

ITEM 2

**OVERSIGHT BOARD FOR CITY OF SAN DIEGO
REDEVELOPMENT SUCCESSOR AGENCY**

DATE ISSUED: August 12, 2016

SUBJECT: Adoption of a Resolution approving certain independent appraisal firms to provide real property appraisal services for the purpose of establishing valuations as may become necessary for implementation of the approved Amended and Restated Long Range Property Management Plan

CONTACT/PHONE NUMBER: Jeff Zinner, Senior Project Manager, Civic San Diego
619-533-7122

STAFF RECOMMENDATION: That the Oversight Board adopts a resolution:

- Approving certain independent appraisal firms to provide real property appraisal services for the purpose of establishing valuations as may become necessary for implementation of the approved Amended and Restated Long-Range Property Management Plan.

DESCRIPTIVE SUMMARY OF ITEM: The Successor Agency must dispose of the real property assets of the former Redevelopment Agency in accordance with its approved Amended and Restated Long-Range Property Management Plan (ARPMP). In order to retain those properties categorized as Retention of the Property for Future Development sites for the purpose of implementing redevelopment objectives as required by the ARPMP and the dissolution legislation, Compensation Agreements must be negotiated with the Affected Taxing Entities (ATEs).

California Health and Safety Code (HSC) Section 34180(f)(2) states “if no other agreement is reached on the valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by an independent appraiser approved by the oversight board.”

As negotiations with the ATEs are underway, the Successor Agency seeks to pro-actively satisfy the Section 34180(f)(2) provision that the Oversight Board must approve an independent appraiser so as not to delay implementation of the ARPMP should such services be needed.

BACKGROUND: Pursuant to Assembly Bill 26 (“AB 26”) and Assembly Bill 1484 (“AB 1484”), the Redevelopment Agency of the City of San Diego, a former public body, corporate and politic (“Former RDA”) dissolved on February 1, 2012, at which time the Successor Agency assumed all of the Former RDA’s assets, rights, and obligations under the California Community Redevelopment Law. In addition, Civic San Diego (“CivicSD”) has succeeded the former

Centre City Development Corporation (CCDC) and the former Southeastern Economic Development Corporation (SEDC) as the Successor Agency's representative for, among other duties, many aspects of the winding down of redevelopment activities in the City of San Diego.

AB 1484 suspended the urgency provisions contained in the Dissolution Act for the disposition of the Former RDA's properties and provided more flexibility and consideration of local benefits. It required that successor agencies submit a long range property management plan addressing the disposition and use of the non-housing real properties of the Former RDA for approval by the Oversight Board and the State of California Department of Finance (DOF).

On October 15, 2015, the DOF provided final approval of the Successor Agency's ARPMP satisfying the statutory requirement that it have in place an approved long range property management plan prior to December 31, 2015. AB 1484, specifically HSC Section 34191.5, required that the use or disposition of all of the subject properties be addressed within the context of four permissible use categories, including:

1. Sale of Property;
2. Retention of the Property for Future Development;
3. Retention of the Property for Governmental Use; and,
4. Use of the Property to Fulfill an Enforceable Obligation.

Properties in the Governmental Use and Future Development categories have been, or are in the final stages of being, transferred to the City of San Diego; properties in the Fulfill Enforceable Obligation category will be disposed of in accordance with their respective enforceable obligations, and properties in the Sale of Property category are being retained by the Successor Agency and are being marketed for sale.

The ARPMP includes 22 sites in the Retention of the Property for Future Development ("Future Development") category (Exhibit A). As contemplated in the ARPMP, the ultimate disposition of the Future Development properties is subject to a compensation agreement currently being negotiated by and among the Successor Agency and the ATEs, and the fair market valuation may be a subject of negotiations.

DISCUSSION: As time is of the essence, the Successor Agency seeks Oversight Board approval of certain qualified, independent appraisal firms to provide, when needed, requisite real estate appraisal services. Based on the number of Future Development sites for which appraisal services may become necessary and the unknown availability of any particular firm at a specific time, staff is recommending approval of three qualified firms to ensure that a qualified appraiser will be available in a timely manner.

The recommended firms are as follows:

- Robert P. Caringella, Jones, Roach & Caringella, Inc.
- Gary Rasmuson, Rasmuson Appraisal
- William Anderson, Anderson and Brabant, Inc.

As the statutes do not provide specific criteria for the Oversight Board to evaluate individual appraisal firms, staff is recommending approval of the above listed firms based upon the following:

- The City of San Diego's Real Estate Assets Department (READ) establishes and maintains a shortlist of pre-qualified firms to provide real estate appraisal services to the City. In order to be placed on this list, READ has vetted each firm and determined that each of the above firms possesses the qualifications necessary to provide the required services. The City and Agency have similar real estate appraisal needs to warrant reliance on the City's vetting process.
- Each of the recommended firms has extensive public sector experience, with each having real estate appraisal services to one or more of the ATEs.
- Each of the recommended firms has received MAI designation from the Appraisal Institute.
- Each of the recommended firms is generally recognized within the local real estate community.
- A Summary of Qualifications for each firm is attached as Exhibit B.

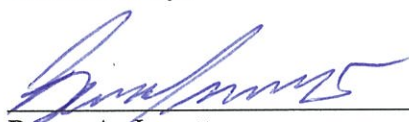
CONCLUSION: Based on the foregoing, the Successor Agency respectfully requests that the Oversight Board approves the recommended action, as further described in the accompanying Resolution.

Respectfully submitted,



Jeff Zimmer
Senior Project Manager
Civic San Diego

Concurred by:



Reese A. Jarrett
President
Civic San Diego

Exhibits: A – List of Future Development Sites
B – Summary of Appraiser Qualifications

Exhibit A

List of Future Development Sites as included in Amended and Restated Long Range Property Management Plan

| | | |
|-------|--|--------------------|
| FD-1 | 6901 Linda Vista Road | Future Development |
| FD-2 | 6907-21 Linda Vista Road | Future Development |
| FD-3 | 917 Cesar E. Chavez Parkway | Future Development |
| FD-4 | Cedar Gateway Historic Chapel | Future Development |
| FD-5 | El Cajon Boulevard/I-15 Site | Future Development |
| FD-6 | Former Valencia Park Library Site | Future Development |
| FD-7 | Gateway Center West Industrial (SR 94, Pickwick Ave. & 33rd St.) | Future Development |
| FD-8 | Gateway Center West Industrial (SR 94, 35th Street & E Street) | Future Development |
| FD-9 | Market Street Site - North Side | Future Development |
| FD-10 | Market Street Site - South Side | Future Development |
| FD-11 | North Park Gateway (Woolworth Building) | Future Development |
| FD-12 | Sally Wong Property | Future Development |
| FD-13 | 6th & K Parkade | Future Development |
| FD-14 | Balboa Theatre | Future Development |
| FD-15 | Chinese Historical Museum Site | Future Development |
| FD-16 | Naval Training Center/Liberty Station | Future Development |
| FD-17 | North Park Garage | Future Development |
| FD-18 | Park-It-On-Market | Future Development |
| FD-19 | Petrarca Site | Future Development |
| FD-20 | Tailgate Park | Future Development |
| FD-21 | Valencia Business Park Site | Future Development |
| FD-22 | Walker Scott ("On Broadway" Project) | Future Development |

EXHIBIT B

SUMMARY OF APPRAISER QUALIFICATIONS



[PRINT](#)

MEMBER PROFILE

Robert P. Caringella, MAI, SRA, AI-GRS

www.jrcvaluation.com

Jones, Roach & Caringella, Inc.

Principal

2221 Camino del Rio South, Ste. 202

San Diego, CA 92108

(858) 565-2400

Fax: (858) 565-4916

rob@jrcvaluation.com

Continuing Education Program Completed

Standards & Ethics Education Completed

Accepts Fee Assignments

Primary Market Area

San Diego County and Incorporated Cities

Secondary Market Area

California

Primary Practice Focus

Lending, Litigation, Estates, Eminent Domain, Environmentally Sensitive Properties, Complex Assignments

Business Services

Appraisal • Appraisal Review • Conservation Valuation and Consulting • Consulting • Development Valuation and Consultation • Easement Analysis • Eminent Domain Valuation and Consulting • Encroachment Analysis • Environmental Valuation and Consulting • Highest and Best Use Studies • Land Use Studies and Planning • Litigation / Litigation Support • Mortgage Lending Consulting • Pension Fund Valuation and Consulting • Real Estate Tax Valuation and Consulting • Retrospective Valuation • Valuation and Consultation for Financial Reporting • Wetland Valuation and Mitigation Consulting

Property Types

Residential

Condo, Multi-Family Project (Townhouse, Condo, Etc) • High End Residential • Historical • Manufactured Housing • Mixed Use (Residential / Commercial) • Mobile Home Park • Multi-family (2-4 units) • Multi-family (5+ units) • Ranchette (Hobby) • Single Family Appraisal (Conventional, Other) • Unique Property

Land

Acreege (Mixed Use) • Acreege (Non-Residential) • Acreege (Residential) •
Coastal / Lakeshore, Riverfront, Other Waterfront • Flood / Batture • Land, Rural •
Land, Transitional • Land, Urban • Mountain • Native American Land •
Open Space / Public Park • Subdivided Land / Lot (Non-Residential) •
Subdivided Land / Lot (Residential) • Subdivision (Commercial, Industrial, etc) •
Subdivision (Residential) • Tideland • Wetland, Swamp, Marsh • Wilderness Refuge

Commercial

Automobile Dealership • Branch Bank / Financial Building •
Condominium (Office / Retail / Etc.) • Convenience Store / Service station •
Medical Facility / Clinic • Office Building (High Rise, over three stories) •
Office Building (Low Rise, three stories or less) • Parking Facility (Lot or Garage) •
Restaurant / Bar / Night Club / Micro Brewery • Retail (Single Tenant or Free
Standing) • Self Storage • Shopping Center (Local, Strip, Neighborhood, Community,
Etc.)

Industrial

Industrial (Heavy (Manufacturing) • Industrial (Small Office Warehouse / Mfg.) •
Industrial Light (Distribution, Storage) • Research and Development Lab / Hi-Tech /
Bioengineering

Public

Airport / Air Cargo • Educational Institution (Public) •
Public Utility (Sewer / Water / Electrical / Etc.) • Railroads • Recreation and Park •
Religious Facility

Recreational

Recreational Vehicle Park / Campground

Agricultural

Ranch

Special Purpose

Conservation Easement • Greenhouse / Nursery • Historical Property • Landfill •
Mixed Use • Natural Resources • Private Educational Institution • Quarry / Mine •
Right-of Way / Corridor Valuation (Pipeline / Rail Road / Fiber Optic, Etc.) • Shipyard •
Utilities (Public and Private)

CLOSE

OverviewGary Rasmuson, MAI, SRA

Rasmuson Appraisal Services

Company Overview

Rasmuson Appraisal Services is a real estate appraisal firm providing valuation services for a variety of real estate including commercial, retail, industrial, hospitality and land.

We have been providing professional real estate appraisal services since 1984. Our primary service area is San Diego County, California. We also serve the Southern California area including Orange and Riverside Counties and the Imperial Valley.

Principals in the firm include Gary L. Rasmuson, MAI, SRA and Wendy Rasmuson, MBA. We are both licensed appraisers in the State of California and hold the Certified General Real Estate Appraiser license.

Services Provided

- Valuations for lending purposes
- Estate valuation of real estate assets
- Eminent domain valuation for litigation
- Right-of-Way valuation
- Public agency real estate appraisals
- Arbitration or mediation purposes
- Market rent appraisals
- Real estate consultation
- Highest and best use analysis

Types of Property Appraised

Retail and Commercial
 Shopping Centers
 Apartments, Multi-Family Residential
 Industrial and R&D
 Hotels and Motels
 Vacant Lots, Land and Acreage

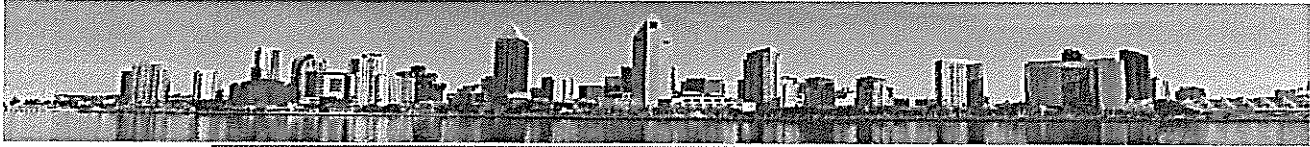
Subdivision and Land Development
Projects
Mobile Home Parks
Self-Storage Facilities
Mitigation and Conservation Land
Right-of-Way and Partial Acquisition
Appraisals

**Contact
Info**

Mailing Address:
Rasmuson Appraisal Services
PO Box 710133
San Diego, California 92171

Phone:
Office (858) 672-1796

Providing Commercial Appraisal Services



Home

Welcome to Anderson and Brabant Inc.

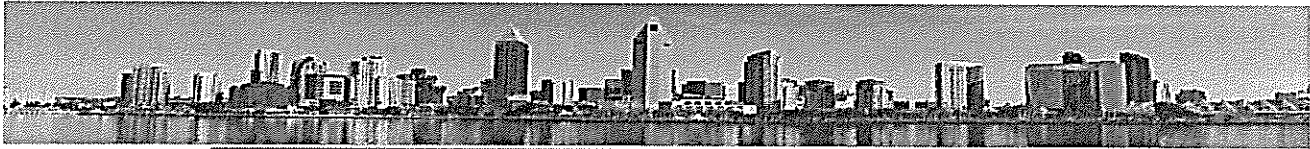
Principals

Staff

Contact Us

Anderson and Brabant, Inc. is a real estate appraisal and consultation firm that has maintained offices in North San Diego County since 1979. The firm's composition presently includes four MAI-designated members of the Appraisal Institute, four staff appraiser associates, and clerical support. Over the thirty five years that the firm has been conducting business operations throughout Southern California, services have been rendered on a wide variety of property types, including residential, commercial, industrial, vacant land, Indian lands, and mobile home parks, as well as a variety of agricultural properties. Appraisal assignments have included the analysis of various forms of real estate interests and property types including fee title, permanent and temporary easements, Indian reservation trust land, eminent domain including full takes and partial takes, mitigation land, water rights, etc. Assignments have included coordination of services and working with other experts such as civil engineers, real estate economists, land use planners, property managers, arborists/landscaping experts, machinery and goodwill appraisers.

Our firm has an extensive client list including lenders, attorneys, cities, counties, agencies of the federal government, and other public entities such as local school and water districts. We also provide valuation and consultation services to individual property owners. Appraisals have been completed for a variety of purposes, including loans, tax appeals, estate planning, eminent domain, civil litigation cases, rent control issues, bankruptcy, etc. The three principals in the firm have in excess of 100 years combined real estate appraisal and consultation experience, with the majority of that experience involving properties in San Diego, Orange and Riverside Counties. Assignments involving mobile home parks and/or eminent domain matters have included properties throughout the State of California.



Home

Anderson and Brabant Principals

Principals

The three Principals of the firm are William B. Anderson, MAI; James Brabant, MAI; and Gilbert F. Kunkel, MAI. Each has had extensive experience appraising for eminent domain, bankruptcy and civil litigation matters, that has included expert deposition and trial testimony.

Staff

Contact Us

William B. Anderson, MAI has been an appraiser for 50 years and has been an independent fee appraiser in San Diego County for over 35 years. He is a co-founder of Anderson & Brabant, Inc., which was incorporated in 1979. Past appraisal assignments have included the valuation of complex properties including various residential properties (apartments, condominiums, subdivisions and mobile home parks), commercial and industrial properties, groves, ranches and nurseries, golf courses, yacht clubs and marinas, as well as fire damaged properties and landfills. His current focus involves the valuation and consultation of properties involving partial acquisitions due to eminent domain.

Mr. Anderson has extensive deposition and trial experience and has been called upon numerous times as an expert witness. He has served as an expert witness in Superior, Municipal and Federal Courts. He has also served in various arbitration hearings as both a witness and arbitrator.

Mr. Anderson attended El Camino Junior College, Palomar College and University of California-Los Angeles. He received MAI designation from the Appraisal Institute and is a Certified General Real Estate Appraiser in California. He is a past president of the San Diego Chapter of the Appraisal Institute. He is a member of the North County Association of Realtors and the International Right of Way Association.

Phone: (760) 741-4146, Ext. 314

James Brabant, MAI has been an appraiser for over 45 years and has been an independent fee appraiser in San Diego County for over 35 years. He is a co-founder of Anderson & Brabant, Inc., which was incorporated in 1979. Past appraisal assignments have included the valuation of complex properties including a variety of commercial and industrial properties, groves and ranches, historic appraisals, large apartment complexes and residential subdivisions. His current focus involves the valuation and consultation of properties involved in litigation and eminent domain, with a special emphasis on mobile home park appraisal for a variety of purposes such as rent control issues, failure to maintain cases and mobile home park conversions. He has traveled extensively throughout the State of California for various mobile home park assignments.

Mr. Brabant has extensive deposition and trial experience and has been called upon numerous times as an expert witness. He has testified in Superior, District and Federal Courts as well as rent control hearings throughout the state.

Mr. Brabant holds a Bachelor of Science degree in Real Estate from the University of

Southern California, a Master of Theology degree from the School of Theology at Claremont, the MAI designation from the Appraisal Institute and is a Certified General Real Estate Appraiser in California. He is a past president of the San Diego Chapter of the Appraisal Institute. He is a licensed California Real Estate Broker and a member of the North County Association of Realtors. He is also a member of the International Right of Way Association and currently sits on the Board of Directors of the Palomar Family YMCA.

Phone: (760) 741-4146, Ext. 312

Gilbert F. Kunkel, MAI holds a Bachelor of Arts degree in Economics from the University of California Riverside, the MAI designation from the Appraisal Institute and is a Certified General Real Estate Appraiser in California. He is also a member of the International Right of Way Association. Mr. Kunkel began his appraisal career with the California Division of Highways (now called Caltrans) and worked for several years in the savings and loan industry.

He has been an independent fee appraiser since 1979 when he joined the firm of Anderson & Brabant, Inc. He is currently one of the co-owners of Anderson & Brabant, Inc., which was incorporated in 1979. Past appraisal assignments have included the valuation of complex properties including a variety of commercial and industrial properties, groves and ranches, horse ranches, residential subdivisions, rural lands, land suitable for mitigation purposes and fractional interests. He has provided expert testimony in deposition and Superior Court and Federal Bankruptcy Court hearings. He has experience in the appraisal and analysis of various easement types, including conservation easements. His current focus involves the valuation of and consultation on properties involved in litigation and eminent domain, with a special emphasis on partial acquisitions. He has completed numerous assignments for estate planning purposes.

Phone: (760) 741-4146, Ext. 313

OVERSIGHT BOARD RESOLUTION NUMBER OB-2016-13

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THREE INDEPENDENT APPRAISAL FIRMS TO PROVIDE REAL PROPERTY APPRAISAL SERVICES FOR THE PURPOSE OF ESTABLISHING VALUATIONS AS MAY BECOME NECESSARY IN CONNECTION WITH FUTURE DEVELOPMENT SITES UNDER THE SUCCESSOR AGENCY'S APPROVED AMENDED AND RESTATED LONG-RANGE PROPERTY MANAGEMENT PLAN.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26) enacted on June 28, 2011, the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, the Successor Agency is required to administer the winding down of the Former RDA's operations and to ensure compliance with the Former RDA's obligations in accordance with AB 26, as subsequently amended (collectively, the Dissolution Laws); and

WHEREAS, on October 15, 2015, the California Department of Finance (DOF) approved the Amended and Restated Long-Range Property Management Plan (Approved LRPMP), which governs the disposition of the Former RDA's non-housing real estate assets; and

WHEREAS, among other things, the Approved LRPMP includes 22 sites that will be retained by the City for future development (collectively, Future Development Sites) to carry out historical redevelopment objectives, consistent with California Health and Safety Code (Code) section 34191.5(c)(2); and

WHEREAS, Code section 34180(f)(1) states that the City must reach a compensation agreement with the other local taxing entities for the value of each Future Development Site; and

WHEREAS, the Approved LRPMP states, at page 11, that each compensation agreement must specify that the City will remit to the San Diego County Auditor-Controller, for distribution to the local taxing entities in proportion to their respective shares of the property tax base, the net proceeds from (i) the City's use of the Future Development Site and (ii) the City's disposition of the Future Development Site, consistent with the future development objectives described in the Approved LRPMP; and

WHEREAS, Code section 34180(f)(2) states that, if the City and the other local taxing entities are unable to agree on valuation of any Future Development Site, the value of the affected Future Development Site will be the fair market value as of the 2011 property tax lien date as determined by an independent appraiser approved by the Oversight Board; and

WHEREAS, the Oversight Board has evaluated the credentials of three independent appraisal firms identified by the Successor Agency – namely, (1) Robert P. Caringella, Jones, Roach & Caringella, Inc.; (2) Gary Rasmuson, Rasmuson Appraisal; and (3) William Anderson, Anderson and Brabant, Inc. – and has determined that they are qualified to provide real estate appraisal services, if necessary, with respect to the Future Development Sites; and

WHEREAS, the approval of three independent appraisal firms to provide these real estate appraisal services is justified because qualified firms in the local appraisal industry currently have a busy workload and because the City owns a relatively large number of Future Development Sites (22) in accordance with the Approved LRPMP; and

WHEREAS, by presenting this Resolution for approval by the Oversight Board, neither the Successor Agency nor the City waives the benefit of any provisions of the Dissolution Laws or the LRPMP related to the Future Development Sites, and neither the Successor Agency nor

the City concedes that any real estate appraisal is or will be legally required with respect to any Future Development Site.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board that, pursuant to Code section 34180(f), the Board approves the following independent appraisal firms to provide real property appraisal services for the purpose of establishing valuations as may become necessary in connection with the Future Development Sites: (1) Robert P. Caringella, Jones, Roach & Caringella, Inc.; (2) Gary Rasmuson, Rasmuson Appraisal; and (3) William Anderson, Anderson and Brabant, Inc.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on August 15, 2016.

Chair, Oversight Board