

**City of Campbell Successor Agency
Long Range Property Management Plan
(Pursuant to Health and safety Code Section 34191.5)**

Introduction

On February 1, 2012 the City of Campbell Redevelopment Agency (the "RDA") was statutorily dissolved under ABx1 26. On August 11, 2011, the Campbell City Council took the steps to designate the City of Campbell as the "Successor Agency" to the former RDA pursuant to section 34173 of the Health and Safety code, and the former RDA assets were transferred to the trust of the Successor Agency on February 1, 2012.

Pursuant to Health and Safety Code section 34191.5, within six months after receiving a Finding of Completion from the Department of Finance (the "DOF"), the Successor Agency is required to submit for approval to its Oversight Board and the DOF a Long Range Property Management Plan (the "PMP") that addresses the disposition and use of the real property assets of the former RDA. That Finding of Completion was issued by the DOF to the City of Campbell Successor Agency on April 26, 2013.

Presented below is the Long Range Property Management Plan (the "PMP) prepared in compliance with H&S Section 34191.5(c)

Permissible Options for the Disposition of Property under the Long Range Property Management Plan

Pursuant to H&S Section 34181, Successor Agencies can propose the disposition of property under four categories.

1. The retention of the property for a government purpose. Those properties that have been used and were intended for a governmental purpose may be transferred to those respective public jurisdictions.
2. Property may be retained by the Successor Agency to fulfill an enforceable obligation. The property would remain under the ownership of the Successor Agency until such time as that enforceable obligation is complete and the disposition of the asset can be addressed.
3. The retention of property by the Successor Agency for future development to fulfill a specified goal in the Redevelopment Plan.
4. Liquidation of the property with the sale proceeds distributed to the affected taxing entities.

Property Disposition Plan

Summary

There are five (5) sites under trust of the City of Campbell Successor Agency listed below. It is proposed that property one (1) be retained by the Successor Agency in satisfaction of an enforceable obligation until such time as the enforceable obligation is completed at which time the asset is to be transferred to the City of Campbell in accordance with the requirements of the enforceable obligation, and in satisfaction of its intended governmental purpose as a community center. Sites two (2) through four (4) are to be conveyed to the City of Campbell immediately upon approval by the Oversight Board and the DOF for their continued public and/or governmental intended purpose as authorized pursuant to Health and Safety Code Section 341801(a). Property five (5) is to be sold with any proceeds remitted to the County Auditor-Controller for distribution to the affected taxing entities in accordance with Health and Safety Code Section 34191.5(c)(2)(B).

1. Campbell Community Center

Disposition Category

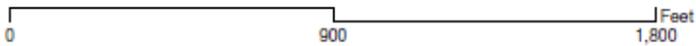
The Campbell Community Center falls under two disposition categories in that it is the object of an enforceable obligation that requires its disposition to the City of Campbell at a specified time, and it is an asset that serves a governmental purpose. This PMP directs that the Community Center be retained by the Successor Agency until such time that the enforceable obligation is satisfied at which time the Community Center is to be transferred to the City of Campbell to comply with a specific requirement of the enforceable obligation, as described below.



Campbell Community Center



Property APN: 305-22-040 (Community Center),
 305-22-041 (Field), 305-22-042 (Track)
Land Area: 21.51 acres (Community Center), 4.03 acres
 (Field), 5.20 acres (Track)
Description : Campbell Community Center, Corner of
 Winchester Boulevard and Campbell Avenue



Community Development Department
 Planning Division

Property Description and Purpose

Property Address: 1 Campbell Avenue, Campbell, CA 95008
Assessor Parcel Numbers: 305-22-040 thru 042
Total Acreage: 31.74
General Plan Designation: Open Space
Zoning Designation: Public Facilities
Date of Acquisition: August 1, 1985
Purpose of Acquisition: As a Community Center (see discussion below)
Value at the time of Acquisition: \$10 million
Estimate of current value: \$34 million (see discussion below)
Lease Revenue: All revenue required to be applied toward operating costs (see discussion below)
Environmental: No environmental history
TOD/Other Development Potential: None beyond current Community Center use

Background, Including Purpose of Acquisition and Potential For Development

The Campbell Community Center is approximately 31 acres located at the northwest corner of Campbell Avenue and Winchester Boulevard. The site consists of 160,000 square feet of building space which houses administrative offices, meeting rooms, a senior center, community theatre and rental space. The balance of the property is active and passive open space that includes outdoor recreation, a skateboard park, athletic fields, track, hand ball and tennis courts, and a swim center. The facility is intended to serve as the City's focal point for providing community and civic activities as well as administrative office space for city recreation programs and senior services.

The Campbell Community Center site was originally developed as Campbell High School in the early 1930's and served in that capacity until 1980 when due to low enrollment the school was closed by the Campbell Union High School District. Four of the buildings on the site are locally designated historical landmarks including the old school auditorium now converted to a community theater. When the Campbell High School District designated the property surplus, the City of Campbell placed a measure on the ballot to determine community interest in purchasing the property for a community center.

After a ballot measure passed in 1984 with an approval rate in excess of 90%, on August 1, 1985, the former high school site was purchased for \$10 million under the Naylor Act and has served as the Campbell Community Center ever since.

Because of its land use designation and intended governmental use as described above, the Campbell Community Center site does not have any potential for transit-oriented development or the advancement of planning objectives of the Successor Agency beyond the current Community Center use.

Enforceable Obligation Description and Requirement Regarding Disposition

The Campbell Community Center acquisition and improvement was financed using proceeds from the issuance of the City of Campbell's 1985 Certificates of Participation which have been refunded multiple times and is now reflected in the 1997 & 2002 Refunding Certificates of Participation (in current form, the "COPS"). Under the terms of the Third Amended and Restated Indebtedness Agreement (the "Indebtedness Agreement") between the former RDA and the City related to the COPS, the former RDA (and now Successor Agency) pays 41.8% of the debt service on the COPS. The Indebtedness Agreement is a recognized enforceable obligation by both the County Auditor-Controller and the State Department of Finance. Unlike most agreements between the former RDA and the City of Campbell that became ineffective as of the former RDA's dissolution, the Indebtedness Agreement and the accompanying Lease Agreement described below have expressly been retained as effective agreements and enforceable obligations by the Legislature, as recognized by the DOF, pursuant to Health and Safety Code Section 34171(d)(2).

Under the Fourth Amended and Restated Lease Agreement dated July 1, 2002 (the "Lease Agreement") entered into in connection with the COPS, and thereby recognized as a continuing enforceable obligation as detailed above, the Campbell Community Center is leased by the former RDA (now Successor Agency) to the City for \$1 a year. Pursuant to Section 4.6 of the Lease Agreement, once all COPS payments have been made, the lease under the Lease Agreement will terminate, at which time all rights, title and interest of the former RDA (now Successor Agency) in the Community Center shall be transferred to City without further compensation. This obligation constitutes the enforceable obligation requiring Successor Agency disposition of the Campbell Community Center to the City of Campbell at the time specified in the Lease Agreement.

Lease Revenue

The City does rent and sub-lease part of the Community Center to help finance ongoing maintenance operations. In FY 12/13 approximately \$700,000 is anticipated to be collected from renting meeting rooms, halls and banquet facilities for wedding receptions, corporate meetings, and community service organizations using short term rental agreements. It is estimated that another \$1.3 million will be collected by the City from leasing roughly 50,000 square feet of building space to various private educational institutions including private elementary schools and tutoring groups contracted under standard real estate lease agreements. Under a "Certificate Regarding Use of Proceeds" entered into in 1991 both the City and the former RDA certify that the lease revenues generated under the lease agreements for the Campbell Community Center are to be applied toward off-setting the City's on-going operating and maintenance costs for the Community Center. Neither the Successor Agency nor the former RDA receives, nor has it ever received, any lease or rental revenue from the community center.

Estimated Value

The \$34 million estimated value of the property is essentially the "book" value assigned by the City for accounting and reporting purposes for the FY 11/12 fiscal year. The reality is that the

City's General Plan and Zoning designation for the property as open space is intended to ensure that the Community Center and its recreational assets be retained as a public recreational amenity in perpetuity. Additionally, the provisions of the Naylor Act under which the former RDA purchased the property from the school district place statutory restrictions on converting any of the open space for private use. Therefore, the true "market value" of the property is something considerably less than the "book" value or the value one might assign it if it were available for private development.

PMP Authorized/Directed Disposition Action: Upon approval of this PMP, the Successor Agency shall retain the Campbell Community Center as the object of an enforceable obligation (with particular reference to the Lease Agreement) until such time as the COPS payments have been fully satisfied, at which time the Successor Agency is directed to transfer the Campbell Community Center to the City of Campbell in accordance with the enforceable obligation set forth in Section 4.6 of the Lease Agreement, and to enable its continued use as a governmental purpose site.

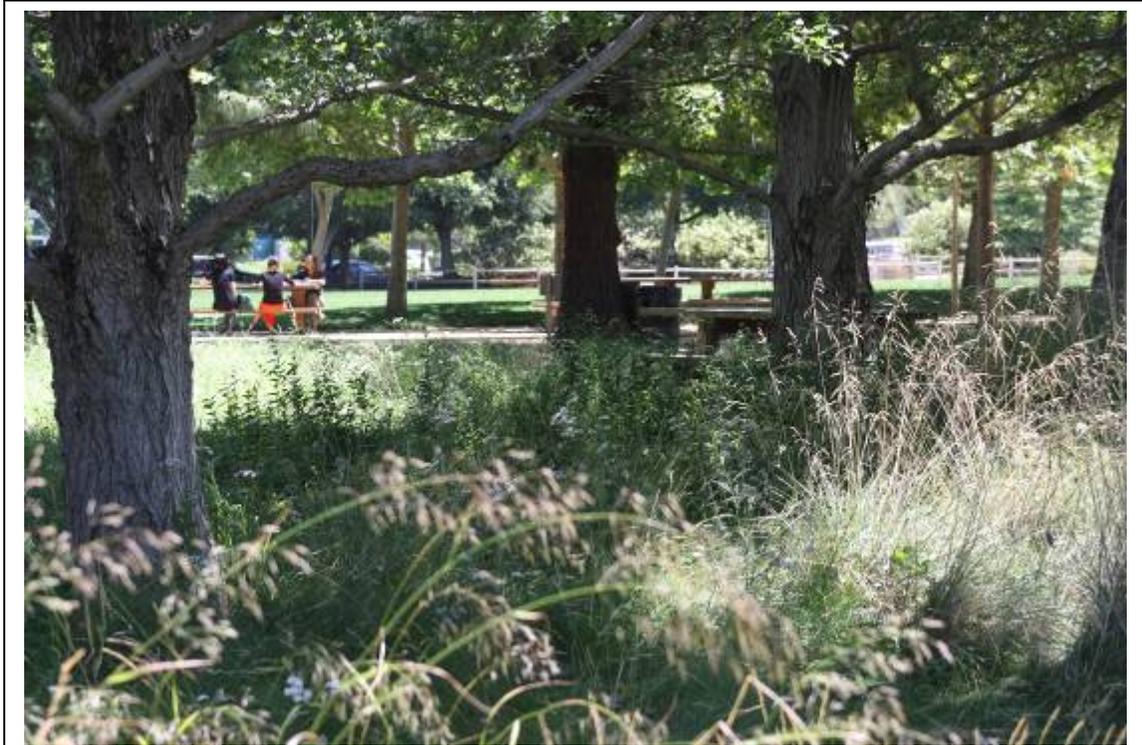
2. Edith Morley Park

Disposition Category

Edith Morley Park is a four (4) acre public park that is proposed for transfer to the City of Campbell, as a site with a continuing governmental purpose, as authorized pursuant to Health and Safety Code Section 34180(a).

Property Description & Purpose

Assessor Parcel Number:	412-29-008
Parcel Address:	None
Total Acreage:	4 acres
General Plan Designation:	Open Space
Zoning Designation:	Public Facilities
Date of Acquisition:	June/1994
Purpose of Acquisition:	Designated for public park as part of larger industrial development (see discussion below)
Value at time of acquisition:	\$696,000
Estimate of Current Value:	\$1,347,537
Lease Revenue:	None
Environmental:	No environmental history
TOD/Other Development Potential:	None beyond current public park use



Edith Morley Park

Background, Including Acquisition Purpose, Rental Income, and Other Development Potential

Edith Morley Park is a four acre public park developed in 2000 as a part of a commercial redevelopment project off of McGlinchy Lane on the southern border of the City. The former RDA acquired a 30 acre industrial property in 1994 from the Resolution Trust Corporation, an institution created by the Federal government after the savings and loan collapse. The park was developed as a part of a 280,000 square foot research and development business park. The public park was supposed to be conveyed to the City after completion of the project but it never occurred. The public park is operated and maintained by the City using City general funds. The public park includes a passive open space area, a native plant walking path and community gardens that are provided to the public for growing produce. The public park satisfies a key goal in the City's Open Space Element of the General Plan providing critical open space on the east side of the City.

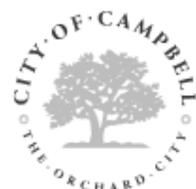
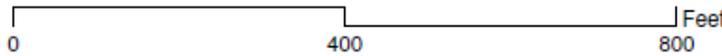
No lease or rental income is generated from the park to either the City or the Successor Agency.

Because of its land use designation and intended governmental use as described above, Edith Morley Park does not have any potential for transit-oriented development or the advancement of planning objectives of the Successor Agency beyond the continued current public park use.

PMP Authorized/Directed Disposition Action. Upon approval of this PMP, the Successor Agency shall transfer Edith Morley Park to the City of Campbell as a governmental purpose site without compensation.



Property APN: 412-29-008
Land Area: 3.97 Acres
Description : Edith Morley Park at
Campbell Technology Parkway



Community Development Department
Planning Division

3. Campbell Museum

Disposition Category

The Campbell Museum is a public building operated for over thirty years as a local historical museum with related parking that is proposed for transfer to the City of Campbell as a continuing governmental purpose site, as authorized pursuant to Health and Safety Code Section 34180(f).

Property Description & Purpose

Assessor Parcel Number:	279-41-060
Parcel Address:	51 N. Central
Total Acreage:	.40 ac.
General Plan Designation:	General Commercial
Zoning Designation:	Central Commercial
Date of Acquisition:	unknown
Purpose of Acquisition:	Continued museum operation
Value at time of acquisition:	unknown
Estimate of Current Value:	\$1,464,359
Lease Revenue:	None
Environmental:	No environmental history
TOD/Other Development Potential:	None beyond current museum use



Campbell Historical Museum

Background, Including Acquisition Purpose, Rental Income, and Other Development Potential

The Campbell Museum is located at the southwest corner of Civic Center Drive and Central Avenue across from the Civic Center. The building was initially used as the City's first city hall and police station in 1952, and later the City's first fire station. It's unclear when the property was conveyed to the former RDA. Sometime in the 1970's it was abandoned as a fire station and in 1983 the building became home to the Campbell Historical Museum and has remained so ever since. The property is 17,410 square feet and consists of the museum building and approximately 12 related parking spaces located in the downtown core. The building is part of the City's historic inventory. A non-profit organization operates the museum.

Neither the City nor the Successor Agency collects lease revenue or rental fees on this property. Because of its continued intended governmental use as described above, the Campbell Museum site does not have any potential for transit-oriented development or the advancement of planning objectives of the Successor Agency beyond the continued current public museum use.

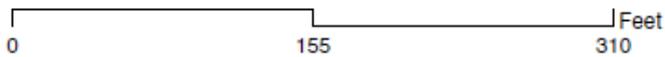
PMP Authorized/Directed Disposition Action. Upon approval of this PMP, the Successor Agency shall transfer the Campbell Museum property to the City of Campbell as a continuing governmental purpose site without compensation.



Property APN: 279-41-060

Land Area: 17,410 sq. ft.

Description : Museum and Parking Lot, Civic Center between 1st Street and Central Avenue



Community Development Department
Planning Division

4. Downtown Surface Parking Lot

Disposition Category

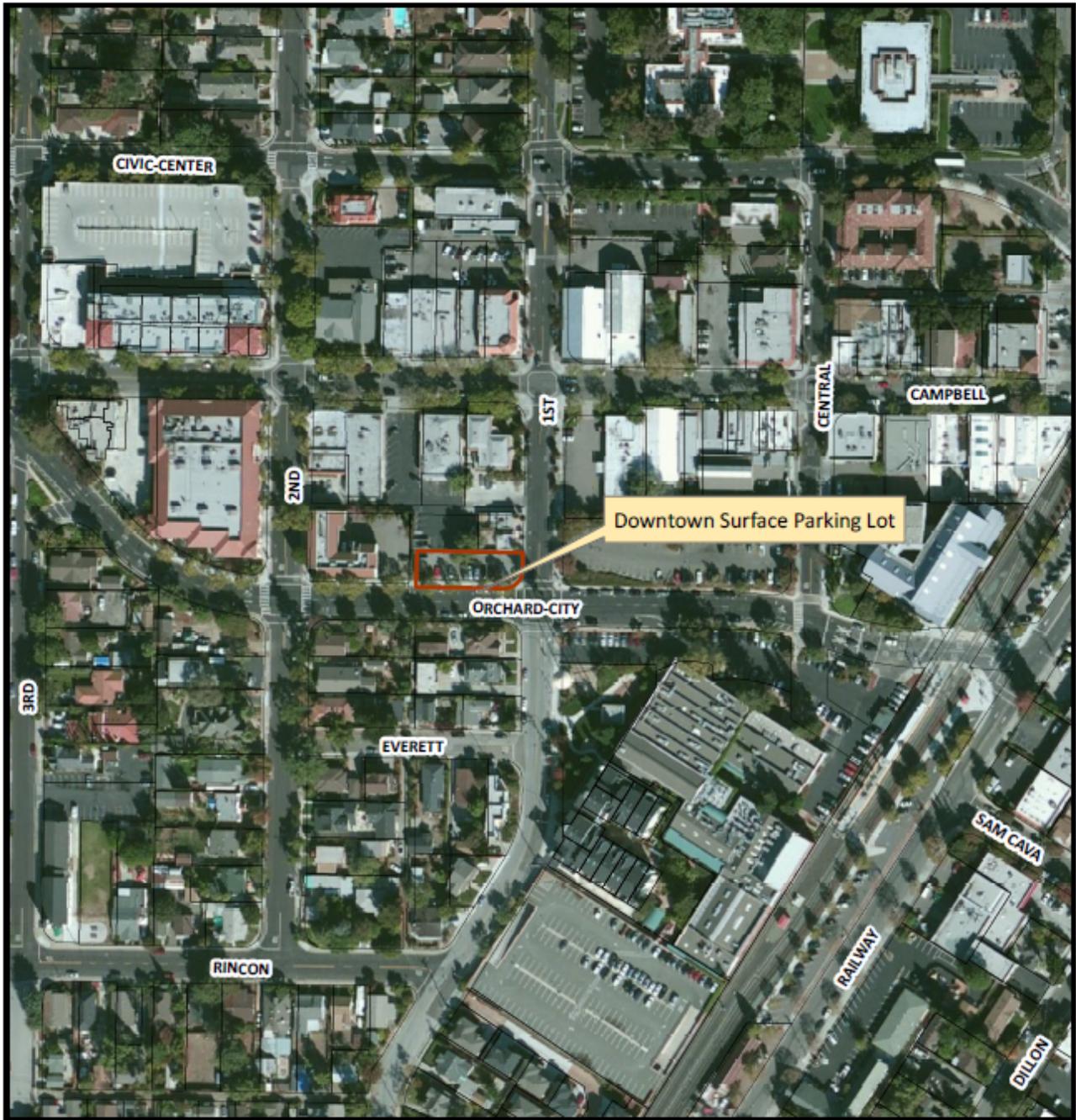
The approximately 6,300 square foot paved surface parking lot serves as free public parking for the downtown in support of a healthy commercial core of businesses, and is proposed for transfer to the City of Campbell, as a site with a continuing governmental purpose, as authorized pursuant to Health and Safety Code Section 34180(a).

Property Description and Purpose

Assessor Parcel Number:	412-06-76
Parcel Address:	None
Total Acreage:	6,270 square feet
General Plan Designation:	General Commercial
Zoning Designation:	Central Commercial
Date of Acquisition:	circa 1970's
Purpose of Acquisition:	Remnant of larger parcel acquired for street system
Value at time of acquisition:	unknown
Estimate of current value:	\$349,892
Lease Revenue:	None
Environmental:	No environmental history
TOD/Other Development Potential:	The size and width (35ft) make it inefficient



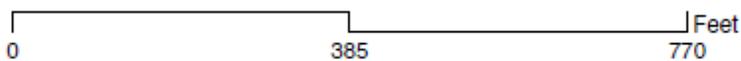
Downtown Surface Parking Lot



Property APN: 412-06-076

Land Area: 6,272 sq. ft.

Description : Downtown Surface Parking Lot, Corner of Orchard City Drive and First Street



Community Development Department
Planning Division

Background, Including Acquisition Purpose, Rental Income, and Other Development Potential

This paved and striped surface public parking lot is 6,272 square feet and located at the northwest corner of First Street and Orchard City Drive in the downtown core. The property was a remnant piece from the property acquisition completed by the City in the 1970's to create the "loop streets" around the downtown to facilitate traffic circulation. It is unknown when this property was conveyed to the former RDA. The site contains 12 paved parking stalls. The parking is free to the public and generates no revenue to either the City or the Successor Agency. This public parking lot is operated and maintained by the City using City general funds. The parking lot is necessary in support of public parking for downtown patrons in order to maintain a competitive and viable core of downtown businesses. Because of its continued intended governmental use as described above, this site does not have any potential for transit-oriented development or the advancement of planning objectives of the Successor Agency beyond the continued current public parking use. Additionally, the property is only 35 feet in width making it difficult to use for any commercial purpose

PMP Authorized/Directed Disposition Action. Upon approval of this PMP, the Successor Agency shall transfer the property to the City of Campbell as a continuing governmental purpose site without compensation.

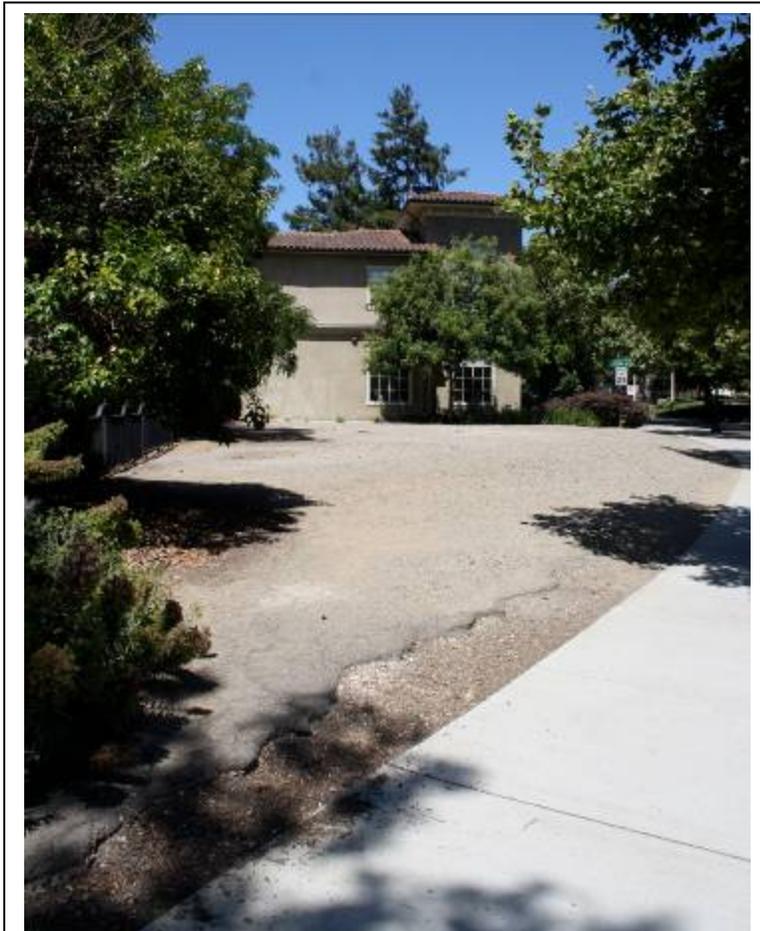
5. Civic Center Drive Remnant Dirt Lot

Disposition Category

The 3,500 square foot irregularly shaped dirt lot has no value other than to the adjacent property owner. It is proposed that the property be designated for sale by the Successor Agency with the proceeds distributed to the affected taxing entities in accordance with Health and Safety Code Section 34191.5(c)(2)(B).

Property Description and Purpose

Assessor Parcel Number:	279-41-062
Parcel Address:	None
Total Acreage:	3,500 square feet
General plan Designation:	General Commercial
Zoning Designation:	Central Commercial
Date of Acquisition:	Unknown
Purpose of Acquisition:	Remnant of larger parcel acquired for street system
Value at time of acquisition:	Unknown
Estimate of current value:	\$100,000
Lease Revenue:	None
Environmental:	No environmental history
TOD/Other Development Potential:	None beyond development with adjacent parcel



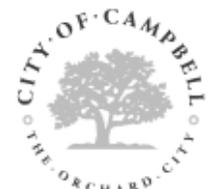
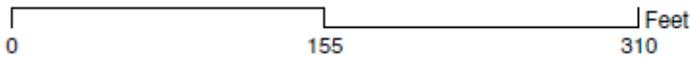
Civic Center Drive Remnant Dirt Lot



Property APN: 279-41-062

Land Area: 3,500 sq. ft.

Description : Remnant Dirt Lot, Southwest Corner of Civic Center Drive and Harrison Avenue



Community Development Department
Planning Division

Background, Including Acquisition Purpose, Rental Income, and Other Development Potential

This "half moon" shaped property is 3,500 square feet in size located at the intersection of Civic Center Drive and Harrison Avenue. The property is a remnant parcel from the City's property acquisition in the 1970's for the loop street system developed around the downtown core to facilitate traffic circulation. It is unknown when the property was conveyed to the former RDA. The property has always been vacant. It cannot be developed independently because of its size, irregular shape and limited vehicular access. Therefore, it has little or no value other than to possibly the adjacent property owner as a part of a redevelopment opportunity. The property does not generate any revenue to the City or the Successor Agency. The property has no transit-oriented development potential or other potential for development except as described above.

PMP Authorized/Directed Disposition Action. Upon approval of this PMP, the Successor Agency shall sell this remnant parcel in the open market and remit the sale proceeds to the County Auditor-Controller for distribution to the taxing entities in accordance with Health and Safety Code Section 34191.5(c)(2)(B).