



**AGENDA**  
**OVERSIGHT BOARD**  
**FOR THE SUCCESSOR AGENCY TO THE**  
**FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE**  
City of Oroville Council Chambers  
1735 Montgomery Street  
Adjourned Meeting

**WEDNESDAY, AUGUST 27, 2014 – 10:00A.M.**

*This meeting may be broadcast remotely via audio and/or video conference at the following addresses:  
Cota Cole, LLP, 3401 Centrelake Drive, Suite 670, Ontario, CA 91761*

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**RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS**

*Anyone in the audience wishing to address the Board on a matter that is on the agenda should complete a Speaker Form available at the entrance of the Council Chambers. Please deliver the Speaker Form to the City Clerk, who is acting as the Oversight Board Secretary prior to the agenda item being heard by the Oversight Board. When at the podium, you are encouraged to state your name for the record. Following your remarks, Board and/or staff may respond to your comments or questions. The Government Code does allow for **presentations to be limited to three minutes per person.***

**ROLL CALL**

Board Members:	Gordon Andoe	Oroville City Council Member
	Kevin Bulterna	Assistant Superintendent, Butte County Office of Education
	Bill Connelly	Butte County Supervisor, District 1
	Amy Bergstrand	Management Analyst III of the City of Oroville
	Loren Gill	Feather River Recreation and Parks District Board Member
	Larry Grundmann	Appointed member of the General Public
	Trevor Stewart	Butte-Glenn Community College

**PLEDGE OF ALLEGIANCE**

**CONSENT AGENDA**

- 1. APPROVAL OF THE MINUTES OF FEBRUARY 26, 2014 MEETING OF THE OVERSIGHT BOARD - minutes attached.

**REGULAR BUSINESS**

- 2. LONG RANGE PROPERTY MANAGEMENT PLAN – staff report

The Oversight Board may consider a resolution approving the revised Long-Range Property Management Plan pursuant to Health and Safety Code section 34191.5 for the liquidation of non-housing physical property assets of the former Oroville Redevelopment Agency. (Rick Farley, RDA Coordinator)

Board Action Requested:

**Adopt Resolution No. 04-14 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF OROVILLE SUCCESSOR AGENCY APPROVING THE REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5.**

**ADMINISTRATION REPORTS**

- Discussion – upcoming selection of new Chairperson and Board Members

**CORRESPONDENCE**

- State Department of Finance ROPS 14-15A Approval letter dated May 16, 2014

**HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS**

*This is the time the Chairperson will invite anyone in the audience wishing to address the Board on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. Presentations are limited to 3 minutes. Under Government Code Section 54954.2, The Board is prohibited from taking action except for a brief response by the Board or staff to a statement or question relating to a non-agenda item.*

**ADJOURNMENT**

The meeting will be adjourned. A regular meeting of the Oversight Board will be held on Wednesday, September 24, 2014, at 10:00 a.m., at the City of Oroville City Hall, Council Chambers, located at 1735 Montgomery Street, Oroville, California.

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*Accommodating Those Individuals with Special Needs – In compliance with the Americans with Disabilities Act, the Oversight Board of the Oroville Successor Agency encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at Oroville City Hall, 1735 Montgomery Street, Oroville, California.*

**OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER OROVILLE  
REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE  
MEETING MINUTES – FEBRUARY 26, 2014**

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The agenda for the February 26, 2014, adjourned meeting of the Oversight Board for the Successor Agency to the former Oroville Redevelopment Agency (Oversight Board) was posted on the bulletin board at the front of City Hall on Wednesday, February 19, 2014 at 5:36 p.m.

The February 26, 2014 adjourned meeting of the Oversight Board was called to order by Chairperson Andoe at 10:03 a.m.

**ROLL CALL**

Present: Board Members Bergstrand, Bultema, Connelly (arrived late), Gill, Stewart, Vice Chairperson Grundmann, Chairperson Andoe

Absent: None

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**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Chairperson Andoe.

**RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS**

Susie Kim – Items No. 2 and 3

**CONSENT AGENDA**

Board Member Connelly arrived at the meeting.

- 1. APPROVAL OF THE MINUTES OF SEPTEMBER 25, 2013, MEETING OF THE OVERSIGHT BOARD** - minutes attached.

A motion was made by Vice Chairperson Grundmann, and seconded by Board Member Bergstrand to approve the Consent Calendar:

The motion was passed by the following vote:

Ayes: Board Members Bergstrand, Bultema, Connelly, Gill, Stewart, Vice Chairperson Grundmann, Chairperson Andoe

Noes: None

Abstain: None

Absent: None

OB-1

## REGULAR BUSINESS

### 2. **A RESOLUTION MAKING A FINDING THAT A CITY REDEVELOPMENT AGENCY LOAN WAS FOR A LEGITIMATE REDEVELOPMENT PURPOSE – staff report**

The Oversight Board considered a resolution making a finding that a loan between the City of Oroville and the former Oroville Redevelopment Agency was for a legitimate redevelopment purpose. **(Rick Farley, RDA Coordinator)**

Rick Farley, RDA Coordinator, introduced Susie Kim, RSG Associates, who was available for questions pertaining to the Oversight Board, including the Recognized Obligation Payment Schedule.

Following discussion, a motion was made by Vice Chairperson Grundmann, seconded by Board Member Bergstrand, to:

**Adopt Resolution No. 01-14 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE MAKING THE FINDING, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1), THAT A LOAN ENTERED INTO BY AND BETWEEN THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE AND THE CITY OF OROVILLE WAS FOR A LEGITIMATE REDEVELOPMENT PURPOSE.**

The motion was passed by the following vote:

Ayes: Board Members Connelly, Gill, Bergstrand, Stewart, Vice Chairperson Grundmann, Chairperson Andoe  
Noes: Board Member Bultema  
Abstain: None  
Absent: None

### 3. **ADOPTION OF THE JANUARY THROUGH JUNE 2014 RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET – staff report**

The Oversight Board considered approving the Recognized Obligation Payment Schedule (ROPS 13-14B) and the Successor Agency Administrative Budget for January through June 2014. **(Rick Farley, RDA Coordinator)**

Following discussion, a motion was made by Board Member Stewart, seconded by Board Member Connelly, to:

1. **Adopt Resolution No. 05-13 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JANUARY THROUGH JUNE 2014 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14B) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(m).**
2. **ADOPT RESOLUTION 06-13 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JANUARY THROUGH JUNE 2014 ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j).**

The motion was passed by the following vote:

Ayes: Board Members Connelly, Gill, Bergstrand, Stewart, Vice Chairperson  
Grundmann, Chairperson Andoe  
Noes: Board Member Bultema  
Abstain: None  
Absent: None

**4. DUE DILIGENCE REVIEW PAYMENT – staff report**

The Oversight Board was provided a copy of the cover letter and County of Butte's Auditor's Certificate and Treasurer's receipt, dated December 24, 2013, to document the payment of \$1,852,500 for the remaining amount due pursuant to the California Department of Finance's Due Diligence Review. **(Rick Farley, RDA Coordinator)**

**RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON NON-AGENDA ITEMS** - None

**ADJOURNMENT**

The meeting was adjourned at 10:36 a.m. An adjourned meeting of the Oversight Board will be held on Wednesday, March 26, 2014 at 10:00 a.m.

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Randy Murphy, Secretary

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Gordon Andoe, Chairperson

**OVERSIGHT BOARD  
STAFF REPORT**

**TO: CHAIRPERSON AND BOARD MEMBERS**

**FROM: RICK FARLEY, RDA COORDINATOR**

**RE: RESOLUTION APPROVING THE LONG-RANGE PROPERTY  
MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE  
SECTION 34191.5**

**DATE: August 27, 2014**

**SUMMARY**

The Oversight Board may consider a resolution approving the revised Long-Range Property Management Plan pursuant to Health and Safety Code Section 34191.5 for the liquidation of non-housing physical property assets of the former Oroville Redevelopment Agency

**DISCUSSION**

***Background***

Assembly Bill ("AB") 1484, enacted in June of 2012, requires all successor agencies for former redevelopment agencies which owned property as of the time of redevelopment dissolution in 2011, to prepare a Long Range Property Management Plan ("LRPMP"). The LRPMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements, as detailed in the next section.

Pursuant to Health and Safety Code section 34191.5, within six months after receiving a Finding of Completion from the Department of Finance ("DOF"), each Successor Agency is required to submit for approval to the Oversight Board and DOF a LRPMP that addresses the disposition and use of the real properties of the former redevelopment agency.

On July 18, 2012, the Oversight Board adopted Resolution 01-12 approving a LRPMP. However, because the Successor Agency had not yet received its Finding of Completion from DOF, the LRPMP was not reviewed by DOF. On May 6, 2014, the City of Oroville Successor Agency received its Finding of Completion from DOF. During that time period, DOF updated its submittal requirements for LRPMPs, and the attached LRPMP was revised to meet the updated requirements.

## ***Long Range Property Management Plan***

LRPMPs are required to include an inventory of all the properties and information on each property including date of acquisition, purpose for which the property was acquired, parcel data, estimate of current value, estimate of revenues generated by the property, history of environmental contamination, potential for transit-oriented development, the advancement of the planning objectives and a brief history of previous development proposals and activity. In addition, the LRPMP must address the use or disposition of all the properties. Permissible uses include:

- a. Retention for governmental use pursuant to subdivision (a) of Section 34181;
- b. Retention for future development;
- c. Sale of the property; or
- d. Use of property to fulfill an enforceable obligation.

Lastly, the LRPMP must separately identify and list properties dedicated to governmental use purposes, and properties retained for fulfilling an enforceable obligation. The Oroville Successor Agency is not proposing any properties be retained for either of these purposes.

With respect to the use or disposition of all other properties, all 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 subsection 3(a) 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 PMP has been approved by the oversight board and DOF.

The former Oroville Redevelopment Agency ("Agency") is the owner of record on the title for six properties in Oroville.

- Four of these properties (750, 2044, 2060 and 2062 Montgomery Street), are proposed to be sold by the Successor Agency with the proceeds of the sale to be distributed to taxing entities by the Butte County Auditor-Controller in accordance with the Dissolution Act.
- Two properties (035-290-003 and 035-290-039) are vacant land and are to be transferred to the City for retention of the properties for future development. Compensation agreements with the taxing entities will be entered into for these two properties in accordance with the Dissolution Act.

## **FISCAL IMPACT**

The cost for the preparation of the LRPMP will come out of the Successor Agency's Administrative Budget Allowance.

## **RECOMMENDATION**

ADOPT RESOLUTION NO. 04-14 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF OROVILLE SUCCESSOR AGENCY APPROVING THE REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5.

## **ATTACHMENTS**

Resolution 04 - 14  
DOF Finding of Completion Letter May 6, 2014  
LRPMP Property Report  
LRPMP Property Inventory Data Worksheet



**OVERSIGHT BOARD  
RESOLUTION NO. 04-14**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5**

**WHEREAS**, the Oversight Board of the Oroville Successor Agency of the former Redevelopment Agency of the City of Oroville ("Oversight Board") has been established to direct the Successor Agency to the Redevelopment Agency of the City of Oroville ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26 and 1484, as codified in the California Health and Safety Code); and

**WHEREAS**, among the duties of successor agencies under the Dissolution Act is the preparation of a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local oversight board and California Department of Finance ("DOF") for purposes of administering the wind-down of financial obligations of the former Redevelopment Agency; and

**WHEREAS**, the Long-Range Property Management Plan shall be submitted to the Oversight Board and DOF within six months after receiving a Finding of Completion from DOF; and

**WHEREAS**, the Long-Range Property Management Plan shall include an inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust"), which was established to serve as the repository of the former redevelopment agency's real properties; and

**WHEREAS**, a Long-Range Property Management Plan was approved by the Oversight Board on July 18, 2012, however because a Finding of Completion was not yet received, the plan was not reviewed by DOF;

**WHEREAS**, the Oroville Successor Agency received a Finding of Completion from DOF on May 6, 2014;

**WHEREAS**, the revised Long-Range Property Management Plan, attached hereto as Exhibit "A", has been prepared by staff and consultants consistent with the provisions of the Dissolution Act, Health and Safety Code Section 34191.5, and the guidelines made available by DOF; and

**WHEREAS**, the Oversight Board desires to approve the Long-Range Property Management Plan and transmit it to DOF as required.

**BE IT HEREBY RESOLVED** by the Oversight Board as follows:

1. The Oversight Board of the Oroville Successor Agency of the former Redevelopment Agency of the City of Oroville hereby approves and adopts the revised Long-Range Property Management Plan required by HSC Section 34191.5.
2. The Secretary shall attest to the adoption of this resolution.

**PASSED AND ADOPTED** by the Oversight Board at a meeting on August 27, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Gordon Andoe, Chairperson

\_\_\_\_\_  
Randy Murphy, Secretary



May 6, 2014

Ms. Suzy Kim, Consultant  
City of Oroville  
309 W. Fourth St  
Santa Ana, CA 92701

Dear Ms. Kim:

Subject: Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Oroville Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Derk Symons, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Rick Farley, Business Assistance Coordinator, City of Oroville  
Ms. Maria Solis, Auditor - Accountant, Butte County  
California State Controller's Office

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# LONG-RANGE PROPERTY MANAGEMENT PLAN

Successor Agency to the  
Oroville Redevelopment Agency

August 27, 2014

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Successor Agency to the Oroville Redevelopment Agency  
Long-Range Property Management Plan

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## INTRODUCTION

Assembly Bill ("AB") 1484, enacted in June of 2012, requires all successor agencies for former redevelopment agencies that owned property as of the time of redevelopment dissolution in 2011 to prepare a Long Range Property Management Plan ("PMP"). The PMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements, as detailed in the next section.

This is the Long Range Property Management Plan for the Successor Agency to the Oroville Redevelopment Agency ("Successor Agency").

## EXECUTIVE SUMMARY

The former Oroville Redevelopment Agency ("Agency") is the owner of record on the title for 6 properties in Oroville.

- Four of these properties (750, 2044, 2060 and 2062 Montgomery Street), are proposed to be sold by the Successor Agency with the proceeds of the sale to be distributed to taxing entities by the Butte County Auditor-Controller in accordance with the Dissolution Act.
- Two properties (035-290-003 and 035-290-039) are vacant land and are to be transferred to the City for retention of the properties for future development. Compensation agreements with the taxing entities will be entered into for these two properties in accordance with the Dissolution Act.

## STATEMENT OF LEGAL REQUIREMENTS

Pursuant to Health and Safety Code section 34191.5 (part of AB 1484), each successor agency that holds property from a former redevelopment agency is required to submit a PMP to the State Department of Finance ("DOF") within six months after receiving a "Finding of Completion" from DOF. Prior to the submittal of the PMP to DOF, the successor agency's oversight board must approve the PMP.

In general, the PMP addresses the disposition and use of the real properties of the former redevelopment agency. AB 1484 requires that the PMP include all of the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust Fund"), established to serve as the repository of the former redevelopment agency's real properties. This inventory shall consist of all of the following information:
  - a. **Date of acquisition** of the property and the value of the property at that time, and an estimate of the current value of the property.
  - b. **Purpose** for which the property was acquired.
  - c. **Parcel data**, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.

- d. **Estimate of the current value** of the parcel including, if available, any appraisal information.
  - e. **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.
  - f. **History of environmental contamination**, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
  - g. Description of the **property's potential for transit-oriented development and the advancement of the planning objectives** of the successor agency
  - h. Brief history of **previous development proposals** and activity, including the rental or lease of property.
2. Address the use or disposition of all the properties in the Trust Fund. Permissible uses include:
- a. **Retention for governmental use** pursuant to subdivision (a) of Section 34181;
  - b. **Retention for future development**;
  - c. **Sale** of the property; or
  - d. **Use of property to fulfill an enforceable obligation**.
3. Separately identify and list properties in the Trust Fund 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 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 subsection 3(a) 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 PMP has been approved by the oversight board and DOF.

## PROPERTY VALUATION ESTIMATES AND LIMITATIONS

The Dissolution Act requires that a property management plan include an estimate of the value of property, to provide the oversight board, DOF and other interested parties information on the properties involved. DOF has stated officially they do not expect successor agencies to obtain appraisals on properties if none currently exist, so no such appraisals have been prepared for this PMP.

Instead, an estimate of property value was prepared by the Successor Agency's independent consultant based on the book value provided by the city and analysis of comparable property sales and values of similar properties. It is often difficult to assess property values of former redevelopment properties given the unique deficiencies (size, contamination, location, etc.) Coming out of a real estate recession, it still can be difficult to identify comparable properties in the area because sales volumes of small, infill parcels can be very limited. Not just in Oroville, but elsewhere, many redevelopment agencies have a number of blighted properties in their inventory that were not yet restored to a marketable condition at the time of dissolution.

The property values shown herein reflect book values at the time of purchase; given the very soft real estate market in Oroville following the Global Financial Crisis, property values have been slow to recover so despite the passage of time, market values are likely to be at or perhaps even below values of the time of purchase.

## PROPERTY INVENTORY – FORMER AGENCY PROPERTIES

The former Agency owned six parcels at dissolution. The properties are shown in the Property Inventory Data table attached. The property sites are organized by "Permissible Uses" under AB 1484 and a detailed description of the properties is provided below.

The Property Inventory Data table (Attachment 1) utilizes the DOF-created database that provides a matrix of all of the information required pursuant to Health and Safety Code Section 34191.5(c) (part of AB 1484).

It is important to note the following in reviewing the PMP:

- Estimates of current value of property were provided by RSG based on the individual methodologies described under each property profiled in this PMP. As the DOF has provided to RSG in written communication for other cities, the DOF does not require a new appraisal report to be prepared for the purposes of a PMP, even if a recent appraisal does not exist. The Successor Agency will be developing a marketing plan to solicit viable purchase offers on the four properties designated for sale following DOF approval of this PMP. The ultimate value of the properties sold will be determined based on what the market bears and not what an appraisal estimates.
- Data contained in the "Value at Time of Purchase" column in the Property Inventory Data table includes all available information obtained resulting from comprehensive title research and City staff's best efforts to locate the information.



## Properties to be Retained for Future Development

Two properties listed below are proposed to be transferred to the City of Oroville for retention for future development. A description of the properties, including the legally required information, aerial maps, and photographs of each property, are presented in this section.

The Oroville Redevelopment Agency acquired parcels 035-290-003 and 035-290-039 ("Gateway properties") in July 2008 as part of a concerted effort to reverse blighting conditions in and around the City's primary gateway entrance to Downtown Oroville from Highway 70. Underperforming retail, severely blighted and substandard residential in the immediate area, and environmental conditions on the property have historically deterred private investment on the property and surrounding vacant properties, leading to further physical and economic deterioration.

Development of these properties remains a high priority for the City of Oroville even with the dissolution of redevelopment. Revitalization of the City's historic downtown core relies heavily on the successful development of the Gateway properties, and such the Successor Agency proposed to transfer these properties to the City of Oroville for future development.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following information is provided for each of the Gateway properties. The remainder of the information required but not listed below is provided for in Attachment 1.

**GATEWAY PROPERTY NO. 1 (PROPERTY 1)**

**Address:** *Along Feather River and Hwy 70 (No situs address available)*

**APN:** *035-290-003*

**Lot Size:** *4.27 acres*

**Acquisition Date:** *July 17, 2008*

**Value at Time of Purchase:** *\$0 (transferred from the City of Oroville)*

**Purpose of Acquisition:** *Eliminate blight and for the commercial development of a hotel, restaurant, and commercial/retail development.*

**Property Type (DOF Category)** *Vacant Land/Lot*

**Property Type (City Proposed)** *Future Development*

**Current Zoning:** *C-2, Heavy Commercial*

**Estimated Current Value:** *\$650,000 combined value with Property 2*  
*Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.*

**Environmental History:** *Previously included in the Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.*

**Advancement of Planning Objectives:** *Eliminate blight and commercial development of a hotel, restaurant, and retail/commercial project.*

**Previous Development Proposals:** *A private developer has previously indicated interest in developing the property. Once the PMP has been approved and the property transferred to the City for future development, the City will evaluate the development proposal and enter into compensation agreements with the taxing entities.*

**Permissible Use:** *Retention for future development.*

## GATEWAY PROPERTY NO. 1 (PROPERTY 1)

**Aerial Photo:**



**Street View:**



**GATEWAY PROPERTY NO. 2 (PROPERTY 2)**

**Address:** *Along Feather River and Feather River Blvd*

**APN:** *035-290-039*

**Lot Size:** *15.39 acres*

**Acquisition Date:** *July 17, 2008*

**Value at Time of Purchase:** *\$0 (transferred from the City of Oroville)*

**Purpose of Acquisition:** *Eliminate blight and for the commercial development of a hotel, restaurant, and commercial/retail development.*

**Property Type (DOF Category)** *Vacant Land/Lot*

**Property Type (City Proposed)** *Future Development*

**Current Zoning:** *C-2, Heavy Commercial*

**Estimated Current Value:** *\$650,000 combined value with Property 1*  
*Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.*

**Environmental History:** *Previously included in the Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.*

**Advancement of Planning Objectives:** *Eliminate blight and commercial development of a hotel, restaurant, and retail/commercial project.*

**Previous Development Proposals:** *A private developer has previously indicated interest in developing the property. Once the PMP has been approved and the property transferred to the City for future development, the City will evaluate the development proposal and enter into compensation agreements with the taxing entities.*

**Permissible Use:** *Retention for future development.*

**GATEWAY PROPERTY NO. 2 (PROPERTY 2)**

***Aerial Photo:***



***Street View:***



## Properties to be Sold by Successor Agency

Four properties listed below are proposed to be for sale and the revenue from the sales to be distributed to taxing entities. A description of the properties, including the legally required information, aerial maps, and photographs of each property, are presented in this section.

Pursuant to the requirements of 34191.5(c) of the Health and Safety Code, the following characteristics apply to all four of the following properties listed under "Sale of Property":

- **Purpose of Acquisition:** 2062, 2060 and 2044 Montgomery Street were offered in a tax sale by the Butte County Tax Collector's Office due to delinquent property taxes on June 24, 2012. The properties did not sell and remained within the control of Butte County ever since. At that time, redevelopment agencies were eligible to acquire tax-defaulted properties without the necessity of bidding at a public auction. In order to help eliminate blight and further improve the Downtown core, the properties were acquired by the Redevelopment Agency through the County tax-defaulted properties.
- **Estimate of Income Revenue:** None
- **Contractual Requirements for Use of Income/Revenue:** None
- **Description of Property's Potential for Transit Oriented Development:** No potential for transit-oriented development.
- **Environmental History:** The properties were previously included in Brownfield Priority List for US EPA community-wide Brownfields Assessment Grant Program.
- **History of Development Proposals:** There is no history of development proposals nor rentals or leases for these four properties.
- **Permissible Use:** Sale of property with the revenues from the sales to be distributed to taxing entities.

The remainder of the information required by Health and Safety Code Section 34191.5(c) is provided below and in Attachment 1.

**2062 MONTGOMERY STREET (PROPERTY 3)**

**Address:** 2062 Montgomery Street  
**APN:** 012-032-009  
**Lot Size:** 0.11 acres  
**Acquisition Date:** July 14, 2004  
**Value at Time of Purchase:** \$9,000  
**Property Type (DOF Category)** Commercial  
**Property Type (City Proposed)** Sale of property  
**Current Zoning:** C-2, Heavy Commercial  
**Estimated Current Value:** \$9,368

*Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.*

**Advancement of Planning Objectives:** *Eliminate blight and commercial development in the Downtown core.*

**Permissible Use:** *Sale of property*

**Aerial Photo:**



**2062 MONTGOMERY STREET (PROPERTY 3)**

***Street View:***





**2060 MONTGOMERY STREET (PROPERTY 4)**

**Address:** 2060 Montgomery Street  
**APN:** 012-032-010  
**Lot Size:** 0.14 acres  
**Acquisition Date:** July 14, 2004  
**Value at Time of Purchase:** \$11,500  
**Property Type (DOF Category)** Commercial  
**Property Type (City Proposed)** Sale of Property  
**Current Zoning:** C-2, Heavy Commercial  
**Estimated Current Value:** \$11,867

*Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.*

**Advancement of Planning Objectives:** *Eliminate blight and commercial development in the Downtown core.*  
**Permissible Use:** *Sale of property*  
**Aerial Photo:**



**2060 MONTGOMERY STREET (PROPERTY 4)**

***Street View:***



**2044 MONTGOMERY STREET (PROPERTY 5)**

**Address:** 2044 Montgomery Street

**APN:** 012-032-010

**Lot Size:** 0.15 acres

**Acquisition Date:** July 14, 2004

**Value at Time of Purchase:** \$11,500

**Property Type (DOF Category)** Commercial

**Property Type (City Proposed)** Sale of Property

**Current Zoning:** C-2, Heavy Commercial

**Estimated Current Value:** \$11,870

*Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.*

**Advancement of Planning Objectives:** *Eliminate blight and commercial development in the Downtown core.*

**Permissible Use:** *Sale of property*

**Aerial Photo:**



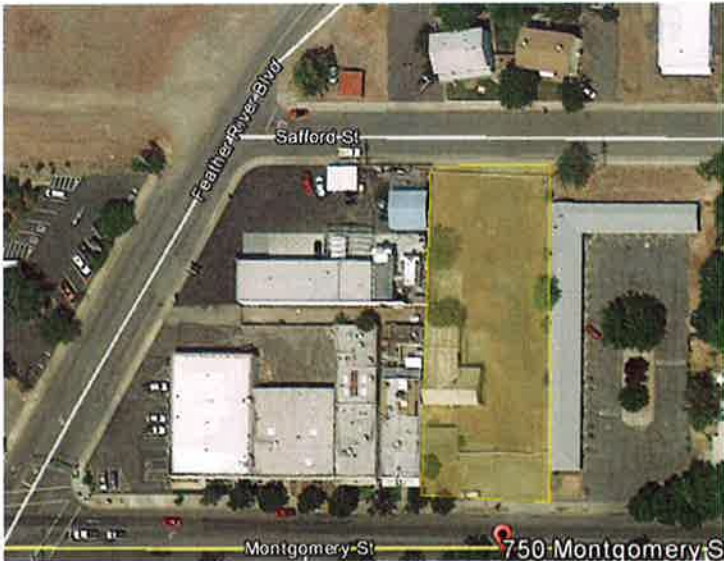
**2044 MONTGOMERY STREET (PROPERTY 5)**

***Street View:***



**750 MONTGOMERY STREET (PROPERTY 6)**

**Address:** 750 Montgomery Street  
**APN:** 012-061-009  
**Lot Size:** 0.61 acres  
**Acquisition Date:** March 25, 2008  
**Value at Time of Purchase:** \$169,000  
**Purpose of Acquisition:** Eliminate blight from the Gateway area of the City.  
**Property Type (DOF Category)** Commercial  
**Property Type (City Proposed)** Sale of Property  
**Current Zoning:** C-2, Heavy Commercial  
**Estimated Current Value:** \$162,972  
*Based on the Successor Agency book value of the property, per the SA auditor as of June 30, 2013.*  
**Advancement of Planning Objectives:** Eliminate blight and commercial development in the Downtown core.  
**Permissible Use:** Sale of property  
**Aerial Photo:**



**750 MONTGOMERY STREET (PROPERTY 6)**

**Street View:**



Properties Retained For Purposes of Fulfilling an Enforceable  
Obligation

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There are no properties to be retained for the purpose of fulfilling an Enforceable Obligation, as defined in AB x1 26.

ATTACHMENTS

**1 - Property Inventory Data (DOF Form)**



No.	HSC 34191.5 (c)(1)(C)			HSC 34191.5 (c)(2)			HSC 34191.5 (c)(1)(A)					SALE OF PROPERTY (if applicable)		Property Value/Sale Info
	Address or Description	APN	Property Type	Permissible Use	If Sale of Property, specify intended use of sale proceeds	Permissible Use Detail	Acquisition Date	Value at Time of Acquisition	Estimated Current Value	Date of Estimated Current Value	Estimated Current Value Basis	Proposed Sale Value	Proposed Sale Date	
1	Gateway Property No. 1	035-290-003	Vacant Lot/Land	Future Development	N/A	The City of Oroville has designated this site as the primary "Gateway" entry into their Downtown-Gateway focus area. The property was acquired in 2008 as part of a concerted effort to reverse blighting conditions in and around the City's primary gateway entrance into Downtown Oroville from Highway 70. The City intends to attract private investment for hotel, restaurants, and a mix of commercial and retail space.	7/17/2008	\$300,000	\$650,000 combined value with Property No. 2	6/30/2013	Book	Fair Reuse Value - City to obtain Compensation Agreements with taxing entities	Once approved by DOF	
2	Gateway Property No. 2	035-290-039	Vacant Lot/Land	Future Development	N/A	The City of Oroville has designated this site as the primary "Gateway" entry into their Downtown-Gateway focus area. The property was acquired in 2008 as part of a concerted effort to reverse blighting conditions in and around the City's primary gateway entrance into Downtown Oroville from Highway 70. The City intends to attract private investment for hotel, restaurants, and a mix of commercial and retail space.	7/17/2008	\$350,000	\$650,000 combined value with Property No. 1	6/30/2013	Book	Fair Reuse Value - City to obtain Compensation Agreements with taxing entities	Once approved by DOF	
3	2062 Montgomery Street	012-032-009	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	7/14/2004	\$9,000	\$ 9,368	6/30/2013	Book	Fair Market Value	Once approved by DOF	
4	2060 Montgomery Street	012-032-010	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	7/14/2004	\$11,500	\$ 11,867	6/30/2013	Book	Fair Market Value	Once approved by DOF	
5	2044 Montgomery Street	012-032-010	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	7/14/2004	\$11,500	\$ 11,870	6/30/2013	Book	Fair Market Value	Once approved by DOF	
6	750 Montgomery Street	012-061-009	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	Sell property and distribute sales proceeds to taxing entities	3/25/2008	\$169,000	\$ 162,972	6/30/2013	Book	Fair Market Value	Once approved by DOF	

No.	HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)		HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)	Other Property Info
	Purpose for which property was acquired	Lot Size	Current Zoning	Estimate of Current Parcel Value	Annual Estimate of Income/Revenue	Are there any contractual requirements for use of income/revenue?	Has there been historic environmental contamination, studies, and/or remediation, and designation as a brownfield site for the property?	Does the property have the potential as a transit oriented development?	Were there advancements to the successor agency's planning objectives?	Does the property have a history of previous development proposals and activity?	
1	Commercial development of a hotel, restaurant, retail/commercial project.	4.27 Acres	C-2	\$650,000 combined value with Property No. 2	0	No	Yes	No	Yes	Yes	
2	Commercial development of a hotel, restaurant, retail/commercial project.	15.39 Acres	C-2	\$650,000 combined value with Property No. 1	0	No	Yes	No	Yes	Yes	
3	Tax-defaulted properties acquired through the County to eliminate blight.	0.11 Acres	C-2	\$ 9,368	0	No	Yes	No	Yes	No	
4	Tax-defaulted properties acquired through the County to eliminate blight.	0.14 Acres	C-2	\$ 11,867	0	No	Yes	No	Yes	No	
5	Tax-defaulted properties acquired through the County to eliminate blight.	0.15 Acres	C-2	\$ 11,870	0	No	Yes	No	Yes	No	
6	Commercial development of gateway entrance from Hwy 70 to Downtown core.	0.61 Acres	C-2	\$ 162,972	0	No	Yes	No	Yes	No	



May 16, 2014

Ms. Suzy Kim, Consultant, RSG Inc.  
City of Oroville  
309 W. Fourth St  
Santa Ana, CA 92701

Dear Ms. Kim:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 14, 2014. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Oroville Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to Finance on February 28, 2014, for the period of July through December 2014. Finance issued a ROPS determination letter on April 14, 2014. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on May 5, 2014.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific item being disputed.

- Item No. 21 – City of Oroville (City) Loan in the amount of \$1,821,860. Finance no longer denies this item; however, pursuant to the repayment formula outlined in HSC section 34191.4 (b) (2) (A), the maximum repayment amount for fiscal year 2014-15 is \$0. Finance initially denied this item as HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable. This shall remain the case until and unless a Finding of Completion is issued by Finance and the oversight board makes a finding that the loan was for legitimate redevelopment purposes. During the Meet and Confer process, Finance approved the Oversight Board's Resolution No. 01-14 finding that the city loan was for redevelopment purposes and issued a Finding of Completion on May 6, 2014.

According to the County Auditor-Controller's (CAC) report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal years 2012-13 and 2013-14 are \$5,599,724 and \$3,078,385, respectively. Pursuant to the repayment formula outlined in HSC section 34191.4 (b) (2) (A), the maximum repayment amount authorized for fiscal year 2014-15 is \$0. Therefore, the \$586,287 requested is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding during this ROPS period. The Agency may be eligible for funding beginning in ROPS 15-16A.

During the Meet and Confer process, the Agency requested that the RPTTF residual calculations for the 2012-13 base year be adjusted by reclassifying the Agency's prior expenditures from Reserve Balances to RPTTF. The Agency contends that they will never have enough incremental growth to repay the City Loan because the Agency used Reserve Balances to pay for the majority of its obligations in fiscal year 2012-13, which maximized the amount of residual RPTTF paid out to the affected taxing entities. However, statute does not allow Finance to adjust the residuals reported by the CAC nor does it allow Finance to reclassify prior expenditures to a funding source that was not used.

Additionally, HSC section 34191.4 requires the recalculation of the accumulated interest at a rate not to exceed the interest rate earned by funds deposited in the Local Agency Investment Fund (LAIF) at the time the Oversight Board finds that the loan was for legitimate redevelopment purposes and is deemed an enforceable obligation. Therefore, the Agency should recalculate the interest using the LAIF interest rate at the time the Agency's Oversight Board made the finding the loan was for legitimate redevelopment purposes and reflect the reduction to the loan's total outstanding balance in subsequent ROPS submittals.

In addition, per Finance's letter dated April 14, 2014, we continue to deny the following item not contested by the Agency during the Meet and Confer:

- Item No. 22 – Housing Successor Entity Administrative Cost Allowance in the amount of \$2,400,000. Pursuant to HSC section 34171 (p), the housing entity administrative cost allowance is applicable only in cases where the city, county, or city and county that authorized the creation of the RDA elected to not assume the housing functions and that the housing functions were transferred to a local housing authority in the territorial jurisdiction of the RDA. Here, however, the City of Oroville (City) elected to be the housing entity to the RDA and retained the housing assets by submitting the housing asset transfer form to Finance on August 1, 2012. Therefore, the City is not eligible for the housing entity administrative costs allowance of \$150,000.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the CAC and the State Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 14-15A. The Agency's maximum approved RPTTF distribution for the reporting period is \$1,612,238 as summarized in the following table:

<b>Approved RPTTF Distribution</b>	
<b>For the period of July through December 2014</b>	
Total RPTTF requested for non-administrative obligations	1,989,078
Total RPTTF requested for administrative obligations	400,000
<b>Total RPTTF requested for obligations</b>	<b>\$ 2,389,078</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>1,989,078</b>
<u>Denied Item</u>	
Item No. 21	(586,287)
	(586,287)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 1,402,791</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>400,000</b>
<u>Denied Item</u>	
Item No. 22	(150,000)
	(150,000)
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 250,000</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 1,652,791</b>
ROPS 13-14A prior period adjustment	(40,553)
<b>Total RPTTF approved for distribution</b>	<b>\$ 1,612,238</b>

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During the ROPS 14-15A review, Finance requested financial records to support the cash balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 14-15A review period to properly identify the Agency's cash balances. If it is determined the Agency possesses cash balances that are available to pay approved obligations, the Agency should request the use of these cash balances prior to requesting RPTTF in ROPS 14-15B.

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2014. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Ms. Suzy Kim  
May 16, 2014  
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To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Rick Farley, Business Assistance Coordinator, City of Oroville  
Ms. Maria Solis, Auditor - Accountant, Butte County  
California State Controller's Office