

**RESOLUTION NO. OB-003**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO MORGAN HILL REDEVELOPMENT AGENCY DIRECTING THE SUCCESSOR AGENCY TO SELL FORMER AGENCY REAL PROPERTY AT 130 EAST MAIN STREET.**

*WHEREAS*, Part 1.85 of the Health and Safety Code (“Code”) (commencing with §34170) (“Dissolution Act”) dissolved the former Morgan Hill Redevelopment Agency (the “Former Agency”) and designated the City of Morgan Hill (“City”) as the Successor Agency for the Former Agency (“Successor Agency”).

*WHEREAS*, under Dissolution Act, the Successor Agency must, among other statutory duties, dispose of assets and properties of the Former Agency “to be done expeditiously and in a manner aimed at maximizing value”

*WHEREAS*, Code §34181(a) of the Dissolution Act provides that the Oversight Board shall direct the Successor Agency to:

“Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose . . .”

*WHEREAS*, in November of 2008, the Morgan Hill Redevelopment Agency acquired the property located at 130 East Main Street, Morgan Hill, CA (“Property”), primarily because the concrete plant use was non-conforming and inconsistent with long term development plans for the Downtown.

*WHEREAS*, the Former Agency had intended to relocate the concrete plant facility and subsequently sell the land to the adjacent property owner for redevelopment. The Former Agency paid \$3,079,927 for the Property; \$1,740,000 of that value was attributed to the land only. This price included the concrete facility as well as an allocation for demolition and relocation costs. In March 2011, the Former Agency transferred this property to the City of Morgan Hill.

*WHEREAS*, §34167.5 of the Dissolution Act requires the transferring back of the Property to the Successor Agency because the non-housing asset was transferred to the City (between the Agency and a public entity) after January 1, 2011.

*WHEREAS*, USA Properties Fund, has entered into a conditional purchase agreement for the development of the parcel adjacent to the Property, formerly known as Huntington Square to construct a market rate apartment project. USA Properties Fund would like to purchase the Property to incorporate it into the proposed apartment development.

*WHEREAS*, the Successor Agency staff has conducted an appraisal of the Property of its value based on the highest and best use and is undertaking negotiations with USA Properties Fund based on the results of the appraisal in order to maximize value.

*WHEREAS*, the City Council of the City of Morgan Hill, in its capacity as governing board of the Successor Agency, by resolution, has approved the sale of the Property and has requested the Oversight Board the direction to sell the Property to USA Properties at a sale price to be negotiated based on the appraisal.

*WHEREAS*, the Oversight Board finds that the sale of the Property to USA Properties, an adjacent property owner with development plans, for priced based on an appraisal would be the most expeditious disposition of the Property in a manner that maximizes the value of the property.

*THEREFORE, BE IT RESOLVED BY* the Oversight Board that the above recitals are adopted as part of the resolution and are true; and


*BE IT FURTHER RESOLVED* that the Successor Agency is hereby authorized to accept the transfer of the Property from the City of Morgan Hill; and

*BE IT FURTHER RESOLVED* that the Successor Agency is hereby directed to dispose of the Property by selling the Property to USA Properties for \$1,140,000, which is based on the appraisal value.

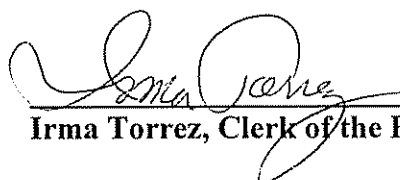
*BE IT FURTHER RESOLVED* that the City Manager, on behalf of the Successor Agency is authorized to execute a purchase and sale agreement.

**PASSED AND ADOPTED** by the Oversight Board of Morgan Hill at a Special Meeting held on the 20th day of June 2012, by the following vote:

<b>AYES:</b>	<b>Board members:</b>	<b>Pete Kutras, Steve Kinsella, Steve Tate, Angela Rivera, Wes Smith, George Putris, Don Gage</b>
<b>NOES:</b>	<b>Board members:</b>	<b>None</b>
<b>ABSENT:</b>	<b>Board members:</b>	<b>None</b>

  
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**Chair - Oversight Board of the Successor  
Agency to the Morgan Hill Redevelopment Agency**

**Attest:**


  
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**Irma Torrez, Clerk of the Board**

∞ CERTIFICATION ∞

I, Irma Torrez, City of the Oversight Board of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. OB-003, adopted by the Oversight Board at the meeting held on June 20, 2012.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: August 9, 2012

  
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Irma Torrez, Clerk of the Board