

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



4.B.1 400 BLOCK PROPERTY DATA

Addresses (See Figure 8)	400, 410, 414, 420, 422, 426, 434 and 438 San Benito Street
Assessor Parcel Numbers/Size (See Table 1 and Figure 8)	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.

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

The 400 Block properties are commonly referred to as the “Grassy Lot”. These properties include part of the one-way realigned Briggs Alley described in Chapter 2 of this report, two other City of Hollister properties and Successor Agency properties. Table 1 lists the size of each assessor parcel in the 400 Block “Grassy Lot” area along with the amount of land that is recommended to be transferred to the City of Hollister for continued use as a roadway.

Table 1 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.

TABLE 1

Successor Agency Properties on 400 Block Grassy Lot			
Assessor Parcel /Recorder's Number and date	Address	Size	Land Use
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 alley
054-011-030 Grant Deed #9506713 8/29/1995	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 alley
054-011-036 #9401450 2/1994	400, 410, 414, 420, 422, 426 San Benito Street	11,700 SQ. FT. (1)	Grassy lot/seasonal farmer's market, non-profit staging area
City of Hollister Properties on 400 Block Grassy Lot			
Assessor Parcel	Address	Size	Land Use
None	Briggs Alley	About 2,804 SQ. FT. (2)	Grassy lot/seasonal farmer's market, non-profit staging area
Portion of APN 054-011-036 Grant Deed 9109240 10/15/1991		2,016 SQ. FT.	Former New China Café – Grassy lot/seasonal farmer's market, non-profit staging area

Notes:

1. A 2,016 square foot portion of this area is owned by the City of Hollister
2. 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)**

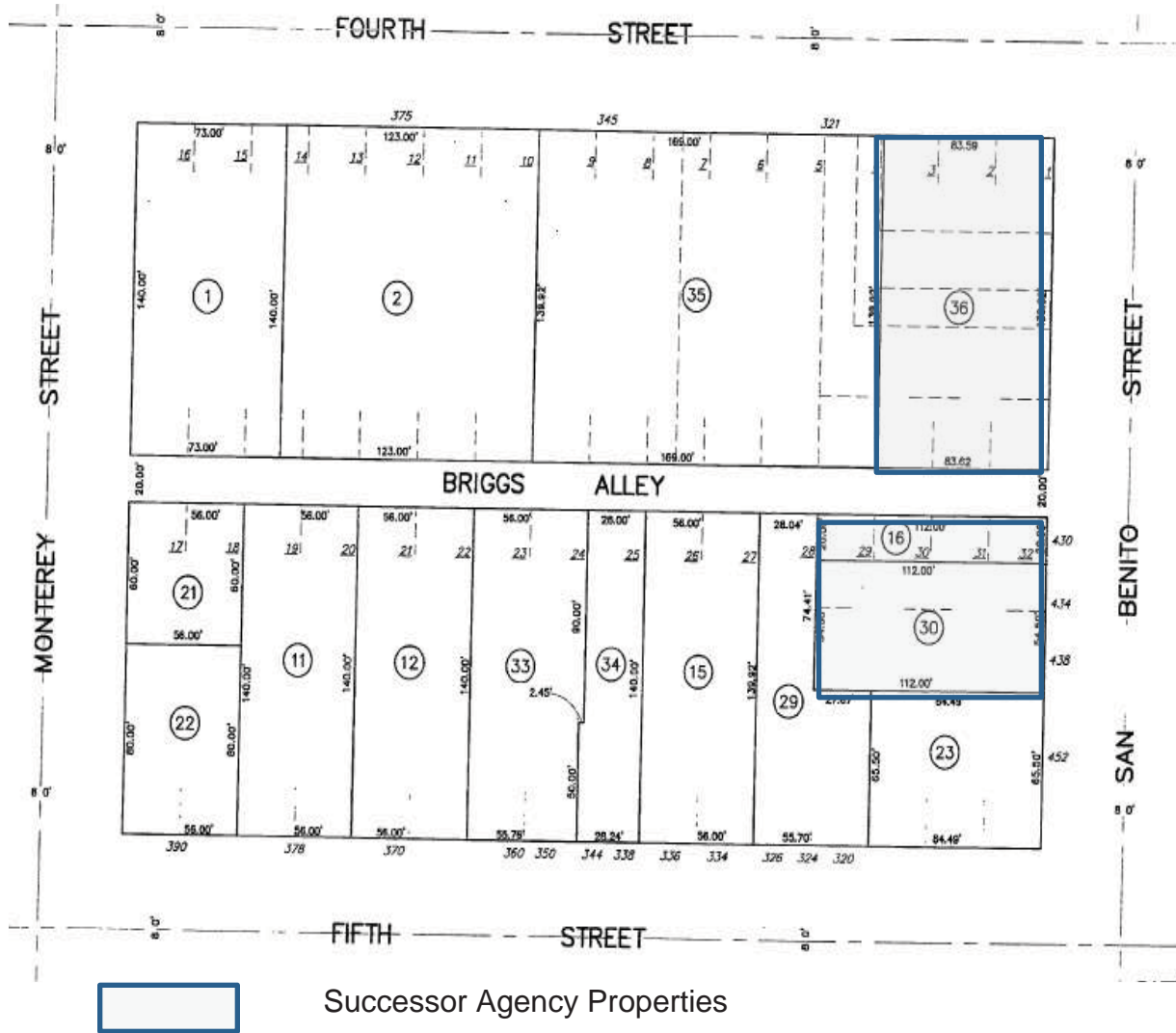


Table 2 Successor Agency Acquisitions on the 400 Block

Successor Agency Properties on 400 Block Grassy Lot			
Assessor Parcel Number	Date of Acquisition/Recorder's Number	Value of property at the time of acquisition	Purchase Price
054-011-016 054-011-030	August 14, 1995 : #9506713	\$63,000 (1) \$159,000(1)	\$222,000 for both vacant parcels
054-011-036 (Current) 054-011-005 (Retired) 054-011-007 (Retired) 054-011-032 (Retired)	February 2, 1994 Grant Deed #9401450	\$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 had 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 2,016 square foot APN 054-011 that was purchased by the City of Hollister from the owners of the former 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 and to facilitate the construction of the Briggs Building parking structure. 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.

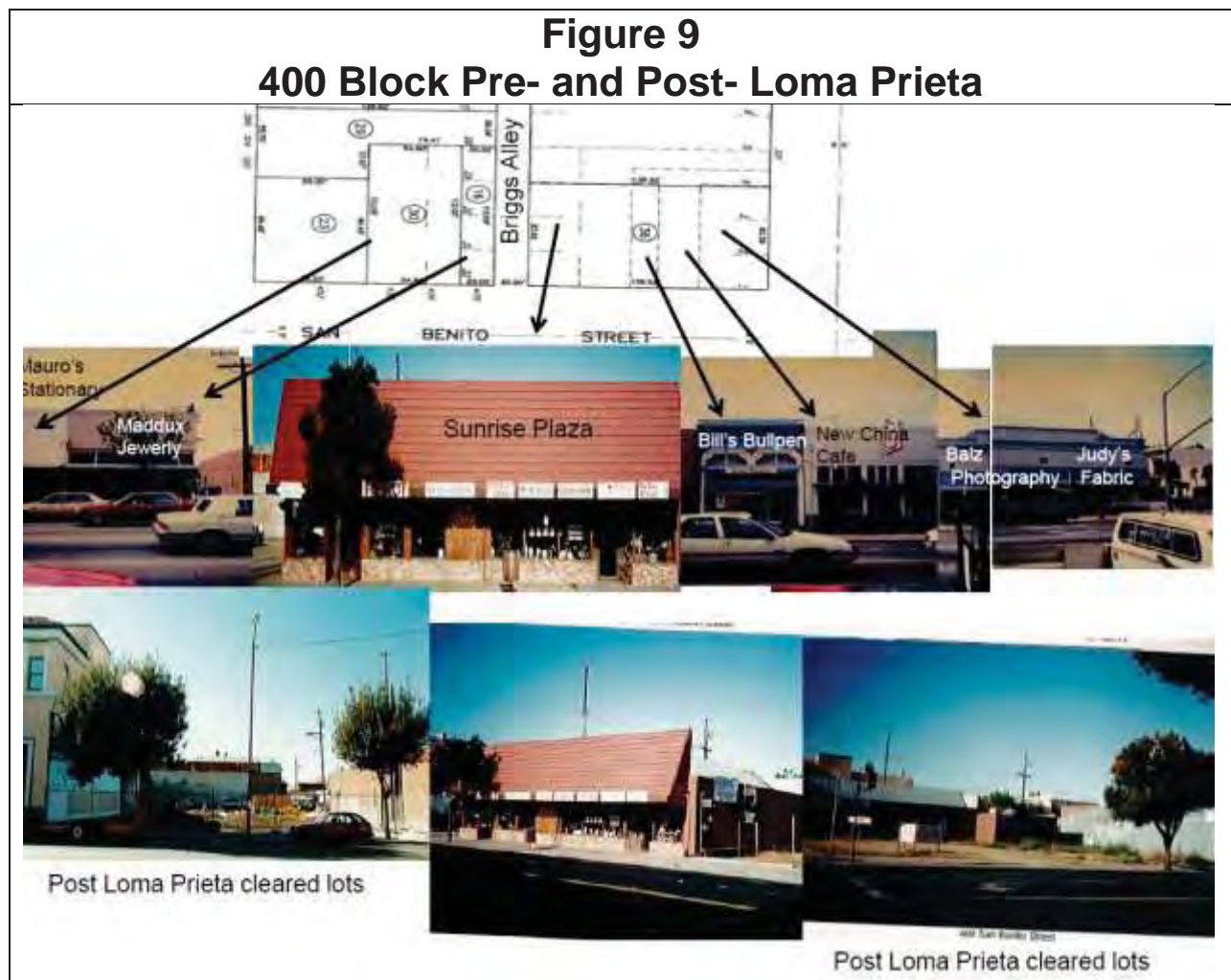


Table 3
400 Block businesses that were relocated or closed as due to structural damage from the Loma Prieta Earthquake

Assessor Parcel Number	Business Name	Address
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
None	Briggs's Alley	Realigned
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. The purchase dates and prices are listed in Table 2. The Agency approved Resolution 94-05R on February 7, 1994 authorizing the purchase of the properties north of the now covered Briggs Alley "for the acquisition of real property in the 400 block on Fourth Street for the construction of a parking structure on Fourth Street and a commercial

building known as the 400 Block Project”. The retired assessor parcels APNs 054-011-005, 007 and 032 are shown on Figure 1 in Chapter 2 of this report. The Agency approved Resolution 95-40R on August 7, 1995 to authorize legal actions to acquire the 400 block property south of the now covered Briggs Alley through eminent domain. This property is also shown on Figure 1 as APNs 054-011-016 and 030. Resolutions 94-05R and 95-50R are included in Appendix A.

Briggs Commercial Building and Parking Structure: 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 1994/1995. The “proposed concept” and site plan in the Engineer and Architect Report submitted with the City of Hollister Economic Development Administration Grant application and the EDA Project # 07-01-03325 construction documents on file with the City of Hollister Building Department show a 29-foot wide pedestrian plaza on the east side of the parking structure that encroaches into retired Assessor Parcel Number 054-011-006 and 032, and close to one foot of the western edge of RDA Assessor Parcel Numbers 054-011-005 and 007.

The Economic Development Administration Grant used to help fund the construction of the Briggs Building required single ownership of the building for the grant lien by the City of Hollister. A grant deed (recorder’s number 9507181) was recorded on August 29, 1995 to merge former car wash acquired by the former RDA with a city owned parking lot (retired APNs 054-011-003 and 031) and transfer the ownership to the City of Hollister. A lot line adjustment was also approved in April of 1995 to transfer ownership of the nearly 29 by 140 foot pedestrian plaza from the former Agency to the City of Hollister. A copy of the recorded lot line adjustment is provided in Appendix B. The lot line adjustment map shows that the majority of 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 the lot line adjustment to merge the parcels acquired pursuant to Resolution 94-05R for the construction of a commercial building on the 400 block and the pedestrian plaza shown constructed with the parking structure as part of EDA Project #07-01-03325.

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 Appendix B.

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 C. 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 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

Table 4
History of Exclusive Negotiating Agreements for 400 Block

Date	Resolution Number	Action	Use
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	Hotel
	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	Performing Arts Center
8/6/2001	2001-R Extension of time to period to negotiate		
9/17/2001	2001-76	Policy for use of 400 Block by non-profits	
	2004-26R	Authorize ENA with Todd Dubois.	Hotel
October 2002-December 2008	Not applicable	State imposed sewer moratorium prohibiting issuance of building permits	
March 15, 2010	2010-24	Policy for use of 400 Block by non-profit organizations.	

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 1998 the RDA entered into an agreement with Lexmar Development Company for a hotel . An agreement was approved in 2000 with the Center for the Arts of San Benito County to construct a performing arts center.

New construction was halted in late 2002 in the City of Hollister due to a state imposed sewer moratorium. The RDA entered into a third agreement for a hotel in 2004, but lifting of the sewer moratorium took longer than anticipated. 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. The City of Hollister was a foreclosure hot spot during the foreclosure crisis in 2008-2010 and all commercial development in Hollister came to a halt.

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 prohibited by the legislation to eliminate redevelopment agencies. An uncirculated draft implementation 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 which was incorporated by reference into the Redevelopment Plan.

Table 5
History of Implementation Projects for the 400 Block

Implementation Plan Period	Project Description
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 40,000 square feet of commercial space . 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 40,000 square feet of commercial space . 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 30,000 square feet of mixed-use space . 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 at one of the busiest intersections in the City. 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.

There are four vacant lots for sale within five hundred feet of the 400 block property. The lots have been for sale since before the 2008 recession.

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 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 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 and would also not maximize the value to the taxing agencies 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.
2. 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.
3. Development of multi-family residential land uses on the Leatherback property may be incompatible with the existing legal and legal non-conforming industrial land uses to the east.
4. There is a desire in Hollister to replace and upgrade some governmental services and facilities and to upgrade or establish community facilities that are unavailable.

These issues were articulated and summarized through a visioning process with the Community Foundation of San Benito County. Examples of possible governmental uses include an education center to provide expanded community college services in Hollister, an expanded library facility, performing arts center, and community pool. The Leatherback property is located within walking distance of several senior housing complexes, three affordable housing projects and a disadvantaged census tract block groups to the north and west (Tract 4 Block groups 1 and 2). The Leatherback property is centrally located within the community however it is also in close proximity to Highway 25 to provide regional access for residents in unincorporated areas of San Benito County. Expanded educational, library, performing arts and recreation facilities are recognized as a component of economic development in the City of Hollister.

5. The YMCA has expressed interest in a partnership development on the Leatherback property since 2009. The disposition of the Leatherback property presents an opportunity to fill a gap in the retail services available in the City of Hollister, increase property values, reduce vehicle miles traveled and increase revenues to taxing entities. The City of Hollister is the population center and county seat of San Benito County¹ but is challenged with sales tax leakage and by the fact that nearly 50% of the workforce in the county 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 longer available in the area. Again, the size of the Leatherback property provides an opportunity to fill a gap in retail services available in the City of Hollister and surrounding unincorporated areas, increase property values with an anchor tenant and the surrounding area.
6. There are several other larger infill commercial development areas along the newly completed bypass to Highway 25 that may be more optimal for big box retail than the Leatherback property. These properties were unincorporated islands that were annexed to the City of Hollister in 2013. The 32.27 acre Guerra annexation is between 590 and 2000 feet northeast of the Leatherback Property with frontage on Highway 25 and two major east-west collectors in Hollister – Hillcrest Road and Meridian Street. The 16.64 acre Gibson annexation is located about 200 feet south of the Leatherback property. The east boundary of the annexation fronts the Highway 25 bypass and is bisected by East Park Street. A Complete Streets Plan is being prepared for McCray Street between Hillcrest Road/South Street and Tres Pinos Road with funds from an Environmental Justice Transportation Planning Grant. The connectivity of the Leatherback property to the nearby Downtown

¹ The second incorporated area in San Benito County is the City of San Juan Bautista which has a population of 1,855 people.

commercial mixed use district, the McCray Street commercial uses to the north and the Tres Pinos Corridor to the south has been identified as a priority at stakeholder meetings for the planning process. The type of development at Leatherback will be strategic for economic development.

5.B.2. Alternatives

1. Multi-family development
2. Mixed Use Development
3. Commercial center
4. Lease for Government Use on all or a portion of the property

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 increases the property value and facilitates economic development by providing commercial services that are either unavailable in Hollister or expands commercial services to meet the demand in the community.
- B. Use a development disposition agreement as a tool to avoid land banking and stagnation of property tax values.

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

1. Successor Agency to authorize the City of Hollister to negotiate a lease agreement for governmental use of all or a portion of the Leatherback property for transfer for governmental use for activities such as an education center, community library, community pool, performing arts center for a 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 negotiate lease agreements for needed governmental services at a central walkable location in Hollister that could serve disadvantaged communities.
2. Successor Agency to solicit a request for qualifications to enter into a Development Agreement for a commercial development on any portion of the Leatherback property that is not included in a lease agreement for governmental use that complies with the objectives for the Leatherback Property in this Long Range

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, the City of Hollister and the Hollister Downtown Association recognize the 400 Block as a strategic property for economic development in Downtown Hollister.
3. Non-contiguous small portions of the 400 Block Property are owned by the City of Hollister.
4. There have been collective efforts of the Redevelopment Agency over that past 22 years to support economic development on the 400 Block and other parts of downtown. Those efforts included implementing the following measures in the 1991 Downtown Strategic Plan.
 - a. façade improvement assistance to over 25 buildings.
 - b. funding of seven surface fault hazard investigations to facilitate reconstruction of buildings demolished as a result of the Loma Prieta Earthquake or destroyed by unrelated fires.
 - c. preparation of a streetscape beautification plan.
 - d. funding the installation of streetscape the beautification plan (new sidewalk pavers, coordinated street tree plantings, sidewalk furniture, street lights and street lighting.
 - e. acquisition of properties on the 400 block to assemble land for a larger catalyst development.
 - f. assistance to the Hollister Downtown Association.
 - g. assistance with the construction of the bypass to Highway 25 through downtown Hollister.
 - h. rehabilitation of signature buildings such as the Veteran’s Memorial Building.
 - i. assistance with the construction of the Briggs Building commercial building and parking structure.

The Agency also provided funding for a \$300,000 surface fault hazard investigation on the former Fremont School site to support efforts to keep a new courthouse facility downtown instead of relocating to the industrial area of Hollister. The Alquist Priolo Earthquake Fault Hazard Act did not require a surface fault hazard investigation on the Fremont School site because the property was outside of mapped fault hazard zones. However, the State courts would not consider the Fremont School site because it was located between the mapped fault hazard zones for the East and main branch of the Calaveras Fault. The fault study cleared the way for a downtown courthouse that is presently under construction a block west of the 400 Block in downtown Hollister.

Hasty disposition of the 400 Block without a strategic project could waste an opportunity to develop the 400 block grassy lot for its intended purpose as a catalyst property for economic development in the downtown area and the resulting realization of increased property values on the grassy lot and downtown area.

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 to support economic development.

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

1. Direct the Successor Agency to authorize the Executive Director to execute grant deeds to complete the 1995 Lot-line adjustment illustrated in Attachment 1.
2. Direct the Successor Agency to authorize the Executive Director 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 Briggs Alley realignment 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 an 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 the 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. Prior to the transfer of the property to the City of Hollister, it would be necessary for the City of Hollister to enter into a compensation agreement. Health and Safety Code section 34180 (f) (a) states, "If a city, county or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their share as of the base property tax as determined pursuant to Section 34188, for the value of the property retained.
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. The proceeds from the sale of the properties will be distributed to taxing entities pursuant to Health and Safety Code Sections 34181(a) or used to pay enforceable obligations.