

**Successor Agency to the former Santa Barbara County
Redevelopment Agency
Draft Long-Range Property Management Plan
976 Embarcadero Del Mar - aka “The Church”**

This portion of the Long-Range Property Management Plan (LRPMP) for the Church Property located at 976 Embarcadero Del Mar (Attachment A – Map) includes all of the elements required by Health & Safety Code Section 34191.5(c) as well as the appropriate supporting documentation.

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

The property was acquired by the former Redevelopment Agency on June 4, 2008. The purchase price paid for the property, which represented its value at the time of purchase, was \$1,877,000. The estimated current value of the property is \$2,400,000, as further explained in Item (D) below.

(B) The purpose for which the property was acquired.

The property was purchased for the purpose of fulfilling the vision for the site identified in the Isla Vista Master Plan which was for the existing building to be demolished and the site to be unified with the surrounding Anisq ‘Oyo’ Park.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community or general plan.

The property is 24,215 square feet in size, designated as Assessor's Parcel No. 075-163-017 and is addressed as 976 Embarcadero Del Mar. Attachment A provides a map showing the location of the property. The site is zoned C-2 (Retail Commercial).

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

The estimated current value of the property is \$2,400,000. This valuation is based on an appraisal commissioned by the Successor Agency on July 10, 2013 prepared by Steve Schott of Schott & Company. A copy of the current appraisal is included herein as Attachment B.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

The property is currently developed with a church building. The building is currently vacant and no revenues are generated by the property.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

There is no known history of contamination at the subject site.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency.

Because of its limited size and remote location distant from other transit facilities, the property has limited potential for transit-oriented development. The Isla Vista Master Plan specifies that the site be converted to park space and unified with the surrounding Anisq 'Oyo' Park.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

The Church building was permitted on September 7, 1962 under permit no. 21913 and constructed in 1963. Several permits for various commercial uses were granted subsequent to 1962 but the most recent use of the site was that of a Church in July of 2011.

At the time the property was acquired by the former Redevelopment Agency on June 4, 2008, the Church building was occupied by St. Athanasius Church. Upon purchase of the property, the former RDA entered into a lease agreement with St. Athanasius Church which specified that the lease would terminate in July of 2011. St. Athanasius Church vacated at that time.

Use and Disposition [Health & Safety Code Section 34191.5(c)(2)]:

Address the use or disposition of all of the properties in the Community Redevelopment Property Trust Fund. Permissible uses include 1) Retention of the property for governmental use pursuant to subdivision (a) of Section 34181, 2) Retention of the property for future development, 3) Sale of the property, or 4) Use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With 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 as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in the bullet directly above, the proceeds from the sale shall be distributed as property tax to the taxing entities.*
- (C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.*

Use and Disposition of the Property

Project Identified in an Approved Redevelopment Plan [§34191.5(c)(2)(A)]

Health & Safety Code Section 34191.5(c)(2)(A) provides for the retention of property for a project identified in an approved redevelopment plan. The following projects are included in the former Redevelopment Agency's approved redevelopment plans and also serve a governmental purpose as defined in 34181(a).

1. Community Center

The approved 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies the development of a community center as a possible project for the former Agency (Section V.G.1). Section VI.C.2 states:

The Agency is authorized to permit, establish, or enlarge public, quasi-public, institutional, or non-profit uses, including schools, community centers, auditoriums, and civic center facilities, parking facilities, transit facilities, libraries, hospitals, and educational, fraternal, philanthropic and charitable institutions or other similar associations or organizations.

Further, Exhibit C of the approved 1990 Redevelopment Plan contains a list of redevelopment public improvements projects, including Playgrounds, Developed Parks, Parking Facilities and a Community Center. Page 12 of the former Redevelopment Agency's Five-Year Implementation Plan for the period 2007 – 2011 describes the community center project as a "Community Project".

2. Parking Facilities

The Isla Vista area has been historically plagued by insufficient on-street parking dating back to the 1970's. Numerous planning studies have identified a severe lack in available on-street parking spaces during UCSB's class schedule, particularly in the eastern portion of Isla Vista near the UCSB campus. In addition to Isla Vista residents, both student and staff commuters park in the community during school hours and students who reside in on-campus dorms store their cars in Isla Vista rather than parking on campus because the University charges a substantial fee to park on campus while parking in Isla Vista is free. Numerous planning documents and approved redevelopment plans for the Isla Vista area identify the ongoing parking issue and include policies or projects intended to help alleviate existing conditions. For example, the 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies parking facilities as a possible project for the former Agency (Section V.G.1). Section V.G.2 states:

The Agency may develop any real property owned or acquired by it in accordance with the goals and actions of this Plan.... In connection with such development it may cause, provide, undertake or make provisions with other agencies for the installation, or construction of parking facilities, streets, utilities, parks, open space, playgrounds and other public improvements necessary for carrying out the Plan in the Project Area.

Additionally, Section VI.C.2 states:

The Agency is authorized to permit, establish, or enlarge public, quasi-public, institutional, or non-profit uses, including schools, community centers, auditoriums, and civic center facilities, parking facilities, transit facilities, libraries, hospitals, and educational, fraternal, philanthropic and charitable institutions or other similar associations or organizations.

Further, Exhibit C of the approved 1990 Redevelopment Plan contains a list of redevelopment public improvements projects including Playgrounds, Developed Parks, Community Center, and Parking Facilities.

The Isla Vista Master Plan (IVMP), adopted by the Board of Supervisors in August of 2007, established a goal of providing centralized parking in the downtown area of Isla Vista in order to help facilitate the development of private mixed-use projects and provide additional off-street parking for the downtown commercial core. The "Parking & Transit" Section of the IVMP beginning on page 2-28 includes numerous goals, actions and policies which encouraged the former Redevelopment Agency (RDA) to actively provide additional parking in the downtown area of Isla Vista. The IVMP anticipated the use of redevelopment powers and tax increment financing to implement the goals related to the development of public parking. In essence, the former RDA, acting as a governmental body, was envisioned to carry out this function:

***Parking and Transit Action 2.3:** The RDA shall seek funding sources for the design, construction, and maintenance of potential public parking facilities within Isla Vista. (page 2-29)*

Additionally, the former Redevelopment Agency's Bond Projects document dated December, 2007, which detailed preliminary descriptions of projects to be carried out with future bond proceeds, included a "Proposed Bond Expenditures" table which lists "Parking Lot Acquisition" and "Parking Lot Improvements" on page 2, describing a potential future project as "Acquire and develop site for a downtown surface parking lot." It also describes a project to "Acquire sites for downtown parking, park expansion, and for future land swaps" Further, the Bond Projects document has a full page describing Land Acquisition: Embarcadero Loop Properties, with the following statements: "Project Goal: Work with willing sellers to increase the downtown parking supply, provide a venue for community events, and create a visually prominent core for the community and downtown.

Lastly, the former Agency's Five-Year Implementation Plan Update for the Period 2012-2016, Isla Vista Redevelopment Project Area included the following:

- "Downtown Parking Lot" is listed as a Redevelopment Project in the Cash Flow Projections (p. 21 and 40).
- Development of a downtown parking lot is identified, and implementation of an In-Lieu Parking Fee Program is mentioned (p.11).

Because the Church property includes 18 parking spaces, it can be used to fulfill this purpose and provide parking spaces for the general public and/or aid in facilitation of the County's In-Lieu

Fee Parking Program. The existing 18 parking spaces would also continue to serve the ongoing governmental use at the adjacent property located at 970 Embarcadero Del Mar where the Santa Barbara Neighborhood Clinic operates a governmental purpose medical facility.

3. Park Facilities

The Church property is located in the southern portion of the Embarcadero Loop and bounded by Anisq 'Oyo' Park to the north and People's Park and Perfect Park directly to the east. The Isla Vista Master Plan envisioned expansion of the existing park space and unification of these three parks which are currently fragmented by the existing church building. In several sections, the IVMP discusses proposed improvements to Anisq'Oyo' Park including:

***Open Space and Parks Action 2.1:** The RDA should work with IVRPD to expand the function of Anisq'Oyo' Park to create a visually prominent core for the community and downtown and to provide a venue for community events. (p. 3-2)*

Properties inside the Embarcadero Loop should be encouraged to form new strategic partnerships that would allow them to relocate – potentially to new, mixed-use buildings facing the park – in order to free up additional land for park expansion. (p. 3-8)

If St. Athanasius Orthodox Church wishes to remain within the park, their church, or a newly renovated chapel – may be easily integrated into such a space as illustrated above. (p. 3-9)

More specifically, the IVMP contains several illustrations on pages 3-8, 3-9 and 4-24 detailing the progressive conversion of the Church property from its existing, commercial nature to recreational open space. The illustrations show the existing building being removed and then eventually the underlying parcel developed with various configurations of recreational improvements. The accompanying text discusses how the existing entities located within the park area should explore strategic partnerships to allow them to relocate outside the park in order to free up the underlying land for park expansion. The enhancement of Anisq 'Oyo' Park is one of the five "Guiding Principles for Downtown Planning" identified in the IVMP (p. 4-10 & 4-11)

Additionally, the 1990 Redevelopment Plan for the Isla Vista Redevelopment Project identifies parks as possible projects for the Agency (Section V.G.1). Section V.G.2 states:

The Agency may develop any real property owned or acquired by it in accordance with the goals and actions of this Plan.... In connection with such development it may cause, provide, undertake or make provisions with other agencies for the installation, or construction of parking facilities, streets, utilities, parks, open space, playgrounds and other public improvements necessary for carrying out the Plan in the Project Area.

Exhibit C of the 1990 Redevelopment Plan contains a list of redevelopment public improvements projects, including Playgrounds, Developed Parks, Community Center, and Parking Facilities.

The Agency's 2007 Bond Projects document has a full page describing Land Acquisition: Embarcadero Loop Properties, with the following statements: "Project Goal: Work with willing

sellers to increase the downtown parking supply, provide a venue for community events, and create a visually prominent core for the community and downtown.

Further, the Agency's Proposed Bond Expenditures table describes a project to "Acquire sites for downtown parking, park expansion, and for future land swaps." (p.2)

Lastly, the former Agency's Five-Year Implementation Plan Update for the Period 2012-2016, Isla Vista Redevelopment Project Area included the following:

- "The Agency is also proposing to assist the Isla Vista Recreation and Park District with comprehensive improvements to Anisq'Oyo' Park." (Church is located within the park) (p. 41, see also p. 14 and 16).
- "A/O Park/Community Center" is listed as a Redevelopment Project in the Cash Flow Projections (p. 21 and 40).

Bond Restrictions

There are restrictions on the use of the property because it was purchased with tax-exempt bond proceeds (from the County's 2008 Certificates of Participation (COPs)). These restrictions are contained in federal law and the Tax Certificate tied to the 2008 COPs. The 2008 Repayment Agreement between the Successor Agency and the County tied to the 2008 COPs is an approved enforceable obligation of the Successor Agency. Government and 501(c)(3) non-profit uses are permissible and consistent with this enforceable obligation.

Conclusion

The Successor Agency directs that the property be transferred to the County of Santa Barbara at no cost for use for a project identified in an approved Redevelopment Plan as discussed above, i.e. as a community center and/or park facilities and/or parking lots, as authorized pursuant to Health and Safety Code Section 34191.5(c)(2)(A). Each project identified above also serves a governmental purpose as defined in 34181(a).

Attachments:

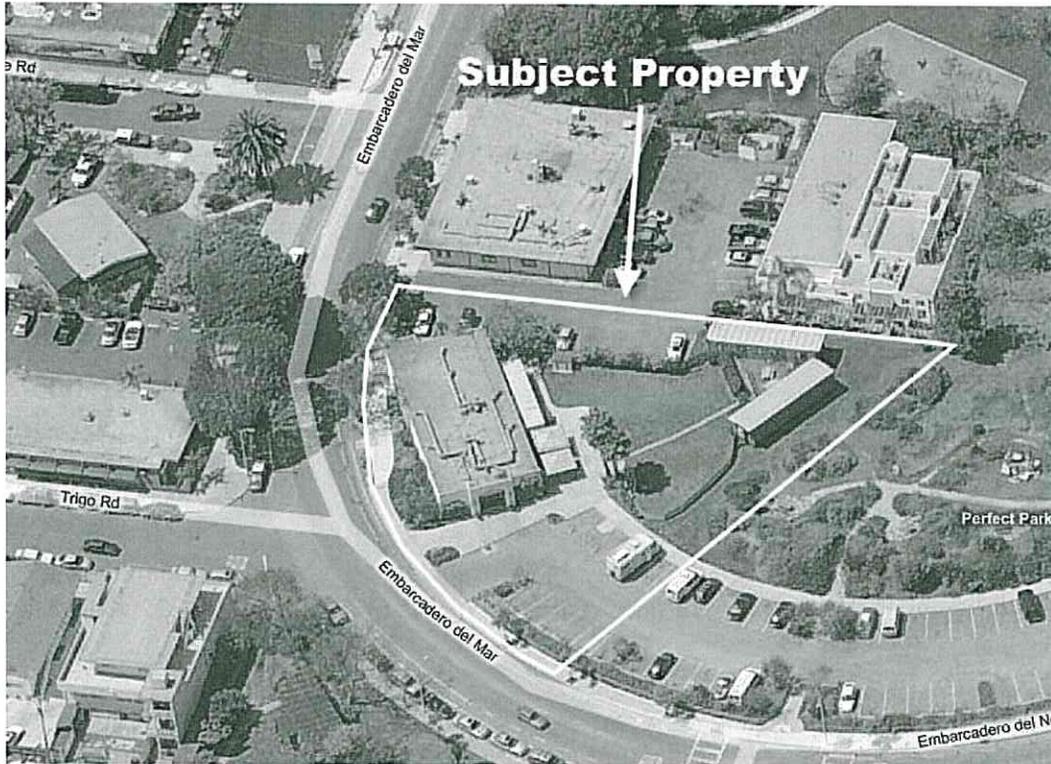
- A. Site Map
- B. Appraisal of Property dated July 10, 2013
- C. Isla Vista Master Plan hyperlink <http://www.countyofsb.org/ceo/rda.aspx?id=1656>
- D. 1990 Isla Vista Redevelopment Plan hyperlink
<http://www.countyofsb.org/ceo/RDA/docs/FinalRedevelopmentPlan2007.pdf>
- E. 2007 – 2011 5-year Implementation Plan hyperlink
http://www.countyofsb.org/uploadedFiles/ceo/RDA/ivrda5yrplan2007_2011.pdf
- F. 2012 – 2016 5-year Implementation Plan hyperlink
<http://www.countyofsb.org/uploadedFiles/ceo/RDA/RDA%205-Year%20Implementation%20Plan.pdf>
- G. 2007 Bond Document hyperlink
<http://www.countyofsb.org/uploadedFiles/ceo/RDA/2007%20RDA%20Bond%20Projects%20Document.pdf>

Attachment A – Site Map



ATTACHMENT B

APPRAISAL REPORT:
COMMERCIALLY ZONED LAND IMPROVED WITH A CHURCH



976 EMBARCADERO DEL MAR
ISLA VISTA, CALIFORNIA

Date of Value:
July 10, 2013

Date of Report:
July 26, 2013

Prepared For:
Don Grady
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

SCHOTT & COMPANY

REAL ESTATE APPRAISAL & CONSULTING

July 26, 2013

Don Grady
GS, Real Property
County of Santa Barbara
1105 Santa Barbara St.
Santa Barbara, CA 93101

Reference: Real Estate Appraisal
Commercially Zoned Land Improved with a Church
976 Embarcadero Del Mar
Isla Vista, California

Dear Mr. Grady:

As requested, I have proceeded with the work necessary to provide my opinion of the market value of the above referenced real property, as of July 10, 2013, the date that I inspected the property.

The findings of my investigations are summarized on the following pages. Please refer to the Addenda of this letter for more specific property identification, definitions, assumptions, limiting conditions, and certification.

This is a Summary Appraisal Report. It is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, this letter presents only statements regarding the data, reasoning, and analyses that were used in the appraisal process to develop an opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in my files. The depth of discussion contained within this report is specific to the needs of the client and may be misleading to a disinterested third party. My work has included an inspection of the subject property, a survey of market data, and valuation analyses.

Introduction

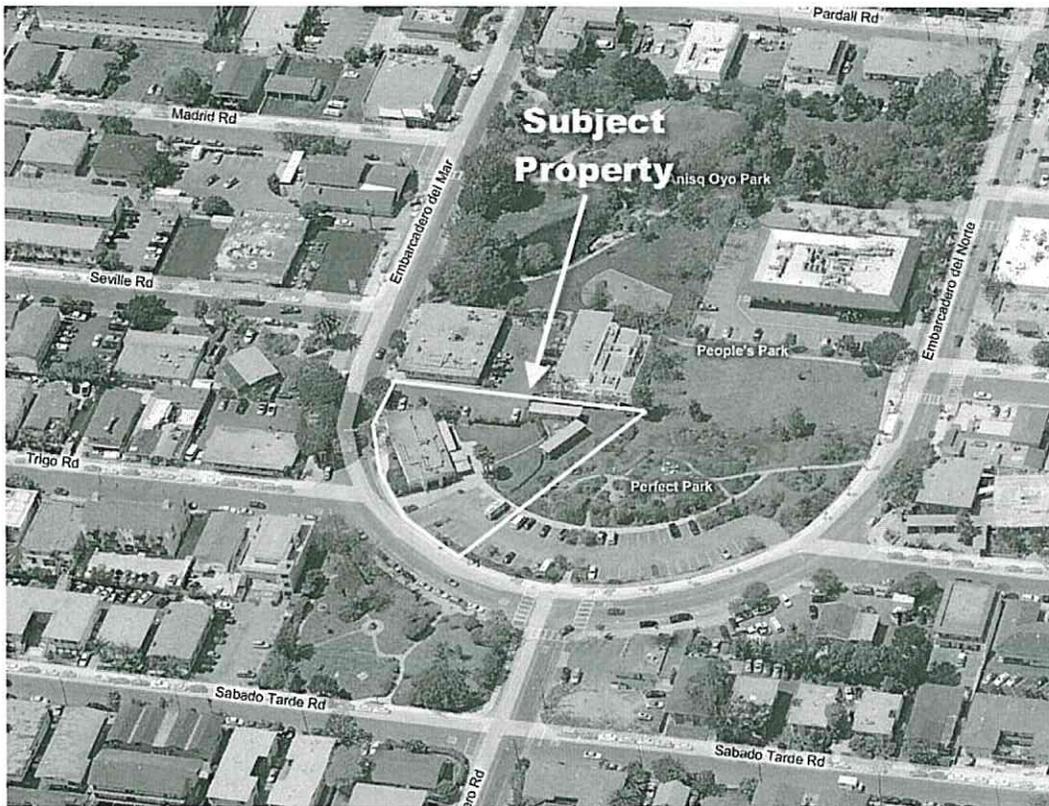
In 2012 and 2013 the South Coast has experienced robust real estate market conditions with both investors and owner-users active in the marketplace. Currently, values appear to be increasing.

Apartment rents decreased during the recession slightly and have increased slightly in the past year. This trend is expected to continue in 2013. The vacancy rate for apartments in Isla Vista in 2012 was 3.4% which is an increase from the previous year but is still a healthy level. The vacancy rate for apartments in Goleta, the nearest competing area to Isla Vista, was 1.1% in 2012.

The subject property consists of a commercially zoned parcel of land improved with a single story, single tenant church structure and associated parking lot. The property is located in the unincorporated community of Isla Vista, California.

Isla Vista is located along the South Coast of Santa Barbara County adjacent southerly to the City of Goleta and westerly of the City of Santa Barbara. Isla Vista is bounded by the University of California to the east, Goleta and the Santa Barbara Airport to the north, the Santa Barbara Channel of the Pacific Ocean to the south, and lightly improved lands owned by the University to the west. The community is approximately one half mile square. It is a small, densely populated, largely student occupied community.

Set out below is an aerial photograph of the subject property.



The primary influence on Isla Vista is the University of California at Santa Barbara. The University a public research university. It has an undergraduate population of approximately 19,800 students and a graduate student population of 3,050.

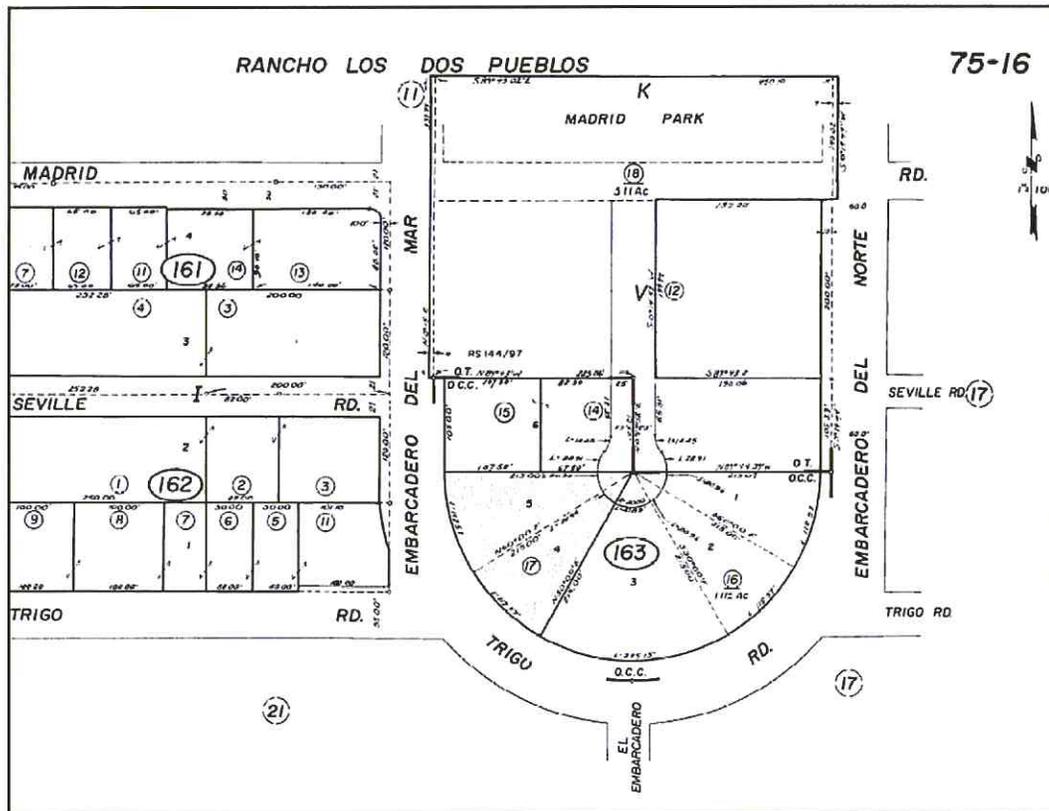
The bulk of Isla Vista was developed in the 1960s. From the early 1970's until 1998, there was a moratorium on new water meters due to the local water supply being over drafted. However, in 1998, local water agencies finished the construction of a pipeline that connected the area with the State Water System. This has allowed for a variety of new development in Isla Vista and, particularly, Goleta to take place. The

majority of residential development in Isla Vista ranges from duplexes to fifty unit two and three story buildings. There is a small area of commercial development in the area closest to the University. The subject is located within this area. There are four significant private redevelopment projects that were recently constructed in the subject neighborhood. These three and four story mixed-use developments have retail uses on the ground floor and residential apartments above.

The County of Santa Barbara's Master Plan for Isla Vista was updated and adopted several years ago and a major rezoning of much of the community is pending approval by the California Coastal Commission. If approved, higher density housing will be allowed in many areas and it is likely that the population of Isla Vista will grow at least modestly. The vision for Downtown Isla Vista, where the subject is located, consists of redevelopment of many of the properties with three story mixed-use structures with commercial space on the ground floor and apartment units on the second and third floors. This vision is beginning to be realized as three mixed use projects in the downtown area are under construction and another recently received entitlements.

Site Description

The subject parcel is located on the easterly Embarcadero Del Mar. The subject parcel is highlighted in yellow in the parcel map set out below.



The site is nearly triangular in shape and level at street grade. It has 212 feet of frontage on Embarcadero Del Mar and a uniform depth of 215 feet. Gross and net site area is approximately 24,215 square feet. It appears that the paper street shown at the northeasterly side of the subject property has been abandoned.

Access to the subject site is via Embarcadero Del Mar/Trigo Road a public road with an approximate right-of-way width of 60 to 70 feet at the subject location.

The northerly 10 feet of the subject site is encumbered with an easement that is appurtenant to the two adjacent parcels. The subject has an easement over the southerly 10 feet of those parcels that are adjacent northerly.

The subject is zoned C-2 "Retail Commercial," under the jurisdiction of the County of Santa Barbara. This designation is intended to provide areas for a wide variety of commercial uses and mixed-use (residential/commercial) structures. There is no minimum lot size. Building height is limited to 35 feet. Required setbacks are 30 feet from the centerline and 10 feet from the right-of-way line of any street, no side yard setback, and 10% of the lot depth (10 feet max) for the rear setback. Required parking is generally two spaces per bedroom and one space per 500 square feet of commercial building area. It should be noted that recently approved mixed-use projects in downtown Isla Vista received modifications to allow for less onsite parking, no setbacks, and greater building height than is allowed under current zoning. The subject appears to be legally conforming to current zoning.

Improvement Description

General:	Improvements to the subject consist of a one story wood frame structure with stucco siding. The building is currently vacant but was originally developed as a church.
Age:	The building is estimated to be approximately 30 years old.
Quality:	Average
Condition:	Average
Gross/Net Building Areas:	±3,620 square feet
Interior Finish:	
Floors:	Carpet/Vinyl
Walls:	Drywall
Ceilings:	Drywall

Interior Description: The building is apportioned into a large auditorium, a kitchenette, and two restrooms.

Mechanical Equipment: The building has two restrooms and appears to be fully heated and air-conditioned.

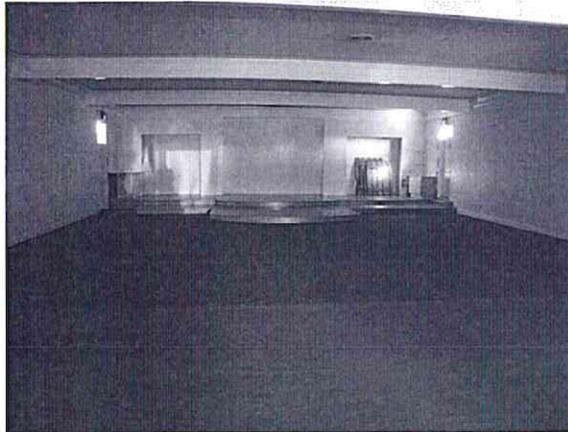
Site Improvements: Site improvements consist of an asphalt paved driveway and parking area, concrete walkways, and landscaping. The subject has approximately 12 onsite parking spaces. The subject has a parking ratio of 3.26 spaces per 1,000 square feet of building area.



Front of Subject Building



Rear of Subject Building



Interior of Subject Building



Interior of Subject Building

Highest & Best Use (As Though Vacant)

Given current levels of demand and rental values in Isla Vista, it is likely that the highest and best use of the subject property “as though vacant” would be to develop a multi-story mixed-use (commercial/residential) project.

Highest & Best Use (As Improved)

As improved, the current use of the subject as a church building is an under - improvement. It is likely that an alternative use of the subject would result in a higher return. Therefore, the highest and best use, “as improved” of the subject property would be to continue the current use as an interim use followed by redevelopment with a mixed-use commercial/residential project.

Valuation

Because the highest and best use of the subject is redevelopment, the valuation of the subject property will consist only of a sales comparison approach that focuses on land value.

I have investigated sales that are deemed to be comparable to the subject. The unit of comparison used in the following analysis is price per square foot of land area. Set out below is a summary of the most pertinent data.

MARKET SURVEY – LAND SALES					
No.	Location/APN/Zoning	Land Sq. Ft.	Sale Date	Sale Price	Price/ Sq. Ft.
1.	5955 Calle Real Goleta 069-110-018 C-2	86,957	3/2012	\$5,700,000	\$66
2.	909 Embarcadero Del Mar Isla Vista 075-112-016 C-2	9,300	8/2004	\$927,000	\$100
3.	6584 Madrid Road Isla Vista 075-112-013 C-2	5,400	Listing	\$590,000	\$109
4.	6522 & 6530 Seville Rd. Isla Vista 075-171-013 & 014 C-2	16,408	6/2005	\$2,000,000	\$122
5.	6533 Trigo Road Isla Vista 075-173-003 & 026 C-2	16,500	12/2010	\$2,175,000	\$132
6.	6522 - 6530 Seville Rd. 075-171-013 & 014 C-2	15,500	7/2012	\$2,250,000	\$144
7.	6547 Trigo Road Isla Vista 075-173-023 & 024 C-2/SR-H-20	11,400	8/2008	\$1,725,000	\$151
	Subject Property 075-163-017 C-2	24,215	7/2008	\$1,877,000	\$78

Data No. 1 (5955 Calle Real; \$66/Sq. Ft.) is the 2012 sale of a larger rectangularly shaped parcel of commercially zoned land located in Goleta. The property is improved with a 10,123 square foot retail building. The buyer, a supermarket chain, intends to raze the existing building and construct a new supermarket.

Data No. 2 (909 Embarcadero Del Mar; \$100/Sq. Ft.) is the older sale of the property situated on the southwesterly corner of the intersection of Embarcadero Del Mar and Pardall Road. This parcel is level at street grade and rectangular in shape. At the time of sale, the property was improved with a single story restaurant building of 1,972 square feet. This property was purchased by a developer who subsequently acquired approvals for a three story, 27,850 square foot mixed-use commercial/residential development with 24 residential units. The project is currently under construction.

Data No. 3 (6584 Madrid Rd., \$109/Sq. Ft.) is the current listing of a small rectangularly shaped, commercially zoned parcel of land located on a side street in Isla Vista. This property is currently improved with a coin operated car wash facility

but its highest and best use is redevelopment with a mixed use development. This property is inferior to the subject in terms of location and its small size results in redevelopment challenges. Further, this is a listing, not a sale.

Data No. 4 (6522 & 6530 Seville Rd.; \$122/Sq. Ft.) is the older sale of two adjacent rectangularly shaped parcels that are improved with two storage buildings totaling 5,816 square feet. The buyer of the property, a developer, recently received approvals to raze the existing improvements and construct a new 44,835 square foot mixed-use project. This property has a peripheral location within the central business district of Isla Vista.

Data No. 5 (6533 Trigo Road; \$132/Sq. Ft.) is the late 2010 sale of an unusually shaped parcel of level land located at southern end of the central business district in Isla Vista. This property had been used as a service station. However, prior to the sale, the buyer acquired approvals to construct a four story mixed-use 44,994 square foot development on the site. This development is currently under construction.

Data No. 6 (6522 - 6530 Seville Rd.; \$144/Sq. Ft.) is the mid-2012 cash sale of two adjacent rectangularly shaped level parcels that are improved with two storage buildings totaling 5,816 square feet. The buyer of the property, a developer, received approvals to raze the existing improvements and construct a new 44,835 square foot mixed-use project (currently finishing construction). The project consists of 22,420 square feet of commercial space and 22,415 square feet of residential condominium units (24 units, 4 of which are affordable). The project will have six hotel guest rooms (in addition to the 24 condominiums), a ground floor gym with pool and spa, a roof top deck with small café. The building will have 43 parking spaces (stacked with mechanical lifts). However, despite the appearances of a development of a condominium and hotel, this property will be operated as a student housing rental project. This property will have a floor area ratio of 2.89. This property has a slightly more peripheral location within the central business district of Isla Vista than the subject and the other discussed herein. This development is currently under construction.

Data No. 7 (6547 Trigo Road; \$151/Sq. Ft.) is the mid 2008 sale of a slightly irregularly shaped parcel of land that is situated on two corners at the southern end of the central business district in Isla Vista. The parcel is level at street grade and partially zoned C-2 and partially zoned high density student residential. The property was improved with a small restaurant and retail store at the time it sold. The buyer of this parcel pursued and received approvals subsequent to the sale for a four story 20,697 square feet mixed-use structure on the site. This development is currently under construction.

The subject property was purchased by the redevelopment agency in 2008 through negotiations, though the property was not openly marketed. The land value of the subject property today is judged to be more than \$78 per square foot.

The data indicate a range of price per square foot of land from \$66 to \$151. The subject benefits from the fact that it is situated in Downtown Isla Vista, an area currently undergoing a transformation to a densely developed urban style neighborhood. Alternatively, the subject is triangularly shaped which reduces its utility versus a rectangularly shaped parcel (all of the comparable data are rectangularly shaped). Further, the northerly 10 feet of the property (approximately 9% of the total site) is encumbered by an easement which reduces the utility of the site as a whole. Therefore, based on current market conditions, the comparable sales discussed above, and the appeal of the subject, the value of the subject property is estimated to be below the midpoint of the range found among the comparable data. Base on the data and discussion above, the value of the subject is estimated to be between \$90 and \$110, say \$100 per square foot, of site area.

Value of Subject (per Sq. Ft. of Site Area):	\$100
Usable Site Area (Sq. Ft.):	<u>x 24,215</u>
Value of Subject:	\$2,421,500
Value of Subject, Rounded:	\$2,400,000

Value Conclusion

The Sales Comparison Approach resulted in value indication of \$2,400,000. Therefore, the opinion has been formed that the market value of the Fee Simple Estate in the subject property, based on assumptions, limiting conditions and certification stated, as of the date of value, was the sum of \$2,400,000

TWO MILLION FOUR HUNDRED THOUSAND DOLLARS

I hope the information contained within this summary appraisal report is sufficiently explanatory. Should you have any questions or require further detail, please feel free to contact me.

Sincerely,



Stephen G. Schott, MAI
CA #AG024150

ADDENDA/USPAP REPORTING REQUIREMENTS

Ownership Information

The owner of record for the subject property is the Santa Barbara County Redevelopment Agency. There are no sales of the subject property within the past three years.

Assessors Parcel Number

Book 75, Page 163, Parcel 017

Pertinent Conditions of Title

A title report for the subject has not been reviewed. Aside from those discussed herein, it is an assumption of this appraisal that there are no existing easements, liens or encumbrances that could adversely affect the value or use of the subject property.

Type of Value and Date of Appraisal

This appraisal sets forth my opinion as to the *market value* of the fee simple estate in the real property described herein. Opinions and other matters expressed in this report are stated as of July 10, 2013.

Function of Appraisal

The function of this appraisal is to provide valuation information to the client for decision making purposes.

Intended Use & User

The intended use of this appraisal report is for decision making purposes. The intended user is the owner of the property.

Scope of Appraisal

Generally, a valuation analysis has been completed including an inspection and description of the subject property and surrounding area, consideration of highest and best use, and the application of valuation analyses. Insofar as is practical, every effort has been made to verify as factual and true all data set forth in this report. However, no responsibility is assumed for the accuracy of any information furnished by others. This is a Summary Appraisal Report.

Exposure Time

The estimated exposure time (the time prior to the date of value that the property would have needed to have been marketed for in order for it to sell) for the subject property would have been eighteen months (including escrow), assuming a realistic asking price.

Definition of Terms

MARKET VALUE

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date

and the passing of title from seller to buyer under conditions whereby:

- (a) Buyer and seller are typically motivated;
- (b) Both parties are well informed or well advised, and acting in what they consider their best interest;
- (c) A reasonable time is allowed for exposure in the open market;
- (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Uniform Standards of Professional Appraisal Practice (of the Appraisal Foundation)

LEASED FEE ESTATE

The term "leased fee estate", as used in this report is defined as follows:

A property held in fee with the right of use or occupancy conveyed by lease to others. A property consisting of the right of ultimate repossession at the termination of the lease.

FEE SIMPLE ESTATE

The term, "fee simple estate", as used in this report, is defined as follows:

An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions:

- 1) This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
- 2) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- 3) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 4) Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 5) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 6) All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 7) It is assumed that there are no hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 8) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

- 9) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- 10) It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- 11) Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- 12) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
- 13) The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- 14) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

- 15) Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
- 16) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 17) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with property written qualification and only in its entirety.
- 18) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinion, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment is not contingent upon developing or reporting predetermined results
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- that this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and in accordance with the Code of Professional Ethics and the standards of Professional Practice of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.



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