profit organizations.	

The 400 Block was identified in every Hollister Redevelopment Agency five-year implementation plan as an opportunity for a larger scale commercial development of 40,000 square feet to 50,000 square feet (see Table 5). The update to the 2009-2014 implementation plan was thwarted by the introduction of legislation to eliminate redevelopment agencies and prohibitions on completion of Five-Year Implementation Plan. An uncirculated draft plan identified the property for a 30,000 square feet mixed-use development project for the 400 Block. The change to mixed use reflected the recent revision to the City of Hollister 2005-2023 General Plan.

**Table 5**  
**History of Implementation Projects for the 400 Block**

<b>Implementation Plan Period</b>	<b>Project Description</b>
1994-1999	Development of the Downtown parking facility and 8,700 square feet of retail space for the 400 Block of San Benito Street. The construction of garage will alleviate the congestion and lack of parking in the Downtown area two of the reasons that have been cited as being detrimental to attracting shoppers to the Downtown.
1999-2004	Development of the 400 Block Property—The Agency will facilitate the development of a vacant Downtown property. The development of the property is expected to provide approximately <b>40,000 square feet of commercial space</b> . The development will attract people to the downtown stimulating the economic viability of the area.
2005-2009	Development of the 400 Block Property—The Agency will facilitate the development of a vacant Downtown property. The development of the property is expected to provide approximately <b>40,000 square feet of commercial space</b> . The development will attract people to the downtown stimulating the economic viability of the area.
2009-2014 (DRAFT) (1)	400 Block Property—The Agency will facilitate the development of a vacant 400 Block property. The development of the property is expected to provide approximately <b>30,000 square feet of mixed-use space</b> . This development will attract people to the downtown stimulating the economic viability of the Project Area.

**Notes:**

- (1) The City of Hollister Redevelopment Agency was unable to complete the update to the 2009-2014 Implementation Plan due to the budget bill introduced by Governor Brown in early 2011 and ensuring legislation that prohibited completion of a Five Year Implementation Plan.

#### **4.B.6. Estimate of costs to maintain the property**

Costs for maintenance of the 400 Block include water for irrigation of the turf and labor to maintain the grass. Estimated costs are \$2,564 per year

#### **4. B.7. Estimate of the Current Value of the Property and Any Appraisal Information**

An appraisal of the property was prepared for this long-range property management plan for an "as is" fee simple value. The appraisal titled Appraisal Report 400 Block Project, June 18, 2013, Hollister, California was prepared by Michael Cullinan, Cullinan Appraisal and Realty and is hereby incorporated by reference into this plan. The appraisal report can be viewed at the City of Hollister Successor Agency home page at <http://hollister.ca.gov/Site/html/gov/office/successor.asp>. The report noted that the 400 Block Grassy lot is one of the last remaining corner locations fronting San Benito Street that could increase the value of the property. The "as is" fee simple value as of June 18, 2103 was \$220,000 or \$12.25 per square foot. The value was considered to be toward the upper end of the value range because it is in a good location downtown. The appraised value was for a 17,984 square foot development area even though there are two separate parcels (6,285 square feet and 11,699 square feet).

The appraisal report includes the following notations regarding supply and demand and the valuation of the property.

- ❖ There is a significant amount of vacant commercial/mixed use designate land located along Fourth Street in the "West Gateway" entrance to Hollister that is vacant but not actively listed for sale.
- ❖ There are numerous commercial sites in the downtown area that have been listed for sale for a number of years with minimal activity.
- ❖ Several smaller downtown properties with buildings are selling for below replacement cost which has resulted in minimal market demand for downtown specific vacant sites.
- ❖ There is greater interest and demand for larger sites that can support larger modern style buildings.
- ❖ The existing supply of vacant commercial sites is greater than the demand but interest appears to be increasing for better located sites.

### **CHAPTER 5 Disposition and Development Objectives for Successor Agency Properties**

Health and Safety Code provides direction for disposition of Successor Agency properties that are not dedicated for governmental uses such as Fire Station 1 or for the purpose of fulfilling an enforceable obligation. Section 34191.3 (H)( 2) states that "with the respect to the use or disposition of all other properties all of the following shall apply:

- (A) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county,

or city and county.

- (B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such a lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities."

#### **5.A. Property to be transferred to the City of Hollister to be continued to use for governmental purposes pursuant to Health and Safety Code Section 34818 (a)**

1. Direct Successor Agency to approve a resolution authorizing the City Manager to execute documents to transfer ownership of Fire Station 1 to the City of Hollister
2. Direct Successor Agency to approve a resolution authorizing the City Manager to execute documents to record the lot line and adjustment and deeds in order to transfer ownership of portion of the Fifth Street Parking lot shown as Parcel 1 on Figure 3 to the City of Hollister.

#### **5.B Disposition of Leatherback Property**

##### **5.B.1 Issues for Leatherback Property:**

1. The Leatherback Property was not identified as a project in the City Hollister Redevelopment Plan and was not included in the most recently adopted five year implementation plan because the agency was prohibited from completing an update in 2011.
2. The Hollister Redevelopment Agency spent nearly \$5 million to acquire a non-conforming tarpaper plant and associated costs with demolition and clearance of the property. There is potential for a buyer of the Leatherback property to undermine the intent of the former RDA to eliminate a blighted non-conforming land use and stimulate economic development if the following happens after disposition:
  - a. The buyer "banks the property" and it remains vacant.
  - b. The new owner seeks to revert the land use(s) to industrial activities.
  - c. The buyer develops or leases the property with a marginal commercial, mixed-use activity that technically conforms to the City of Hollister Zoning Ordinance but would not have been considered as a land use for a development and disposition agreement.
3. The Leatherback property is an area of transition. Less than five years ago one of the last remaining orchards in Hollister was removed as result of the pending construction of a bypass for Highway 25 just south of the property. The Leatherback plant was previously used for processing garlic and agricultural products. Similar agricultural manufacturing uses remain in the area including a tomato cannery and associated warehouses and storage areas and a walnut processing plant. As stated previously in Section 4.A., these industrial uses are non-conforming and in time will be replaced with mixed-use development. A legal non-conforming ready-mix plant also borders the northern two thirds of the eastern

property line. The land use on the southeast boundary of the property and the zoning is Industrial.

4. Development of multi-family residential land uses on the Leatherback property may be incompatible the existing legal and legal non-conforming industrial land uses to the east.
5. The disposition of the Leatherback property presents an opportunity to fill a gap in the retail services in the City of Hollister, reduce vehicle mile traveled and increase revenues to taxing entities. The City of Hollister is challenged with sales tax leakage and by the fact that nearly 50% of the workforce commutes out of the county (US Census Bureau ACS, County to County Flows 2006-2008 three year estimates). A 2008 City of Hollister Retail Project Area analysis prepared by Economic Developments Systems estimated that, "within a three- and ten-mile trade area demand/supply ratio, in favor of demand over the supply (e.g. leakage outside of the three and ten-mile trade area), is formidable for a City of the size of Hollister." The report estimated leakage of over \$201 million dollars from most sectors of commercial services with the exception of grocery and liquor. Since the report was prepared, there is no longer a nursery, large furniture/appliance store, jewelry store, men's clothing store in Hollister. Many residents leave Hollister and San Benito County to purchase goods and services that are no long available in the area.

#### **5.B.2. Alternatives**

1. Multi-family development
2. Mixed Use Development
3. Commercial center

The zoning for the property would allow high density residential, a mixed use development with commercial and high density residential or establishment of commercial land uses. Alternatives 1 and 2 are not recommended as a priority for disposition of the property because the potential land use conflicts with the existing non-conforming ready mix plant and potential conflicts with existing conforming industrial uses on the southeast boundary of the property identified for industrial land use in the City of Hollister 2005-2023 General Plan.

#### **5.B.3. Leatherback Property Disposition Objectives**

- A. Use a development and disposition agreement as a tool to assure a commercial development occurs that provides commercial services that are not available in Hollister or expands commercial services to meet the demand in the community.
- B. Use a development disposition agreements as a tool to avoid land banking

#### **5.B.4. Recommendations for Disposition of the Leatherback Property**

1. Successor Agency to solicit a request for qualifications to enter into a Development Agreement for a commercial development with that complies with the objectives for the Leatherback Property in this Long Range Property Management Disposition

Plan.

## **5.C 400 Block Property**

### **5.C.1. Issues for 400 Block Property**

1. The 400 Block is a 40,000 square foot commercial use project in the most recent Five Year Implementation Plan. The 400 Block grassy lot was proposed as a Mixed Use 30,000 square foot project in the draft update to the Five Year Implementation Plan but the Agency was unable to complete the plan in 2011 due to prohibitions related to the Dissolution Act.
2. The Redevelopment Agency recognized the 400 Block as a key stone property for economic development in Downtown Hollister
3. Disposition of the 400 Block property could undermine the collective efforts of the Redevelopment Agency to support economic development by implementing the following measures in the 1991 Downtown Strategic Plan
  - a. façade improvement assistance to over 25 buildings
  - b. preparation of a streetscape beautification plan
  - c. funding the installation of streetscape the beautification plan (new sidewalk pavers, coordinated street tree plantings, sidewalk furniture, street lights and street lighting
  - d. assistance to the Hollister Downtown Association
  - e. assistance with the construction of the bypass to Highway 25 through downtown Hollister
  - f. funding of surface fault hazard investigations
  - g. rehabilitation of signature buildings such as the Veteran's Memorial Building
  - h. Assistance with the construction of the Briggs Building commercial building and parking structure.
4. The Grassy lot on the 400 Block has evolved as a gathering place for the community for the seasonal Farmer's market, non-profit events, movies under the stars.

### **5.C.2. 400 Block Grassy Lot Objective**

- A. Use a disposition and development agreement or development agreement as a tool to assure that disposition of the 400 Block property facilitates development of the site as a keystone property in Downtown Hollister.

### **5.C.3. Recommendations for Disposition of the 400 Block Property**

1. Direct the Successor Agency to authorize the City Manager to execute grant deeds to complete the 1995 Lot-line adjustment illustrated in Attachment 1.
2. Direct the Successor agency to authorize the City Manager and Successor Agency to record the lot line adjustment and grant deeds shown in Figure 3 to do the following"
  - a. Transfer the portion of the Fifth Street parking lot shown as Parcel 1 on

Figure 3 to the City of Hollister

- b. Merge the Successor Agency lots south of Briggs Alley that are not used for governmental purposes shown as Parcel 2 on Figure 3.
3. Direct the Successor Agency to negotiate a purchase agreement with the City of Hollister for a first option to purchase the 400 Block property within an 18 month period beginning with the date of the acceptance of the Long Range Property Management Plan by the Oversight Board and Department of Finance. The intent of the agreement is to allow the City of Hollister to continue use of the grassy lot for non-profit activities open to the public until an agreement can be negotiated for a keystone commercial or mixed use development on the 400 Block.
4. If recommendation 3 fails, the Successor Agency shall proceed with issuance of a request for qualifications to enter into a development agreement for a 30,000 to 40,000 square foot mixed use building or all commercial building that is designed to conform to the Section 7 Design Guidelines in the 2008 Hollister Downtown Strategy Plan.

054-11-0-035-0  
036-0

ATTACHMENT A

CITY OF HOLLISTER

9503336

RECORDING REQUESTED BY:  
City of Hollister

AND WHEN RECORDED MAIL TO:  
City of Hollister  
Engineering Department  
375 Fifth Street  
Hollister, CA 95023

Recorded at the Request of

CITY OF HOLLISTER

APR 20 1995

SAN BENITO COUNTY RECORDER

9:30 AM FEE: \$

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LOTLINE ADJUSTMENT  
APPROVAL CERTIFICATE NO. 95-7

WHEREAS, the City Engineer of the City of Hollister did review a request for approval of lot line map showing a change of property boundaries, said map being attached and referred to as Exhibit "A" and a part of this Certificate; and

WHEREAS, the City Engineer does find said lot line adjustment to be in conformance with the Zoning Ordinance of the City of Hollister; further, evidence presented does not indicate a conflict with any known legislation-pertinent to said lot line adjustments; and

WHEREAS, the lot line adjustment is described by the attached legal descriptions labeled Exhibit "B" and made a part of the Certificate; and

WHEREAS, approval for the lot line adjustment was granted by City Engineer of the City of Hollister as evidenced by the lot line adjustment application attached and referred to as Exhibit "C" and made a part of this Certificate; and

WHEREAS, this certificate shall become valid only after being recorded with the Clerk of San Benito County;

	YES	NO
LCA		
B.I.		
P.P.		
ET AL		
HQ.DPD		
RE-VALUE		
PCOR		
DRAFT	TRANS	INPUT

Handwritten initials 'JC' in the DRAFT cell of the table.

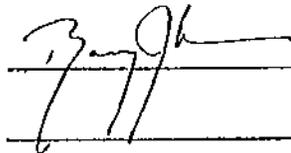
ATTACHMENT A

9503336

NOTICE IS HEREBY GIVEN that pursuant to Government Code Section 66412(d), and upon application of the undersigned owner(s) of record, the following lot line is hereby approved by the City of Hollister by its City Engineer.

We, as owners of record, hereby acknowledge our consent to the above described lot line adjustment.

OWNER:

 RDM Manager Date 4/12/95

Date \_\_\_\_\_

Date \_\_\_\_\_

\*Signature of Owner(s) need to be notarized.

Approved by the City of Hollister

 Date 4/17/95

City Engineer

ATTACHMENT A

9503336

NO 8907

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

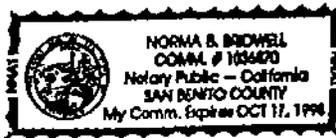
State of CALIFORNIA

County of SAN BENITO

On APRIL 12, 1995 before me, NORMA B. BRIDWELL, NOTARY PUBLIC  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared BARRY JOHNSON  
NAME(S) OF SIGNER(S)

personally known to me - OR -  proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.



WITNESS my hand and official seal.

*Norma B. Bridwell*  
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER
- TITLE(S)
- PARTNER(S)  LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

DESCRIPTION OF ATTACHED DOCUMENT

APPROVAL CERTIFICATE NO. 95-7  
TITLE OR TYPE OF DOCUMENT

(2) TWO  
NUMBER OF PAGES

APRIL 12, 1995  
DATE OF DOCUMENT

SIGNER IS REPRESENTING:  
(NAME OF PERSON(S) OR ENTITY(ES))  
CITY OF ROLLISTEK/REDEVELOPMENT AGENCY

NONE  
SIGNER(S) OTHER THAN NAMED ABOVE

SAN BENITO STREET

PROPOSED

FOURTH STREET

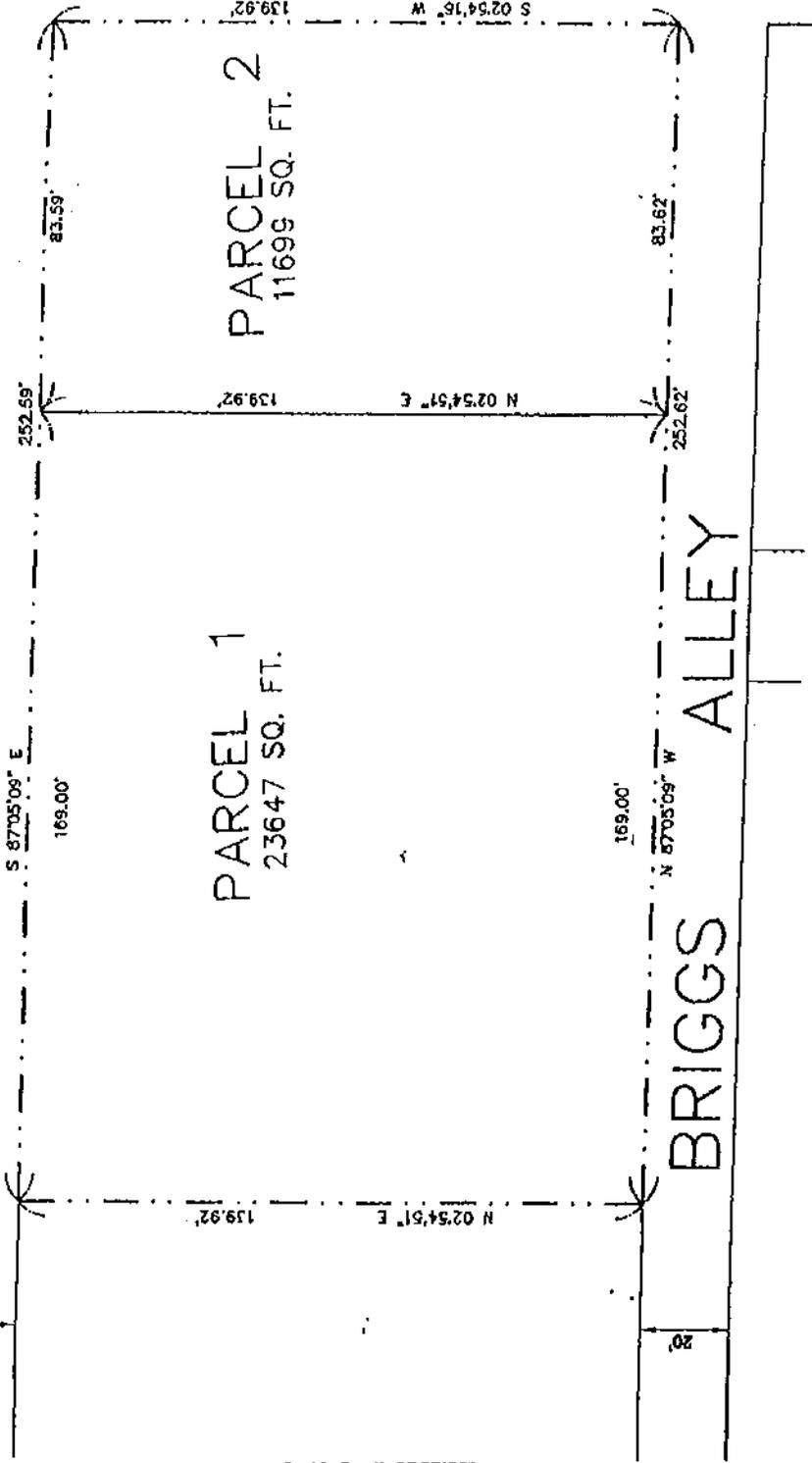
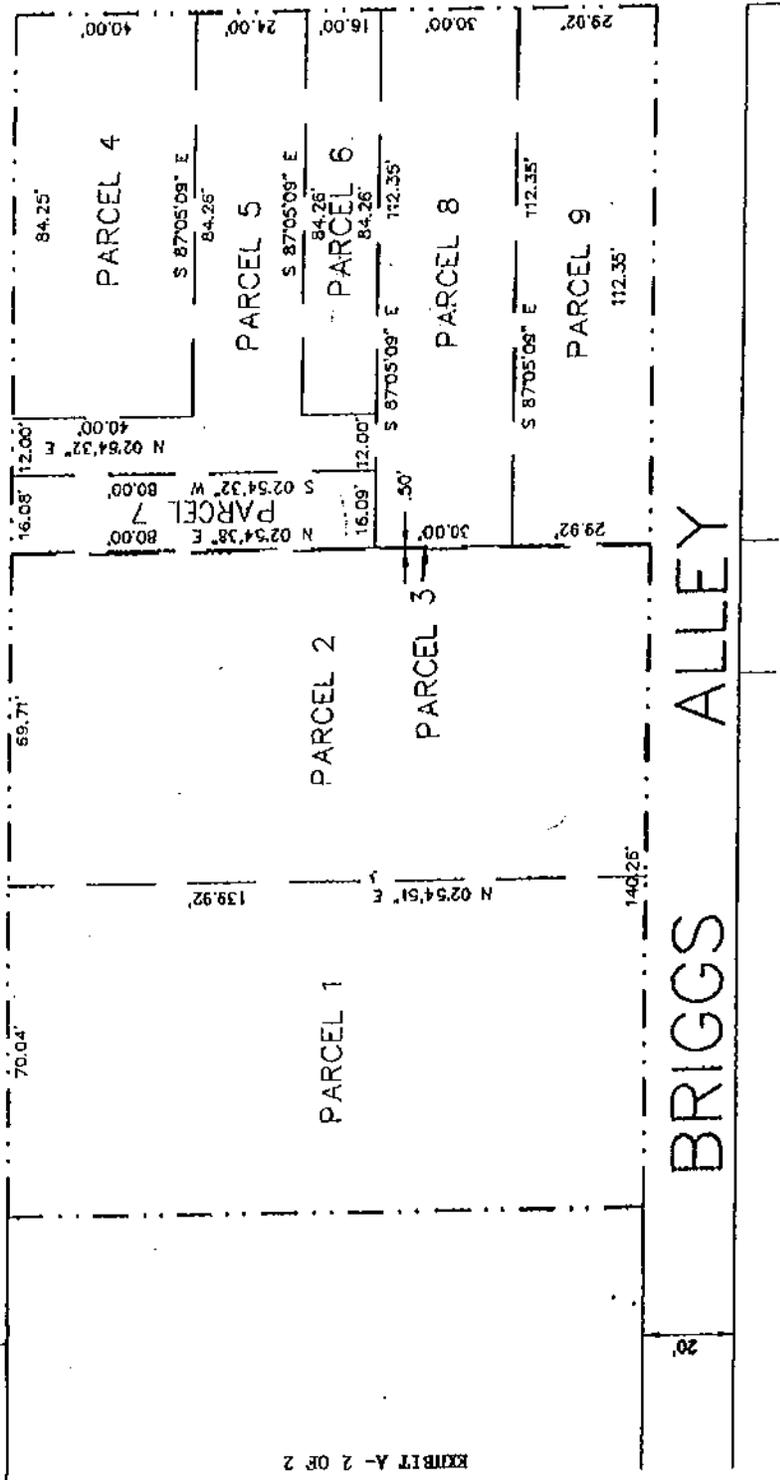


EXHIBIT A-1 OF 2

EXISTING

SAN BENITO STREET

FOURTH STREET



BRIGGS ALLEY

EXHIBIT A - 2 OF 2

# ATTACHMENT A

9503336

EXHIBIT B- 1 OF 2

## PARCEL 1

BEING A PORTION of Lots 3, 4, 5, 6, 7, 8, and 9 in Block 14 according to the map thereof filed March 23, 1870 in Volume 1 of Maps, at page 54, San Benito County Records, being bounded by a line more particularly described as follows:

BEGINNING at the northwest corner of that certain 9801 square foot parcel as found on the Record of Survey for Redevelopment Agency dated April 13, 1994 and recorded in Book 11 of Maps, at page 72, San Benito County Records and running thence along the north line of said 9801 square foot parcel and it's easterly prolongation South 87° 05' 09" East 169.00 feet, thence southerly and parallel with the west line of said parcel South 2° 54' 51" West 139.92 feet to the north line of Briggs Alley as shown on the Record of Survey; thence along said north line North 87° 05' 09" West 169.00 feet to the southwest corner of the said 9801 square foot parcel, thence along west line North 2° 54' 51" East 139.92 feet to the point of beginning.

1994 APR 13  
RECORDED  
INDEXED  
ENGINEER

# ATTACHMENT A

9503336

EXHIBIT B- 2 OF 2

## PARCEL 2

BEING A PORTION of Lots 1, 2 and 3 in Block 14 according to the map thereof filed March 23, 1870 in Volume 1 of Maps, at page 54, San Benito County Records, being bounded by a line more particularly described as follows:

BEGINNING at the northwest corner of that certain 9801 square foot parcel as found on the Record of Survey for Redevelopment Agency dated April 13, 1994 and recorded in Book 11 of Maps, at page 72, San Benito County Records and running thence along the north line of said 9801 square foot parcel and it's easterly prolongation South 87° 05' 09" East 169.00 feet to the TRUE POINT OF BEGINNING thence continuing along said prolongation South 87° 05' 09" East 83.59 feet to the northeast corner of the above said Lot 1; thence along the east line of Lot 1 South 2° 54' 16" West 139.92 feet to the southeast corner of Lot 1, thence along the south line of Lots 1, 2 and 3 North 87° 05' 09" West 83.62 feet to a point that bears South 87° 05' 09" East 169.00 feet from the southwest corner of the above said 9801 square foot parcel, thence North 2° 54' 51" East 139.92 feet to the TRUE POINT OF BEGINNING.

ATTACHMENT A

9503336

CITY OF HOLLISTER EXHIBIT C- 1 OF 2

ENGINEERING DEPARTMENT

375 Fifth Street, Hollister, California

III. APPLICATION FOR LOT LINE ADJUSTMENT

IMPORTANT! PLEASE READ AND FOLLOW THIS APPLICATION CAREFULLY!

1. Applicant(s): REDEVELOPMENT AGENCY OF THE  
CITY OF HOLLISTER  
Address: 375 FIFTH ST.  
HOLLISTER CA. 95023  
Phone: (408) 636-4316
2. Applicant's interest in property: TO BUILD PARKING LOT  
STRUCTURES
3. Name and Address of Property Owner(s): REDEVELOPMENT AGENCY  
OF THE CITY OF HOLLISTER + CITY OF HOLLISTER  
Phone: \_\_\_\_\_
4. Name and Address of Engineer: SAN BENITO ENGINEERING &  
SURVEYING INC. 502 MONTEREY ST. HOLLISTER  
Phone: (408) 637-2763
5. Property Location:  
Street Number: SW CORNER OF SAN BENITO ST. & FOURTH ST.  
Assessor's Parcel Number(s): 54-11-3, 5, 6, 7, 31, 32
6. This Property is presently zoned: C-2-S
7. General Plan Land Use Map Designation: GENERAL COMMERCIAL
8. Total number of parcels before and after lot line adjustment:  
Before: 69 After: 2
9. Existing or previous use of property: RETAIL

ATTACHMENT A

9503336

EXHIBIT C- 2 OF 2

10. Proposed Use of Property: PARKING LOT STRUCTURE

11. Date: March 23, 1995 [Signature] RDA  
Signature of Applicant

I (We) hereby certify under penalty of perjury that I (We) am/are the owner(s) of property involved in this application, that I (We) join in said application, and that the statements and information contained herein are in all respects true and correct.

[Signature] RDA  
Signature of Owner

Date Received: \_\_\_\_\_

Fee Received: 0 Received By: \_\_\_\_\_

APPROVALS

City Engineer: [Signature] Date: 4/17/95

Approval Certificate Number: 75-7 Date: 4/17/95

**RESOLUTION NO. 95-54 R**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF  
HOLLISTER TRANSFERRING AGENCY OWNED PARCELS  
TO THE CITY**

**WHEREAS**, the Agency Board has proceeded with actions related to the 1000 Block/Parking Structure Project; and

**WHEREAS**, the Project has been proceeded within the intent and necessity in a major revitalization effort; and

**WHEREAS**, the Federal Economic Development Administration has provided assistance and encouragement of this project; and

**WHEREAS**, the two parcels supporting the parking structure are owned by the City and the Redevelopment agency; and

**WHEREAS**, the EDA requires single ownership of parcels for EDA assistance;

**LET IT NOW THEREFORE BE RESOLVED**, that the Agency Board authorize the City Manager to execute Grant Deed transferring the Agency owned parcel to the City.

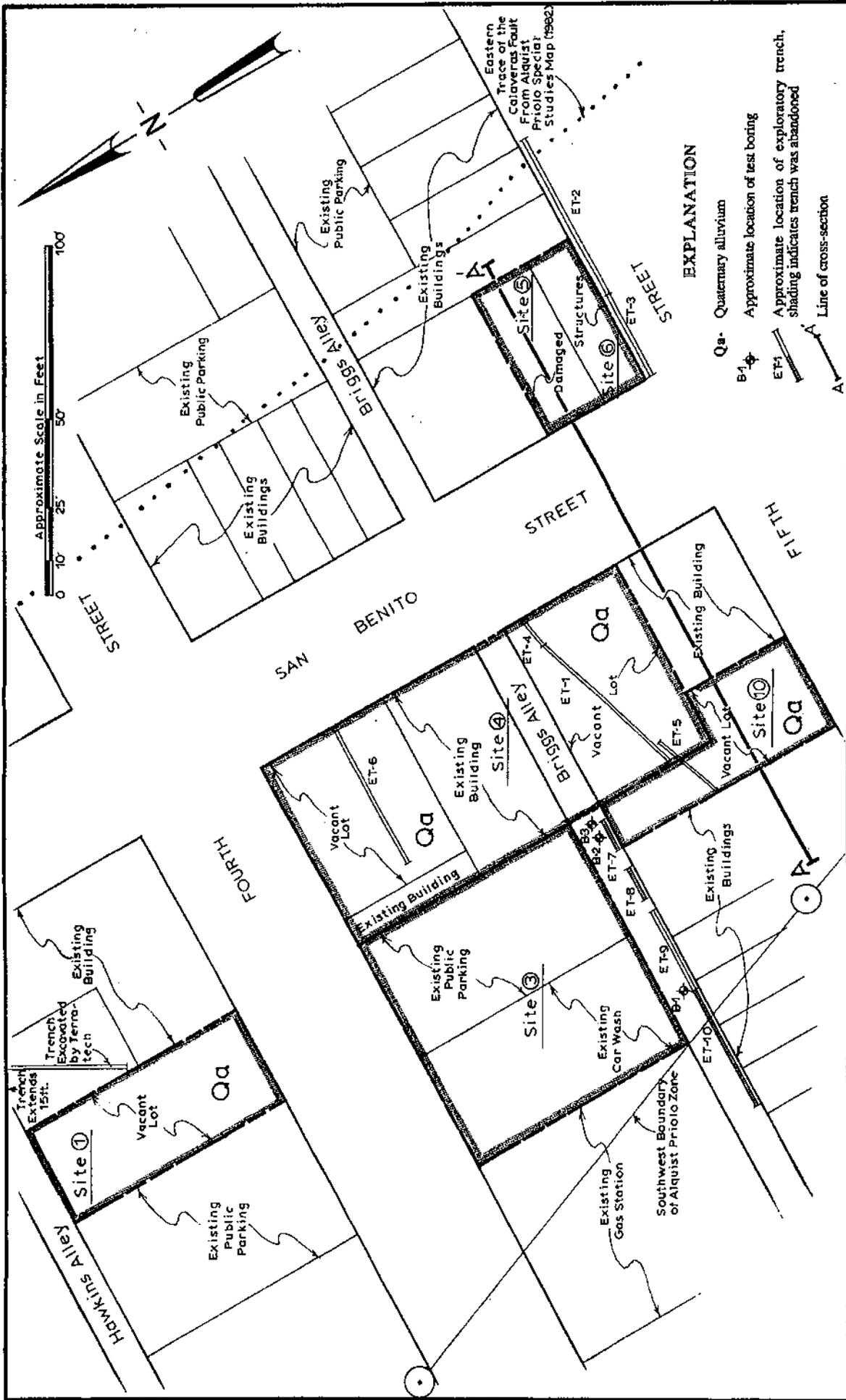
**PASSED AND ADOPTED** this 21st day of August, 1995, by the following vote:

**AYES:** Agency Members Irish, Felice, Guzman, and

**NOES:** None.

**ABSENT:** Agency Member Boomer.

**ABSTAINING:** None.



EXPLANATION

- Qa- Quaternary alluvium
- B1- Approximate location of test boring
- ET-1- Approximate location of exploratory trench, shading indicates trench was abandoned
- A-A- Line of cross-section

Figure 2 - Site Plan and Geology Map