

**PARTNER UP!
SURPLUS PROPERTY PROGRAM**

PURPOSE

The proposed Partner Up! Surplus Property Program is a pilot program anticipated to be available for a 12-month period beginning May 1, 2010. The purpose of the program is to encourage additional construction activity in the community which in turn could generate construction jobs and sales tax and property tax revenue.

Under the proposed program, the City of Redding (City) would make surplus land available for development by the private sector with little or no up-front land acquisition cost. The City proposes to provide title to the land and will carry a note at 0% interest secured by a deed of trust in the amount of the current fair market value of the land which would be repaid in 18 months or upon development and sale of the property, whichever occurs first. Construction of the improvements would be initiated within six months of transfer of title.

GENERAL ELIGIBILITY REQUIREMENTS

Eligible Property

City-owned surplus properties identified on attached Exhibit A will be available for this program. Properties may be added to the list upon approval of the City Council.

TERMS AND CONDITIONS

The following terms and conditions will apply:

1. The purchase price of the property will be the current fair market value of the property as determined by an appraisal to be provided by the City.
2. Payment of the purchase price of the property will be evidenced by a promissory note at 0% interest secured by a deed of trust. The note will be payable in full 18 months from transfer of title from the City to developer/builder or upon sale or occupancy of the property, whichever occurs first.
3. A standard lender's policy of title insurance will be required insuring the City for the full amount of the City note.
4. Property will be sold "as is".
5. Developer/Builder will be responsible for all title and escrow fees.
6. The City will not pay any brokerage fees.
7. Development of the property will be subject to all standard City development requirements.
8. Developer/builder will be responsible for all costs of development of the property, including payment of City fees.

9. Local labor and local suppliers must be used for the majority of work needed to develop the property.
10. Property taxes must be paid when due and in the full amount owed.
11. The property must be adequately maintained at all times.
12. Developer/builder must obtain entitlements and begin construction of improvements within six (6) months of transfer of title to the developer/builder, or note will become immediately due and payable.
13. Developer/builder will provide adequate insurance, as determined by the City, naming the City as an additional insured until construction is complete and the City note is paid in full.
14. Developer/builder will not encumber the property without the prior written approval of the City.

PROCESSING STEPS

1. Developer/Builder will submit a site plan and building elevations depicting the proposed development of the property.
2. City will obtain a current appraisal of the property if the most recent appraisal was prepared more than six months prior to submittal of the site plan.
3. Staff will prepare a staff report requesting City Council consideration of a disposition agreement with the developer/builder which will identify what will be developed on the property and the schedule for development.
4. Upon execution of an agreement, an escrow will be opened.
5. During the escrow period, developer/builder will secure any necessary entitlements to develop the property.
6. Upon developer/builder obtaining any necessary entitlements, City will transfer title to the property to the developer/builder, and Developer/builder will execute a promissory note in favor of the City secured by a deed of trust in the amount of the current fair market value of the property as determined by the City appraisal.
7. Developer/builder will secure building permit(s) and construct the improvements.
8. Upon completion of construction, developer/builder will sell or occupy the improvements, at which time the developer/builder will pay the note in full and the City will reconvey the deed of trust.

EXHIBIT A
PARTNER UP!
RADICAL 10 PROPERTY INVENTORY

Use Code	Land Use Description	Assessors Number	Acres	Street Address	Status /Comments
4068	LINDEN AVENUE PROPERTY	104-220-040	0.22	1914 LINDEN AVE	RESIDENTIAL
4068	LINDEN AVENUE PROPERTY	104-220-039	0.13	1934 LINDEN AVE	RESIDENTIAL
4068	LINDEN AVENUE PROPERTY	104-220-038	0.17	1938 LINDEN AVE	RESIDENTIAL
4068	LINDEN AVENUE PROPERTY	104-220-037	0.19	1944 LINDEN AVE	RESIDENTIAL
4068	LINDEN AVENUE PROPERTY	104-220-036	0.20	1954 LINDEN AVE	RESIDENTIAL
4068	LINDEN AVENUE PROPERTY	104-220-035	0.24	1964 LINDEN AVE	RESIDENTIAL
4068	LINDEN AVENUE PROPERTY	104-450-001	0.14	2810 WEST ST	PROPOSED TRANSITIONAL UNITS
4069	FORMER BEDROCK PARK SITE	115-200-010	0.46	3146 BEDROCK LN	RESIDENTIAL
4070	FORMER TOURMALINE PARK SITE	112-050-055	0.25	375 TOURMALINE WAY	RESIDENTIAL