

# A G E N D A

## REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

**TUESDAY, JANUARY 21, 2025, 8:30 AM**

CITY OF ORANGE COUNCIL CHAMBERS  
300 East Chapman Avenue  
Orange, California 92866

**HON. BRIAN PROBOLSKY**  
Chairman

**HON. NICHOLAS DUNLAP**  
Vice Chairman

**CHARLES BARFIELD**  
Board Member

**KRISTEN CAMUGLIA**  
Board Member

**LOUIS MCCLURE**  
Board Member

**DEAN WEST, CPA**  
Board Member

**HON. PHILLIP E. YARBROUGH**  
Board Member

Staff

Hon. Andrew N. Hamilton, CPA, Auditor-Controller  
Kathy Tavoularis  
Chris Nguyen

Counsel

Patrick K. Bobko

Clerk of the Board

Kathy Tavoularis

*The Orange Countywide Oversight Board welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, please complete a Speaker Form identifying the item(s) and deposit it in the Speaker Form Return box located next to the Clerk. If you wish to speak on a matter which does not appear on the agenda, you may do so during the Public Comment period at the close of the meeting. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda. Speaker Forms are located next to the Speaker Form Return box. When addressing the Board, please state your name for the record prior to providing your comments.*

**\*\*In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Clerk of the Board 72 hours prior to the meeting at (714) 834-2458\*\***

*All supporting documentation is available for public review online at <https://ocauditor.gov/ob/> or in person in the office of the Auditor-Controller located at 1770 North Broadway, Santa Ana, California 92706 during regular business hours, 8:00 a.m. - 5:00 p.m., Monday through Friday*

# **A G E N D A**

## **REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD**

**8:30 A.M.**

1. Call to Order
2. Pledge of Allegiance
3. Approval of the Minutes from September 17, 2024, Regular Meeting
4. Adopt Resolutions Regarding Requests by Successor Agencies for Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget
  - a. Anaheim
  - b. Fullerton
  - c. Garden Grove
  - d. Mission Viejo
5. Adopt Resolution Approval to proceed with disposition of property located at Third Street and Main Street in Santa Ana (APN 398-601-02)
  - a. Santa Ana
6. Adopt Resolution Regarding License/Right-of-Entry Agreement
  - a. Anaheim

### **COMMENTS & ADJOURNMENT:**

#### **PUBLIC COMMENTS:**

*At this time members of the public may address the Board on any matter not on the agenda but within the jurisdiction of the Board. The Board may limit the length of time each individual may have to address the Board.*

#### **STAFF COMMENTS:**

- Next Regular Meeting is January 28, 2025
- DOF ROPS deadline is February 1, 2025
- Form 700 is Due April 1

#### **BOARD COMMENTS:**

#### **CLOSED SESSION:**

- CS-1. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION – Pursuant to Government Code Section 54956.9(d)(4)  
Number of Cases: One Case
- CS-2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1)  
Number of Cases: One Case

### **ADJOURNMENT**

#### **NEXT MEETING:**

Regular Meeting            January 28, 2025, 8:30 AM



**MINUTES  
REGULAR MEETING OF THE  
ORANGE COUNTYWIDE OVERSIGHT BOARD**

**September 17, 2024, 8:30 AM**

**1. CALL TO ORDER**

The regular meeting of the Orange Countywide Oversight Board was called to order at 8:39 AM on July 23, 2024, by Chairman Brian Probolsky, presiding officer.

Present:	7	Chairman:	Brian Probolsky
		Vice Chairman:	Nicholas Dunlap
		Board Member:	Charles Barfield
		Board Member:	Kristen Camuglia
		Board Member:	Louis McClure
		Board Member:	Dean West
		Board Member:	Phillip E. Yarbrough

Absent: 0

Also present: Kathy Tavoularis, Staff and Clerk of the Board; Patrick “Kit” Bobko, Legal Counsel; Chris Nguyen, Consultant; Cameron Wessel, Consultant.

**2. PLEDGE OF ALLEGIANCE**

Board Member Barfield led the Pledge of Allegiance.

**3. APPROVAL OF THE MINUTES FROM JULY 23, 2024, REGULAR MEETING**

Board Member Yarbrough moved, and Vice Chairman Dunlap seconded, to approve the minutes from the July 23, 2024, Regular Board meeting.

YES – Probolsky, Dunlap, McClure, West, Yarbrough  
NO – None  
ABSTAIN – Barfield, Camuglia

**4. ELECTION OF BOARD OFFICERS**

Board Member Yarbrough moved, and Board Member Barfield seconded, the nominations of Chairman Probolsky and Vice Chairman Dunlap to continue their respective roles for another term.

YES – Probolsky, Dunlap, Barfield, Camuglia, McClure, West, Yarbrough  
NO – None  
ABSTAIN – None

**5. ADOPTION OF THE 2025 MEETING SCHEDULE**

Chairman Probolsky announced the dates of the five proposed regular meetings scheduled for 2025. Board Member Yarbrough moved, and Board Member Camuglia seconded, adoption of the 2025 meeting schedule.

YES – Probolsky, Dunlap, Barfield, Camuglia, McClure, West, Yarbrough  
NO – None  
ABSTAIN – None

**6. ADOPT RESOLUTION TO FORMALLY DISSOLVE THE COSTA MESA SUCCESSOR AGENCY**

Chris Nguyen congratulated the Costa Mesa Successor Agency on finalizing their dissolution process. He noted some of the deadlines were extended but ultimately all facets for the dissolution were met.

Board Member Yarbrough moved, and Board Member West seconded, to approve the dissolution of the Costa Mesa Successor Agency.

YES – Probolsky, Dunlap, Barfield, Camuglia, McClure, West, Yarbrough  
NO – None  
ABSENT – None

**7. ADOPT RESOLUTION TO FORMALLY DISSOLVE THE IRVINE SUCCESSOR AGENCY**

Board Member Yarbrough moved, and Board Member Barfield seconded, to approve the dissolution of the Irvine Successor Agency.

YES – Probolsky, Dunlap, Barfield, Camuglia, McClure, West, Yarbrough  
NO – None  
ABSENT – None

**8. ADOPT RESOLUTION REGARDING REQUEST BY SUCCESSORY AGENCIES FOR AMENDMENTS TO FY 2024-25 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) – Anaheim**

Board Member Yarbrough moved, and Vice Chairman Dunlap seconded, to approve the Amended ROPS for FY 2024-25 for the Anaheim Successor Agency.

YES – Probolsky, Dunlap, Barfield, Camuglia, McClure, West, Yarbrough  
NO – None  
ABSENT – None

**9. ADOPT RESOLUTION REGARDING LICENSE/RIGHT-OF-ENTRY AGREEMENT – Anaheim**

Sergio M. Ramirez, Director of Economic Development Department for the City of Anaheim and Brian Moncrief with Kosmont representing the city of Anaheim explained the sublease between the City of Anaheim and the Anaheim Successor Agency of their 15 year lease and obligations.

Vice Chairman Dunlap moved, and Board Member Yarbrough seconded, to approve the Resolution Regarding License/Right-Of-Entry Agreement for the Anaheim Successor Agency.

YES – Probolsky, Dunlap, Barfield, Camuglia, McClure, West, Yarbrough  
NO – None  
ABSENT – None

**10. APPROVE CONTRACT FOR LEGAL SERVICES**

Legal Counsel Bobko thanked the Board for approving the legal contract with Aleshire Wynder LLP last month but announced that he has decided to open his own firm, Bobko Law APC. He presented a new contract for the Board to review and mentioned that all parts of the contract remain the same except the name of the firm.

Board Member Barfield moved, and Vice Chairman Dunlap seconded, a contract with Bobko Law APC through December 31, 2028.

YES – Probolsky, Dunlap, McClure, West, Yarbrough  
NO – None  
ABSENT – Barfield, Camuglia

**COMMENTS & ADJOURNMENT:**

**PUBLIC COMMENTS:**

*None.*

STAFF COMMENTS:

Clerk Tavoularis thanked the Board for approving the 2025 calendar and announced the City of Orange will continue to host the all the Oversight Board meeting next year.

BOARD COMMENTS:

Board Members Barfield, Camuglia and West expressed gratitude to the City of Orange for their generosity and thanked staff for a productive year for the Oversight Board.

**CLOSED SESSION**

The Board adjourned to Closed Session at 8:56 AM.

CS-1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1):

Name of Case: Salvador C. Martinez LLC v. GM Properties, Inc., et al. (Case No. 30-2024-01400494-CU-OR-CJC)

The Board reconvened from Closed Session at 9:07 AM.

There was no reportable action from Closed Session.

ADJOURNMENT

Chairman Probolsky adjourned the meeting at 9:08 AM.

\_\_\_\_\_  
BRIAN PROBOLSKY  
CHAIRMAN OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

\_\_\_\_\_  
KATHY TAVOULARIS  
CLERK OF THE BOARD

\_\_\_\_\_  
DATE

# Orange Countywide Oversight Board

Agenda Item No. 4a

Date: 1/21/2025

From: Successor Agency to the Anaheim Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget

Recommended Action:

Approve resolution approving FY 2025-2026 ROPS and Administrative Budget for the Anaheim Successor Agency

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The Anaheim Successor Agency (ASA) requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2025-2026.

The FY 25-26 ROPS is continuing to request RPTTF funds to pay an obligation in the amount of \$3,912,002, which was to provide funding for the Avon/Dakota revitalization project (Lines 114, 115, 116, 117). The Avon/Dakota obligations were determined to be enforceable obligations by the California Court of Appeal pursuant to its Opinion on Rehearing dated December 19, 2017 in Case No. C081918 (Super. Ct. No. 34201380001529CUWMGDS). The FY 25-26 funding request of \$3,912,002 will be used for acquisition and relocation costs for two properties in the Avon/Dakota Neighborhood, and represents the final RPTTF payment for this project. The Avon/Dakota project will cease to be an obligation of the Successor Agency following the FY 25-26 ROPS.

Other items on the FY 25-26 ROPS unrelated to the litigation include an enforceable obligation payable to Savi Ranch Associates. The note is payable from net property tax increment as defined in the Redevelopment Agency note. If there is insufficient RPTTF revenue to pay for principal and interest at the termination of the River Valley project area plan in November 2031, the note ceases to be an obligation of the Successor Agency.

An additional \$13,512,500 (Line 193) is requested for debt service on Refunded 2007 Tax Allocation Bonds Series A & C.

In June 2003, the former Redevelopment Agency acquired property located at 2951 West Lincoln Ave. as part of a redevelopment project named Westgate. Approximately 11 acres of the property were formerly known as the Sparks and Rains Landfills. Line item 151 & 195 in the ROPS are for ongoing environmental insurance requirements and pollution remediation costs prior to the development of a shopping center in order to satisfy the terms of the Settlement Agreement between the Agency and the County of Orange, as well as obligations imposed by various regulatory entities holding jurisdiction over the former landfills.

In April 2001, the Agency entered into an agreement with Katella Operating Properties, LLC to sublicense/sublease an 8.9 acre Southern California Edison easement located between Anaheim Blvd. and Claudina Way. The Agency gained long-term control of the property as part of its overall efforts to redevelop the area for hotel or commercial development. The term of the agreement extends to February 28, 2043 (Line 70). In June 2003, the Agency entered into a Ground Lease agreement with Leedy Ying and Tina Ying Trust for the Shoe City property (Line 71) for the redevelopment of the corner of Anaheim Blvd. and Ball Rd. The lease term is 35 years, with two 10-year extension options.

Finally, the ROPS reflects the Successor Agency's request for approval from DOF to have the ability to spend the reserve amount of \$245,050 for environmental remediation projects granted from an EPA grant (Line 187). No RPTTF funds are requested or used for this line item.

## Impact on Taxing Entities

The proposed ROPS 25-26 A-B requests a total of \$26,105,095 in RPTTF.

### Staff Contact(s)

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### Attachments

1. Resolution
2. ROPS FY 25-26
3. Administrative Budget

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
RESOLUTION NO. 25-001**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS] FY 2025-26 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2025 TO JUNE 30, 2026 INCLUDING THE FY 25-26 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE [DOF] PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

**WHEREAS**, the Anaheim Redevelopment Agency (“Former Agency”) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, et seq., and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Anaheim (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

**WHEREAS**, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to the Anaheim Redevelopment Agency (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(j) on July 1, 2018 the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency and all other successor agencies in Orange County; and

**WHEREAS**, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Section 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Orange Countywide Oversight Board final review and approval by the State Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(l) and 34177(o) of the Dissolution Law requires that the annual ROPS for the FY25-26 A-B fiscal period of July 1, 2025 to June 30, 2026 (“ROPS 25-26 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Orange Countywide Oversight Board, no later than February 1, 2025; and

**WHEREAS**, the ROPS 2025-2026, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2025-2026 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

**WHEREAS**, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s ROPS 2025-2026 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 25-26 A-B to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (“SCO”) as required under the Dissolution Law;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

**SECTION 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** The Orange Countywide Oversight Board hereby approves ROPS 2025-2026 A-B submitted therewith and incorporated by this reference, including the FY 2025-2026 administrative budget included herewith.

**SECTION 3.** The Orange Countywide Oversight Board authorizes transmittal of the ROPS 25-26 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

**SECTION 4.** The City of Anaheim’s Finance Director or authorized designee is directed to post this Resolution, including the ROPS 25-26 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

**SECTION 5.** Under Section 34179(h), written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The Orange Countywide Oversight Board’s action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

**SECTION 6.** The Clerk of the Board shall certify to the adoption of this Resolution.



**Recognized Obligation Payment Schedule (ROPS 25-26) - Summary**  
**Filed for the July 1, 2025 through June 30, 2026 Period**

Successor Agency: Anaheim  
 County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		25-26 A Total (July - December)	25-26 B Total (January - June)	ROPS 25-26 Total
<b>A</b>	<b>Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ 1,329,320</b>	<b>\$ 242,525</b>	<b>\$ 1,571,845</b>
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	1,329,320	242,525	1,571,845
<b>E</b>	<b>Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 9,861,822</b>	<b>\$ 16,243,273</b>	<b>\$ 26,105,095</b>
F	RPTTF	9,567,322	15,948,773	25,516,095
G	Administrative RPTTF	294,500	294,500	589,000
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 11,191,142</b>	<b>\$ 16,485,798</b>	<b>\$ 27,676,940</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177 (o) of the Health and Safety Code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
 David Wert Chairman

\_\_\_\_\_  
 Signature Date

**Anaheim**  
**Recognized Obligation Payment Schedule (ROPS 25-26) - ROPS Detail**  
**July 1, 2025 through June 30, 2026**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$167,828,990		\$27,676,940	\$0	\$0	\$1,329,320	\$9,567,322	\$294,500	\$11,191,142	\$0	\$0	\$242,525	\$15,948,773	\$294,500	\$16,485,798
50	Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	12/01/2007	02/01/2031	U.S. Bank	DEBT: Debt service on Series B & D	Merged	33,136,577	N	3,851,813			1,086,795	2,765,018		3,851,813						
54	Fiscal agent/ arbitrage svcs	Fees	02/25/2010	02/01/2031	Per Bond Docs	DEBT: Fiscal agent/arbitrage services	Merged	471,772	N	20,000	-	-	-	6,000	-	6,000				14,000	-	14,000
56	HUD 108 Loan-Capital Projects	CDBG/HUD Repayment to City/County	02/25/2010	08/01/2030	The Bank of NY Mellon	DEBT: Packing House Restoration	Merged	2,480,006	N	462,188	-	-	-	422,556	-	422,556				39,632	-	39,632
58	HUD 108 Loan- Westgate	CDBG/HUD Repayment to City/County	08/07/2003	08/01/2023	The Bank of NY Mellon	DEBT: Anaheim Westgate Project	Merged	-	Y	-	-	-	-	-	-	-					-	-
63	External Project Costs	Professional Services	08/07/2003	02/01/2031	Consultants/ Other	DEBT: Services/Hard & Soft Costs/ Fees	Merged	409,759	N	23,000	-	-	-	3,000	-	3,000				20,000	-	20,000
66	River Valley Redev. Proj. Area	OPA/DDA/ Construction	06/30/1987	11/29/2041	Savi Ranch Valley Irrig. Co.	CONTRACTS: Note Payable	Merged	3,531,930	N	599,952	-	-	-	599,952	-	599,952					-	-
68	Anaheim Westgate Center Proj.	Miscellaneous	02/01/2003	02/01/2058	Annie (Loan) Pham	CONTRACTS: Ground lease agreement	Merged	5,622,895	N	114,346	-	-	-	-	-	-				114,346	-	114,346
70	8.9-acre SoCal Edison	Miscellaneous	04/30/2001	02/28/2043	Katella Operating Property II, LLC	CONTRACTS: Sublease/ sublicense easement agr.	Merged	12,739,382	N	604,810	-	-	120,000	182,405	-	302,405			120,000	182,405	-	302,405
71	Shoe City lease	Miscellaneous	06/01/2003	06/30/2058	Leedy Ying Trust	CONTRACTS: Lease	Merged	1,565,315	N	40,476	-	-	-	20,238	-	20,238				20,238	-	20,238
75	External Project Costs	Professional Services	07/01/2010	06/30/2058	Consultants/ Other	CONTRACTS: Services/Hard & Soft Costs/ Fees	Merged	488,069	N	11,803	-	-	-	5,902	-	5,902				5,902	-	5,902
103	External Project Costs	Professional Services	03/12/2008	06/30/2017	Consultants/ Other	WESTGATE: Services/Hard & Soft Costs/ Fees	Merged	-	N	-	-	-	-	-	-	-					-	-
114	Avon Dakota Revitalization	Miscellaneous	06/01/2010	12/31/2075	Related	AVON DAKOTA: Property acquisition & development	Merged	3,194,002	N	3,194,002	-	-	-	1,597,001	-	1,597,001				1,597,001	-	1,597,001
115	Avon Dakota Revitalization	Miscellaneous	06/01/2010	12/31/2075	TBD	AVON DAKOTA:	Merged	718,000	N	718,000	-	-	-	359,000	-	359,000				359,000	-	359,000

**Anaheim**  
**Recognized Obligation Payment Schedule (ROPS 25-26) - ROPS Detail**  
**July 1, 2025 through June 30, 2026**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
116	Project Management	Project Management Costs	06/01/2010	06/30/2020	Staff	AVON DAKOTA: Project Support	Merged	-	N	-	-	-	-	-	-	-	-	-	-	-	-	-
117	External Project Costs	Professional Services	06/01/2010	06/30/2020	Consultants/ Other	AVON DAKOTA: Services/Hard & Soft Costs/ Fees	Merged	-	N	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Administrative Cost Allowance	Admin Costs	01/01/2014	12/31/1941	City of Anaheim	ADMIN: Pursuant to AB26 (3% of RPTTF)	Merged	589,000	N	589,000	-	-	-	-	294,500	294,500	-	-	-	-	294,500	294,500
151	Westgate Remediation (Previous ROPS Line 100)	Remediation	03/12/2008	12/31/2044	Various	Westgate: Settlement Agreement/ Reimbursement	Merged	18,846,510	N	3,640,000	-	-	-	1,820,000	-	1,820,000	-	-	-	1,820,000	-	1,820,000
187	Domain Project Area Remediation	Remediation	06/22/2012	06/30/2020	Various	EPA Revolving Loan Funds to Use for Allowable Fund Remediation Expenses	Merged	245,050	N	245,050	-	-	122,525	-	-	122,525	-	-	122,525	-	-	122,525
191	Insurance for Westgate LandFill (Related to Line 151)	Remediation	07/01/2017	06/30/2028	Beazley ENVIRO CPL Insurance	Westgate: Settlement Agreement/ Reimbursement	Merged	-	N	-	-	-	-	-	-	-	-	-	-	-	-	-
193	2018 Refunding Bonds Series A	Bonds Issued On or Before 12/31/10	01/04/2018	02/01/2031	U.S. Bank	DEBT: Debt service on Refunded 2007 Tax Allocation Bonds Series A & C	Merged	83,424,000	N	13,512,500	-	-	-	1,761,250	-	1,761,250	-	-	-	11,751,250	-	11,751,250
195	Westgate Remediation - Water Control Board	Remediation	07/27/2017	12/31/2044	Santa Ana Regional Water Quality Control Board	Westgate: Settlement Agreement/ Reimbursement	Merged	366,724	N	50,000	-	-	-	25,000	-	25,000	-	-	-	25,000	-	25,000

**Anaheim Recognized Obligation Payment Schedule (ROPS 25-26) - Report of Cash Balances**  
**July 1, 2022 through June 30, 2023**  
**(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
ROPS 22-23 Cash Balances (07/01/22 - 06/30/23)		Bonds issued on or before 12/31/11	Bonds issued on or after 01/01/12	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	Comments
1	<b>Beginning Available Cash Balance (Actual 07/01/22)</b> RPTTF amount should exclude "A" period distribution amount	2,948,268		9,965,985	6,187,907	3,574,915	
2	<b>Revenue/Income (Actual 06/30/23)</b> RPTTF amount should tie to the ROPS 22-23 total distribution from the County Auditor-Controller	12,265			1,381,845	31,430,468	
3	<b>Expenditures for ROPS 22-23 Enforceable Obligations (Actual 06/30/23)</b>	140,393			1,466,967	26,152,371	
4	<b>Retention of Available Cash Balance (Actual 06/30/23)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	2,820,140		9,965,985	4,770,940		
5	<b>ROPS 22-23 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 22-23 PPA form submitted to the CAC	No entry required				8,853,012	
6	<b>Ending Actual Available Cash Balance (06/30/23)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ 1,331,846	\$ -	

Anaheim Recognized Obligation Payment Schedule (ROPS 25-26) - Notes July 1, 2025 through June 30, 2026

Item #	Notes/Comments
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54	
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<b>ANAHEIM SUCCESSOR AGENCY</b>	
<b>2025/26 ADMINISTRATIVE BUDGET</b>	
	<b>2025-2026</b>
LABOR	400,400
LEGAL	47,250
CITY OVERHEAD CHARGES	107,020
RENTS/OFFICE EQUIPMENT/SUPPLIES	6,720
DOCUMENT OFFSITE STORAGE	4,410
AUDIT FEES	5,445
SHIPPING/MAILING	578
INSURANCE	6,965
ADMINISTRATIVE COSTS - WESTGATE PROJECT	10,000
<b>TOTAL PROJECTED FY 25/26 BUDGET</b>	<b>588,787</b>



Transmitted via e-mail

March 15, 2024

Sergio M. Ramirez, Director of Economic Development  
City of Anaheim  
200 South Anaheim Boulevard #733  
Anaheim, CA 92805

### **2024-25 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Anaheim Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025 (ROPS 24-25) to the California Department of Finance (Finance) on January 24, 2024. Finance has completed its review of the ROPS 24-25.

Based on a sample of line items reviewed and application of the law, Finance made the following determination:

- On the ROPS 24-25 form, the Agency reported cash balances and activity for the July 1, 2021 through June 30, 2022 (ROPS 21-22) period. According to our review, the Agency has approximately \$225,114 from Other Funds available to fund enforceable obligations on the ROPS 23-24. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF) funding. The item below does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source has been reclassified in the amount specified below:
  - Item No. 50 – Tax Allocation Refunding Bonds in the amount of \$3,841,283 is partially reclassified. The Agency requests \$2,991,283 from RPTTF, \$800,000 from Other Funds, and \$50,000 from Bond proceeds. Finance notes that the Agency requested \$50,000 from Bond Proceeds by error; the requested \$50,000 from Bond Proceeds is bond interest revenue and is reclassified to Other Funds. Finance further reclassifies \$225,114 of the requested \$2,991,283 RPTTF due to the cash balance review, as noted above. Therefore, Finance approves RPTTF for \$2,766,169 and the use of Other Funds for \$1,075,114 (\$850,000 and \$225,114), totaling \$3,841,283.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 21-22 period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$27,910,231, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2024 through December 31, 2024 period (ROPS A period), and one distribution for the January 1, 2025 through June 30, 2025 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 24-25 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted item, Finance approves the remaining items listed on the ROPS 24-25 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 24-25, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet\\_And\\_Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 24-25. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 24-25 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 24-25 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.



Sergio M. Ramirez  
March 15, 2024  
Page 3

Please direct inquiries to [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Cheryl L. McCormick". The signature is written in a cursive style.

Cheryl L. McCormick, CPA  
Chief, Office of State Audits and Evaluations

cc: Stephen Stoewer, Property Development Manager, City of Anaheim  
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange  
County  
Kathy Tavoularis, Countywide Oversight Board Representative

**Attachment**

<b>Approved RPTTF Distribution July 2024 through June 2025</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 18,591,375	\$ 13,842,099	\$ 32,433,474
Administrative RPTTF Requested	253,000	253,000	506,000
<b>Total RPTTF Requested</b>	<b>18,844,375</b>	<b>14,095,099</b>	<b>32,939,474</b>
<b>RPTTF Requested</b>	<b>18,591,375</b>	<b>13,842,099</b>	<b>32,433,474</b>
<u>Adjustment(s)</u>			
Item No. 50	(225,114)	0	(225,114)
<b>RPTTF Authorized</b>	<b>18,366,261</b>	<b>13,842,099</b>	<b>32,208,360</b>
<b>Administrative RPTTF Authorized</b>	<b>253,000</b>	<b>253,000</b>	<b>506,000</b>
ROPS 21-22 prior period adjustment (PPA)	(4,804,129)	0	(4,804,129)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 13,815,132</b>	<b>\$ 14,095,099</b>	<b>\$ 27,910,231</b>

# Orange Countywide Oversight Board

Agenda Item No. 4a

Date: 1/23/2024

From: Successor Agency to the Anaheim Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget

Recommended Action:

Approve resolution approving FY 2024-2025 ROPS and Administrative Budget for the Anaheim Successor Agency

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The Anaheim Successor Agency (ASA) requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2024-2025.

The FY 24-25 ROPS is continuing to request RPTTF funds to pay an obligation in the amount of \$3,840,010, which was to provide funding for the Avon/Dakota revitalization project (Lines 114,115, 116, 117). The Avon/Dakota obligations were determined to be enforceable obligations by the California Court of Appeal pursuant to its Opinion on Rehearing dated December 19, 2017 in Case No. C081918 (Super. Ct. No. 34201380001529CUWMGDS). The Avon-Dakota payment will be incurred periodically and included on each annual ROPS until the total amount is paid for costs previously incurred and future costs to be incurred.

Other items on the FY 24-25 ROPS unrelated to the litigation include an enforceable obligation payable to Savi Ranch Associates. The note is payable from net property tax increment as defined in the Redevelopment Agency note. If there is insufficient RPTTF revenue to pay for principal and interest at the termination of the River Valley project area plan in November 2031, the note ceases to be an obligation of the Successor Agency.

An additional \$11,833,250 (Line 193) is requested for debt service on Refunded 2007 Tax Allocation Bonds Series A & C.

In June 2003, the former Redevelopment Agency acquired property located at 2951 West Lincoln Ave. as part of a redevelopment project named Westgate. Approximately 11 acres of the property were formerly known as the Sparks and Rains Landfills. Line item 151 & 195 in the ROPS are for ongoing environmental insurance requirements and pollution remediation costs prior to the development of a shopping center in order to satisfy the terms of the Settlement Agreement between the Agency and the County of Orange, as well as obligations imposed by various regulatory entities holding jurisdiction over the former landfills.

In April 2001, the Agency entered into an agreement with Katella Operating Properties, LLC to sublicense/sublease an 8.9 acre Southern California Edison easement located between Anaheim Blvd. and Claudina Way. The Agency gained long-term control of the property as part of its overall efforts to redevelop the area for hotel or commercial development. The term of the agreement extends to February 28, 2043 (Line 70). In June 2003, the Agency entered into a Ground Lease agreement with Leedy Ying and Tina Ying Trust for the Shoe City property (Line 71) for the redevelopment of the corner of Anaheim Blvd. and Ball Rd. The lease term is 35 years, with two 10 year extension options.

Finally, the ROPS reflects the Successor Agency's request for approval from DOF to have the ability to spend the reserve amount of \$302,360 for environmental remediation projects granted from an EPA grant (Line 187). No RPTTF funds are requested or used for this line item.

In addition, the Anaheim Successor Agency requests approval of the Administrative Budget in the amount of \$506,000.

Impact on Taxing Entities

The proposed ROPS 24-25 A-B requests a total of \$34,091,834 in RPTTF.

Staff Contact(s)

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(714)765-4627

Stephen Stoewer  
Property Development Manager  
[sstoewer@anaheim.net](mailto:sstoewer@anaheim.net)  
(714)765-4338

Attachments

1. Resolution
2. ROPS FY 24-25
3. Administrative Budget

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
RESOLUTION NO. 24-008**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH  
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT  
AGENCY *APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS]*  
FY 2024-25 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025  
INCLUDING THE FY 24-25 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL  
TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE [DOF] PURSUANT TO  
DISSOLUTION LAW, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

**WHEREAS**, the Anaheim Redevelopment Agency (“Former Agency”) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Anaheim (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

**WHEREAS**, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Successor Agency to the Anaheim Redevelopment Agency (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(j) on July 1, 2018 the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency and all other successor agencies in Orange County; and

**WHEREAS**, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Section 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, review and approved by the Successor Agency and then reviewed and approved by the Orange Countywide Oversight Board final review and approval by the State Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(l) and 34177(o) of the Dissolution Law requires that the annual ROPS for the FY24-25 A-B fiscal period of July 1, 2024 to June 30, 2025 (“ROPS 24-25 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Orange Countywide Oversight Board, no later than February 1, 2024; and

**WHEREAS**, the ROPS 2024-2025, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2024-2025 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

**WHEREAS**, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s ROPS 2024-2025 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 24-25 A-B to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (“SCO”) as required under the Dissolution Law;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

**SECTION 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** The Orange Countywide Oversight Board hereby approves ROPS 2024-2025 A-B submitted therewith and incorporated by this reference, including the FY 2024-2025 administrative budget included herewith.

**SECTION 3.** The Orange Countywide Oversight Board authorizes transmittal of the ROPS 24-25 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

**SECTION 4.** The City of Anaheim’s [Finance Director/Treasurer] or authorized designee is directed to post this Resolution, including the ROPS 24-25 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

**SECTION 5.** Under Section 34179(h), written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The Orange Countywide Oversight Board’s action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

**SECTION 6.** The Clerk of the Board shall certify to the adoption of this Resolution.

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary**  
**Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Anaheim

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 1,001,100</b>	<b>\$ 151,100</b>	<b>\$ 1,152,360</b>
B Bond Proceeds	50,000	-	50,000
C Reserve Balance	-	-	-
D Other Funds	951,180	151,180	1,102,360
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 10,443,375</b>	<b>\$ 14,095,099</b>	<b>\$ 32,939,474</b>
F RPTTF	18,591,375	13,842,099	32,433,474
G Administrative RPTTF	253,000	253,000	506,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 19,445,555</b>	<b>\$ 14,246,279</b>	<b>\$ 34,091,834</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Anaheim**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail**  
**July 1, 2024 through June 30, 2025**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$182,886,873		\$34,091,834	\$50,000	\$-	\$951,180	\$18,591,375	\$253,000	\$19,845,555	\$-	\$-	\$151,180	\$13,842,099	\$253,000	\$14,246,279
50	Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	12/01/2007	02/01/2031	U.S. Bancorp	DEBT Debt service on Series B & D	Merged	36,977,860	N	\$3,841,283	50,000	-	800,000	2,991,283	-	\$3,841,283	-	-	-	-	-	\$-
54	Fiscal agent/arbitrage svcs	Fees	02/25/2010	02/01/2031	Per Bond Docs	DEBT Fiscal agent/arbitrage services	Merged	481,952	N	\$20,000	-	-	-	6,000	-	\$6,000	-	-	-	14,000	-	\$14,000
56	HDD 108 Loan-Capital Projects	CDBG/HDD Repayment to City/County	02/25/2010	08/01/2030	The Banc of NY Mellon	DEBT Pacing House Restoration	Merged	2,951,671	N	\$471,669	-	-	-	424,290	-	\$424,290	-	-	-	47,379	-	\$47,379
58	HDD 108 Loan-Westgate	CDBG/HDD Repayment to City/County	08/07/2003	08/01/2023	The Banc of NY Mellon	DEBT Anaheim Westgate Project	Merged	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
63	External Project Costs	Professional Services	08/07/2003	02/01/2031	Consultants/Other	DEBT Services/Hard & Soft Costs/ Fees	Merged	416,998	N	\$23,000	-	-	-	3,000	-	\$3,000	-	-	-	20,000	-	\$20,000
66	River Valley Redev. Proj. Area	OPA/DDA/ Construction	06/30/1987	11/29/2041	Savi Ranch Valley Irrig. Co.	CONTRACTS Note Payable	Merged	2,424,842	N	\$535,429	-	-	-	535,429	-	\$535,429	-	-	-	-	-	\$-
68	Anaheim Westgate Center Proj.	Miscellaneous	02/01/2003	02/01/2058	Annie (Loan) Pham	CONTRACTS Ground lease agreement	Merged	5,737,242	N	\$114,347	-	-	-	-	-	\$-	-	-	-	114,347	-	\$114,347
70	8.9-acre SoCal Edison	Miscellaneous	04/30/2001	02/28/2043	Matella Operating Property II, LLC	CONTRACTS Sublease/ sublicense easement agr.	Merged	13,344,192	N	\$604,810	-	-	-	302,405	-	\$302,405	-	-	-	302,405	-	\$302,405
71	Shoe City lease	Miscellaneous	06/01/2003	06/30/2058	Leedy Ying Trust	CONTRACTS Lease	Merged	1,605,791	N	\$40,476	-	-	-	20,238	-	\$20,238	-	-	-	20,238	-	\$20,238
75	External Project Costs	Professional Services	07/01/2010	06/30/2058	Consultants/Other	CONTRACTS Services/Hard & Soft Costs/ Fees	Merged	497,266	N	\$9,200	-	-	-	4,600	-	\$4,600	-	-	-	4,600	-	\$4,600
103	External Project Costs	Professional Services	03/12/2008	06/30/2017	Consultants/Other	WESTGATE Services/Hard & Soft Costs/ Fees	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
114	Avon Dakota Revitalization	Miscellaneous	06/01/2010	12/31/2075	Related	AVON DAKOTA Property acquisition & development	Merged	3,122,010	N	\$3,122,010	-	-	-	1,561,005	-	\$1,561,005	-	-	-	1,561,005	-	\$1,561,005
115	Avon Dakota Revitalization	Miscellaneous	06/01/2010	12/31/2075	TBD	AVON DAKOTA	Merged	718,000	N	\$718,000	-	-	-	359,000	-	\$359,000	-	-	-	359,000	-	\$359,000



A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
						Relocation Costs																	
116	Project Management	Project Management Costs	06/01/2010	06/30/2020	Staff	AVON DA $\square$ OTA $\square$ Project Support	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
117	External Project Costs	Professional Services	06/01/2010	06/30/2020	Consultants/Other	AVON DA $\square$ OTA $\square$ Services/Hard & Soft Costs/ Fees	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
135	Administrative Cost Allowance	Admin Costs	01/01/2014	12/31/1941	City of Anaheim	ADMIN $\square$ Pursuant to AB26 (3 $\square$ of RPTTF)	Merged	506,000	N	\$506,000	-	-	-	-	253,000	\$253,000	-	-	-	-	-	253,000	\$253,000
151	Westgate Remediation (Previous ROPS Line 100)	Remediation	03/12/2008	12/31/2044	Various	Westgate $\square$ Settlement Agreement/ Reimbursement	Merged	18,158,041	N	\$11,900,000	-	-	-	10,400,000	-	\$10,400,000	-	-	-	1,500,000	-	\$1,500,000	
187	Domain Project Area Remediation	Remediation	06/22/2012	06/30/2020	Various	EPA Revolving Loan Funds to $\square$ se for Allowable Fund Remediation Expenses	Merged	302,360	N	\$302,360	-	-	151,180	-	-	\$151,180	-	-	151,180	-	-	\$151,180	
191	Insurance for Westgate LandFill (Related to Line 151)	Remediation	07/01/2017	06/30/2028	Beazley ENVIRO CPL Insurance	Westgate $\square$ Settlement Agreement/ Reimbursement	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
193	2018 Refunding Bonds Series A	Bonds Issued On or Before 12/31/10	01/04/2018	02/01/2031	$\square$ .S. Ban $\square$	DEBT $\square$ Debt service on Refunded 2007 Tax Allocation Bonds Series A & C	Merged	95,257,250	N	\$11,833,250	-	-	-	1,959,125	-	\$1,959,125	-	-	-	9,874,125	-	\$9,874,125	
195	Westgate Remediation - Water Control Board	Remediation	07/27/2017	12/31/2044	Santa Ana Regional Water $\square$ uality Control Board	Westgate $\square$ Settlement Agreement/ Reimbursement	Merged	385,398	N	\$50,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000	

**Anaheim**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances**  
**July 1, 2021 through June 30, 2022**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)</b>	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	<b>Comments</b>
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/21)</b> RPTTF amount should exclude "A" period distribution amount.	3,049,458		8,736,771	5,373,447	231,651	
<b>2</b>	<b>Revenue/Income (Actual 06/30/22)</b> RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller	11,801			1,376,164	25,936,076	
<b>3</b>	<b>Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)</b>	112,991			561,704	21,363,725	
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/22)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	2,948,268		8,736,771	4,860,433	-	
<b>5</b>	<b>ROPS 21-22 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry required			4,804,002	
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/22)</b> <b>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</b>	\$-	\$-	\$-	\$1,327,474	\$-	

**Anaheim**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
50	
54	
56	
58	
63	
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68	
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114	
115	
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<b>ANAHEIM SUCCESSOR AGENCY</b>	
<b>2024/25 ADMINISTRATIVE BUDGET</b>	
	<b>2024-2025</b>
LABOR	\$ 364,000
LEGAL	31,500
CITY OVERHEAD CHARGES	78,000
RENTS/OFFICE EQUIPMENT/SUPPLIES	6,400
DOCUMENT OFFSITE STORAGE	4,200
AUDIT FEES	4,950
SHIPPING/MAILING	550
INSURANCE	6,400
ADMINISTRATIVE COSTS - WESTGATE PROJECT	10,000
<b>TOTAL PROJECTED FY 24/25 BUDGET</b>	<b>\$ 506,000</b>

# Orange Countywide Oversight Board

Agenda Item No. 8a

Date: 9/17/2024

From: Successor Agency to the Anaheim Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)

## Recommended Action:

Approve resolution approving amendment to FY 2024-25B ROPS for the Anaheim Successor Agency

The Anaheim Successor Agency requests approval of the Amended Recognized Obligation Payment Schedule (ROPS) 24-25B for the second half of Fiscal Year 2024-25. The amendment would request additional RPTTF funds for ROPS Line-Item No. 66 – River Valley Redevelopment Project Area, No. 75 – External Project Costs, and No. 151- Westgate Remediation in the aggregate amount of \$4,759,465.85.

### Line-Item No. 66 (River Valley Redevelopment Project Area)

This line-item is in connection with a Successor Agency Note payable to the Savi Ranch Valley Irrigation Company for the purpose of effectuating the Redevelopment Plan for the River Valley Redevelopment Project Area. The Successor Agency is requesting an additional \$59,465.85 for this line item to cover a shortfall based on a revision to the payment schedule. The payment schedule was revised because documentation used to derive the actual payment amount for the calculation was provided post approval of ROPS 24-25.

### Line-Item No. 75 (External Project Costs)

This line-item is in connection with professional project related services. The Successor Agency is requesting an additional \$200,000 to cover associated project related costs for consulting services regarding implementation of LRPMP property disposition, project management associated with existing property leases and projects of the former redevelopment agency, as well as legal services, specifically recent litigation costs associated with LRPMP Property #10.

### Line-Item No. 151 (Westgate Remediation)

The Successor Agency is requesting an additional \$4,500,000 for this line item to cover ongoing environmental remediation costs to fulfill obligations imposed by various regulatory agencies that hold jurisdiction over the Westgate Property landfill (“LRPMP Property #16” or “Property”) and to fulfill a State approved Remedial Action Plan related to operations, monitoring, and maintenance activities at the subject Property, as well as a Clean Closure Plan in accordance with the Requirements of Title 27 of the California Code of Regulations and applicable local requirements.

The request for additional funds will support ongoing activities for the Clean Closure Plan. During the process, it was found that mud and waste had encroached closer to the property’s north boundary than anticipated. To address this, specialized removal methods, including slot cutting and direct disposal, will be used, along with increased sampling and backfilling. Additionally, the activities will involve demolishing northern perimeter walls, shoring, and excavating impacted material. In the southwest section, the plan includes obtaining permits, sampling, relocating improvements, and removing waste through borehole drilling, followed by backfilling and surface replacements

The Successor Agency has sufficient contract authority available to complete these repairs and, if approved by the Countywide Oversight Board, it intends to utilize the requested additional RPTTF funds in the ROPS 24-25B period to immediately address the associated activities, operations, monitoring and maintenance activities at the subject Property.

### Impact on Taxing Entities

The proposed ROPS Amendment will reduce residual RPTTF to the taxing entities from the January 2025 distribution by \$4,759,465.85.

### Staff Contact(s)

Sergio Ramirez, Economic Development Director  
[sramirez@anaheim.net](mailto:sramirez@anaheim.net)

Stephen Stoewer, Senior Project Manager  
[SStoewer@anaheim.net](mailto:SStoewer@anaheim.net)

### Attachments

1. Resolution
2. Amended ROPS FY 24-25B
3. Tetra Tech BAS Scope of Work

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
RESOLUTION NO. 24-029**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING AN *AMENDED RECOGNIZED OBLIGATION PAYMENT* FOR THE FY2024-25 FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025, FOR THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY, SUBJECT TO SUBMITTAL TO, AND REVIEW BY, THE STATE DEPARTMENT OF FINANCE [DOF] UNDER CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

**WHEREAS**, the former Anaheim Redevelopment Agency (“Former Agency”) previously was a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Anaheim (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

**WHEREAS**, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Successor Agency to the Anaheim Redevelopment Agency (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs; and

**WHEREAS**, prior to July 1, 2018 under the Dissolution Law, in particular Sections 34179 and 34180, all actions of the Successor Agency were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Successor Agency’s activities during the period from dissolution until June 30, 2018; and

**WHEREAS**, as of, on and after July 1, 2018, under the Dissolution Law, in particular Section 34179(j), in every California county there shall be only one oversight board that is staffed by the county auditor-controller, with certain exceptions that do not apply in the County of Orange; and

**WHEREAS**, as of, on and after July 1, 2018, the Orange Countywide Oversight Board (“Oversight Board”) was established through the Orange County Auditor-Controller in compliance with Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including Successor Agency and all other successor agencies in Orange County; and

**WHEREAS**, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Section 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, review and approved by the Successor Agency and then reviewed and approved by the Oversight Board final review and approval by the State Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(o)(1)(E) of the Dissolution Law authorizes that “[o]nce per period, and no later than October 1, a successor agency may submit one amendment to the [ROPS] approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the [ROPS] period, which shall be defined as January 1 to June 30, inclusive. A successor agency may only amend the amount requested for payment of approved enforceable obligations. The revised [ROPS] shall be approved by the oversight board and submitted to the department by electronic means in a manner of the department’s choosing. The department shall notify the successor agency and the county auditor-controller as to the outcome of the department’s review at least 15 days before the date of the property tax distribution”; and

**WHEREAS**, the Successor Agency has submitted to the Orange Countywide Oversight Board an amendment to ROPS FY 2024-25 that would request additional RPTTF funds for ROPS Line-Item No. 66 – River Valley Redevelopment Project Area, No. 75 – External Project Costs, and No. 151- Westgate Remediation; and

**WHEREAS**, the objective of this Orange Countywide Oversight Board resolution is to authorize, make findings, and approve the Successor Agency’s amendment of ROPS FY24-25 to correct and increase line items 66, 75, and 151 in the aggregate amount of \$4,759,465.85 as reflected on the amendment to the Successor Agency’s ROPS FY 2024-25 attached as Attachment No. 1 to this resolution and fully incorporated herein by this reference; and

**WHEREAS**, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s amendment of ROPS FY24-25, and desires to make certain findings, including: (i) amendment is necessary to pay DOF-approved enforceable obligations on ROPS FY 2024-2025 during the “B” fiscal period, (ii) ROPS FY 2024-25, as amended, is approved, (iii) the Successor Agency or City staff are authorized to post ROPS FY 2024-25, as amended, on the City’s website, and (iv) staff is directed to transmit ROPS FY 2024-25, as amended, to the DOF, pursuant to the Dissolution Law;

**NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:**

**SECTION 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** The Orange Countywide Oversight Board hereby finds the revision set forth in amended ROPS FY 2024-2025 for funds to be distributed from the Redevelopment Property Tax Trust Fund (RPTTF) for the fiscal period January 1, 2025 to June 30, 2025 is necessary to pay DOF-approved enforceable obligations for such ROPS FY 2024-2025B period; in particular, the amendment is to correct and increase the RPTTF authorized for disbursement to the Successor Agency and payment by the Successor Agency for line items 66,75, and 151.



**SECTION 3.** Under the Dissolution Law, the Orange Countywide Oversight Board approves the ROPS FY 2024-25, as amended, (Attachment No. 1); provided however, that the ROPS FY 2024-2025, as amended, is approved subject to the condition that such ROPS, as amended, is to be submitted to and reviewed by the DOF. Further, the Executive Director of the Successor Agency and his authorized designees, in consultation with legal counsel, shall be authorized to discuss this matter with the DOF and make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

**SECTION 4.** The Orange Countywide Oversight Board authorizes transmittal of ROPS FY 2024-2025, as amended, to the DOF.

**SECTION 5.** The Executive Director of the Successor Agency and his authorized designees directed to post this Resolution, including the ROPS FY 2024-2025, as amended, on the City's website.

**SECTION 6.** The approval of the amendment to the ROPS through this Resolution does not commit the Orange Countywide Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

**SECTION 7.** Under Section 34179(h) written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. The Orange Countywide Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

**SECTION 8.** This Resolution shall take effect immediately upon its adoption.

**Amended Recognized Obligation Payment Schedule (ROPS 24-25B) - Summary  
Filed for the January 1, 2025 through June 30, 2025 Period**

**Successor Agency:** Anaheim

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>ROPS 24-25B Authorized Amounts</b>	<b>ROPS 24-25B Requested Adjustments</b>	<b>ROPS 24-25B Amended Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 151,100</b>	<b>\$ -</b>	<b>\$ 151,100</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	151,180	-	151,180
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 14,095,099</b>	<b>\$ 4,759,465</b>	<b>\$ 18,854,564</b>
F RPTTF	13,842,099	4,759,465	18,601,564
G Administrative RPTTF	253,000	-	253,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 14,246,279</b>	<b>\$ 4,759,465</b>	<b>\$ 19,005,744</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date





August 14, 2024

Stephen Stoewer  
Housing & Community Development Department  
201 South Anaheim Blvd. 10<sup>th</sup> Floor  
Anaheim, Ca 92805

**RE: UPDATED WESTGATE REMEDIATION COSTS FOR CITY FOR ANAHEIM  
JULY 1, 2024 THROUGH JUNE 30, 2025**

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Dear Mr. Stoewer:

At the request of the City of Anaheim (the City), Tetra Tech BAS (TT-BAS) has prepared this update to the planning level evaluation for the anticipated scope and costs for the City's Recognized Obligation Payment Schedule (ROPS) from the California Department of Finance (DoF) for the period from July 1, 2024 through June 30, 2025 relating to the currently projected in-place closure and clean closure activities associated with the Davis Mud Pit and the Sparks, Anderson, Rains Pits Landfill. The scope and costs included herein are updates to the original estimates provided in our letter of December 15, 2023 and are intended for the City's planning purposes. Proposals for various work items will be provided separately based on the City's decisions regarding the appropriate path forward.

All work will be performed in accordance with the Requirements of Title 27 of the California Code of Regulations and applicable local requirements. Clean Closure of the Davis Mud Pit portion of the site has been partially completed. Completion of these activities, as well as in-place closure of the small remaining portions of that disposal area are anticipated to occur during the ROPS 2024-2025 period. In-place closure activities are associated with the phased closure of four separate portions of the Sparks, Anderson, Rains Pits Landfill. Phase I and II closure activities were completed prior to the ROPS period in question. Based on the recent developments relating to the relinquishment of Beach Blvd. from Caltrans back to the City, and in recognition of the long term technical, logistical and financial considerations associated with in-place closure, clean closure has been determined to be the preferred approach for addressing the residual Davis Mud Pit wastes beneath Beach Boulevard. Phase IV Closure planning and engineering for the remainder of the Sparks, Anderson Rains Pits are anticipated to occur during the ROPS 2024-2025 period.

The following sections detail the various activities that will need to be performed. Costs and schedule considerations are provided for each major scope.

Tetra Tech BAS

21700 Copley Drive, Suite 200, Diamond Bar, CA 91765  
Tel 909.860.7777 Fax 909.860.8017 [www.tetrattech.com](http://www.tetrattech.com)

### **COMPLETION OF CLEAN CLOSE THE DAVIS MUD PIT**

Davis Mud Pit clean closure activities, were recommenced on July 1, 2024, as planned. During implementation of these activities, a mud and waste was found to encroach nearer than expected to the north boundary of the City-owned property. In order to address this condition, specialized removal actions will likely be required and are anticipated to include the following.

- Slot cutting of alternating removal trenches perpendicular to the property boundary under supervision of a registered geotechnical engineer.
- Direct loading and disposal of slot cut materials.
- Haul and dispose of excavated material
- Increased confirmation sampling frequency to allow for immediate backfilling of the slot trenches.
- Backfilling of the slot cut trenches with concrete slurry.
- Based on the results of confirmation sampling, perform the following activities to remove residual impacts:
  - Demolition of the two northern perimeter walls
  - Design, installation and subsequent removal of shoring
  - Excavation of residual impacted material within the City-owned property
  - Direct load excavated material for disposal
  - Haul and dispose of excavated material
  - Backfill with clean import material
  - Reconstruction of northern perimeter wall

**Anticipated Time to Complete: 3 Months**

**Anticipated Added Cost: \$3,000,000.00**

### **PARTIAL CLEAN CLOSURE OF THE SOUTHWEST DAVIS MUD PIT**

In the original December 15, 2023 projection two options were provided for this task (In-Place Closure and Clean Closure) and both encompassed engineering, coordination between the regulators and developers, permitting, and construction of the in-place closure of the extreme southwestern portions of the Davis Mud Pit, within current City-owned property. However, since development of the December 15, 2024 projection, the timeline for relinquishment of Beach Blvd. by Caltrans to the City has been accelerated and will occur in the latter part of calendar 2024. This will expand the area requiring closure and impact the long term technical, logistical and financial considerations associated with in-place closure such that, clean closure has been determined to be the preferred approach for this area. Tasks associated with clean closure of the expanded area are as follows:

- Engineering and encroachment permits from both Caltrans and the City.
- Investigation of the expanded area for limits of waste.
- Pre-removal confirmation sampling.
- Pre-removal protection and/or relocation of existing improvements within the expanded area.

- Removal of mud and waste through concentric borehole drilling
- Off-site disposal of removed material
- Back filling of borings
- Replacement of paved surface
- Replacement of improvements within the expanded area

Because of the expanded closure area and in consideration of added complexity related to the relinquishment of Beach Blvd, additional costs are projected.

**Anticipated Time to Complete: 3 Months**  
**Anticipated Added Cost: \$1,500,000**

### **PHASE III CLOSURE ENGINEERING AND CONSTRUCTION**

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

**Anticipated Time to Complete: 12 Months**  
**Anticipated Added Cost: No Change**

### **PHASE IV CLOSURE PLANNING**

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

**Anticipated Time to Complete: 12 Months**  
**Anticipated Added Cost: No Change**

### **ROUTINE LANDFILL GAS MAINTENANCE, MONITORING, AND REPORTING**

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

**Anticipated Time to Complete: Continuing Basis**  
**Anticipated Added Cost: No Change**

### **NON-ROUTINE LANDFILL GAS SYSTEM MAINTENANCE, MONITORING, AND REPORTING**

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

**Anticipated Time to Complete: 12 Months**  
**Anticipated Added Cost: No Change**

**ROUTINE GROUNDWATER ACTIVITIES**

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

**Anticipated Time to Complete: Continuing Basis**  
**Anticipated Added Cost: No Change**

**NON-ROUTINE GROUNDWATER ACTIVITIES**

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

**Anticipated Time to Complete: Continuing Basis**  
**Anticipated Added Cost: No Change**

**ROUTINE GENERAL SITE MAINTENANCE**

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

**Anticipated Time to Complete: Continuing Basis**  
**Anticipated Added Cost: No Change**

**NON-ROUTINE GENERAL SITE MAINTENANCE**

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

**Anticipated Time to Complete: Continuing Basis**  
**Anticipated Added Cost: No Change**

**SUMMARY**

Based on the planning level assessment presented herein the following summary is provided.

<b>Element</b>	<b>Updated Cost / Duration</b>
Davis Mud Pit Clean Closure	\$3,000,000
Partial In-Place/Clean Close of the Southwest Davis Mud Pit	\$1,500,000
Phase III Closure	No Change
Phase IV Closure	No Change
Routine Landfill Gas OM&M	No Change
Non-Routine Landfill Gas System OM&M	No Change
Routine Groundwater Activities	No Change
Non-Routine Groundwater Activities	No Change
Routine General Site Maintenance	No Change
Non-Routine General Site Maintenance	No Change
<b>TOTAL:</b>	<b>\$4,500,000</b>
Estimated Overall Implementation Time	9 to 12 months

Re: Westgate Update of Remediation Costs for City of Anaheim  
August 14, 2024  
Page 5 of 5

We look forward to providing continued support to the City on this project. Should you have any questions or comments regarding this planning level evaluation or any of the assumptions made herein, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in blue ink, appearing to read 'G. Acosta', with a stylized flourish at the end.

Greg Acosta, P.E.  
Vice President, Environmental Services





November 8, 2024

Sergio M. Ramirez, Director of Economic Development  
City of Anaheim  
200 South Anaheim Boulevard #733  
Anaheim, CA 92805

### **Amended Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Anaheim Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2025 through June 30, 2025 (Amended ROPS 24-25B) to the California Department of Finance (Finance) on September 18, 2024. Finance has completed its review of the Amended ROPS 24-25B.

Based on our review and application of the law, Finance makes the following determination:

- Item No. 75 – External Project Costs in the amount of \$200,000. After further review, the Agency determined these costs could be absorbed by the Administrative Cost Allowance. Therefore, the requested adjustment of \$200,000 from Redevelopment Property Tax Trust Fund (RPTTF) funding is not allowed.

Except for the adjustments denied in whole or in part, Finance does not object to the remaining adjustments listed on your Amended ROPS 24-25B.

The Agency's amended maximum approved RPTTF distribution for the Amended ROPS 24-25B period is \$18,654,564, as summarized in the Approved RPTTF Distribution table (See Attachment).

Please refer to the Amended ROPS 24-25B schedule used to calculate the total RPTTF approved for distribution:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 24-25B. Please note there is not a Meet and Confer option for the Amended ROPS process; therefore, Finance's determination is final. This determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be denied, even if it was not denied on this Amended ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. 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 Agency in the RPTTF.

Please direct inquiries to [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Cheryl L. McCormick". The signature is written in a cursive, flowing style.

Cheryl L. McCormick, CPA  
Chief, Office of State Audits and Evaluations

cc: Ajay Kolluri, Senior Project Manager, City of Anaheim  
Samantha Nguyen, Fiscal Analyst, Property Tax Unit, Orange County  
Kathy Tavoularis, Countywide Oversight Board Representative

<b>Approved RPTTF Distribution January 2025 through June 2025</b>	
Authorized RPTTF on ROPS 24-25B	\$ 13,842,099
Authorized Administrative RPTTF on ROPS 24-25B	253,000
<b>Total Authorized RPTTF on ROPS 24-25B</b>	<b>14,095,099</b>
<b>Total Requested 24-25B RPTTF Adjustments</b>	<b>4,759,465</b>
<b>Finance RPTTF Adjustments</b>	
Item No. 75	(200,000)
<b>Total Authorized 24-25B RPTTF Adjustments</b>	<b>4,559,465</b>
<b>Total Amended ROPS 24-25B RPTTF approved for distribution</b>	<b>\$ 18,654,564</b>

# Orange Countywide Oversight Board

Agenda Item No. 6a

Date: 1/24/2023

From: Successor Agency to the Anaheim Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget

Recommended Action:

Approve resolution approving FY 2023-2024 ROPS and Administrative Budget for the Anaheim Successor Agency

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The Anaheim Successor Agency (ASA) requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2023-2024.

The FY 23-24 ROPS is continuing to request RPTTF funds to pay an obligation in the amount of \$3,947,509, the purpose of which was to provide funding for the Avon/Dakota revitalization project (Lines 114,115, 116, 117). The Avon/Dakota obligations were determined to be enforceable obligations by the California Court of Appeal pursuant to its Opinion on Rehearing dated December 19, 2017 in Case No. C081918 (Super. Ct. No. 34201380001529CUWMGDS). The Avon-Dakota payment will be incurred periodically and included on each annual ROPS until the total amount is paid for costs previously incurred and future costs to be incurred.

Other items on the FY 23-24 ROPS unrelated to the litigation include an enforceable obligation payable to Savi Ranch Associates. The note is payable from net property tax increment as defined in the Redevelopment Agency note. If there is insufficient RPTTF revenue to pay for principal and interest at the termination of the River Valley project area plan in November 2031, the note ceases to be an obligation of the Successor Agency.

An additional \$11,824,750 (Line 193) is requested for debt service on Refunded 2007 Tax Allocation Bonds Series A & C.

In June 2003, the former Redevelopment Agency acquired property located at 2951 West Lincoln Ave. as part of a redevelopment project named Westgate. Approximately 11 acres of the property were formerly known as the Sparks and Rains Landfills. Line item 151 & 195 in the ROPS are for ongoing environmental insurance requirements and pollution remediation costs prior to the development of a shopping center in order to satisfy the terms of the Settlement Agreement between the Agency and the County of Orange, as well as obligations imposed by various regulatory entities holding jurisdiction over the former landfills.

In April 2001, the Agency entered into an agreement with Katella Operating Properties, LLC to sublicense/sublease an 8.9 acre Southern California Edison easement located between Anaheim Blvd. and Claudina Way. The Agency gained long-term control of the property as part of its overall efforts to redevelop the area for hotel or commercial development. The term of the agreement extends to February 28, 2043 (Line 70). In June 2003, the Agency entered into a Ground Lease agreement with Leedy Ying and Tina Ying Trust for the Shoe City property (Line 71) for the redevelopment of the corner of Anaheim Blvd. and Ball Rd. The lease term is 35 years, with two 10 year extension options.

Finally, the ROPS reflects the Successor Agency's request for approval from DOF to have the ability to spend the reserve amount of \$302,361 for environmental remediation projects granted from an EPA grant (Line 187). No RPTTF funds are requested or used for this line item.

In addition, the Anaheim Successor Agency requests approval of the Administrative Budget in the amount of \$470,000.

Impact on Taxing Entities

The proposed ROPS 23-24 A-B requests a total of \$31,970,841 in RPTTF.

Staff Contact(s)

Sergio Ramirez  
Economic Development Director  
SRamirez@anaheim.net  
(714)765-4627

Ramona Castaneda  
Property Development Manager  
Rcastaneda@anaheim.net  
(714)765-4317

Attachments

1. Resolution
2. ROPS FY 23-24
3. Administrative Budget

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
RESOLUTION NO. 23010**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH  
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT  
AGENCY *APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS]*  
FY 2023-24 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2023 TO JUNE 30,  
2024, INCLUDING THE FY23-24 ADMINISTRATIVE BUDGET, SUBJECT TO  
SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE [DOF]  
PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING AND  
TRANSMITTAL THEREOF

**WHEREAS**, the Anaheim Redevelopment Agency (“Former Agency”) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Anaheim (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

**WHEREAS**, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Successor Agency to the Anaheim Redevelopment Agency (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(j) on July 1, 2018 the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency and all other successor agencies in Orange County; and

**WHEREAS**, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Section 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, review and approved by the Successor Agency and then reviewed and approved by the Orange Countywide Oversight Board final review and approval by the State Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(l) and 34177(o) of the Dissolution Law requires that the annual ROPS for the FY23-24 A-B fiscal period of July 1, 2023 to June 30, 2024 (“ROPS 23-24 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Orange Countywide Oversight Board, no later than February 1, 2023; and

**WHEREAS**, the ROPS 2023-2024, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2023-2024 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

**WHEREAS**, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s ROPS 2023-2024 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 23-24 A-B to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (“SCO”) as required under the Dissolution Law;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

**SECTION 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** The Orange Countywide Oversight Board hereby approves ROPS 2023-2024 A-B submitted therewith and incorporated by this reference, including the FY 2023-2024 administrative budget included herewith.

**SECTION 3.** The Orange Countywide Oversight Board authorizes transmittal of the ROPS 23-24 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

**SECTION 4.** The City of Anaheim’s [Finance Director/Treasurer] or authorized designee is directed to post this Resolution, including the ROPS 23-24 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

**SECTION 5.** Under Section 34179(h), written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The Orange Countywide Oversight Board’s action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

**SECTION 6.** The Clerk of the Board shall certify to the adoption of this Resolution.

**Recognized Obligation Payment Schedule (ROPS 23-24) - Summary**  
**Filed for the July 1, 2023 through June 30, 2024 Period**

**Successor Agency:** Anaheim

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>23-24A Total (July - December)</b>	<b>23-24B Total (January - June)</b>	<b>ROPS 23-24 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 3,123,113</b>	<b>\$ -</b>	<b>\$ 3,123,113</b>
B Bond Proceeds	32,708	-	32,708
C Reserve Balance	-	-	-
D Other Funds	3,091,105	-	3,091,105
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 12,234,931</b>	<b>\$ 16,612,090</b>	<b>\$ 28,847,021</b>
F RPTTF	11,999,938	16,377,090	28,377,028
G Administrative RPTTF	235,000	235,000	470,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 15,358,044</b>	<b>\$ 16,612,090</b>	<b>\$ 31,970,134</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date



**Anaheim**  
**Recognized Obligation Payment Schedule (ROPS 23-24) - ROPS Detail**  
**July 1, 2023 through June 30, 2024**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)					23-24A Total	ROPS 23-24B (Jan - Jun)					23-24B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$198,258,264		\$31,970,841	\$32,708	\$-	\$3,091,105	\$11,999,938	\$235,000	\$15,358,751	\$-	\$-	\$-	\$16,377,090	\$235,000	\$16,612,090
50	Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	12/01/2007	02/01/2031	U.S. Bancorp	DEBT Debt service on Series B & D	Merged	40,826,130	N	\$3,848,270	32,708	-	3,091,105	724,457	-	\$3,848,270	-	-	-	-	-	\$-
54	Fiscal agent/arbitrage svcs	Fees	02/25/2010	02/01/2031	Per Bond Docs	DEBT Fiscal agent/arbitrage services	Merged	494,802	N	\$20,000	-	-	-	6,000	-	\$6,000	-	-	-	14,000	-	\$14,000
56	HDD 108 Loan-Capital Projects	CDBG/HDD Repayment to City/County	02/25/2010	08/01/2030	The Banc of NY Mellon	DEBT Pacing House Restoration	Merged	3,432,223	N	\$480,552	-	-	-	425,727	-	\$425,727	-	-	-	54,825	-	\$54,825
58	HDD 108 Loan-Westgate	CDBG/HDD Repayment to City/County	08/07/2003	08/01/2023	The Banc of NY Mellon	DEBT Anaheim Westgate Project	Merged	751,790	N	\$751,790	-	-	-	-	-	\$-	-	-	-	751,790	-	\$751,790
63	External Project Costs	Professional Services	08/07/2003	02/01/2031	Consultants/Other	DEBT Services/Hard & Soft Costs/ Fees	Merged	439,998	N	\$23,000	-	-	-	3,000	-	\$3,000	-	-	-	20,000	-	\$20,000
66	River Valley Redev. Proj. Area	OPA/DDA/Construction	06/30/1987	11/29/2041	Savi Ranch Valley Irrig. Co.	CONTRACTS Note Payable	Merged	2,897,846	N	\$516,934	-	-	-	516,934	-	\$516,934	-	-	-	-	-	\$-
68	Anaheim Westgate Center Proj.	Miscellaneous	02/01/2003	02/01/2058	Annie (Loan) Pham	CONTRACTS Ground lease agreement	Merged	5,851,589	N	\$114,347	-	-	-	-	-	\$-	-	-	-	114,347	-	\$114,347
70	8.9-acre SoCal Edison	Miscellaneous	04/30/2001	02/28/2043	Matella Operating Property II, LLC	CONTRACTS Sublease/ sublicense easement agr.	Merged	13,930,459	N	\$586,267	-	-	-	285,288	-	\$285,288	-	-	-	300,979	-	\$300,979
71	Shoe City lease	Miscellaneous	06/01/2003	06/30/2058	Leedy Ying Trust	CONTRACTS Lease	Merged	1,646,267	N	\$40,476	-	-	-	20,238	-	\$20,238	-	-	-	20,238	-	\$20,238
75	External Project Costs	Professional Services	07/01/2010	06/30/2058	Consultants/Other	CONTRACTS Services/Hard & Soft Costs/ Fees	Merged	504,466	N	\$7,200	-	-	-	3,600	-	\$3,600	-	-	-	3,600	-	\$3,600
103	External Project Costs	Professional Services	03/12/2008	06/30/2017	Consultants/Other	WESTGATE Services/Hard & Soft Costs/ Fees	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
114	Avon Dakota Revitalization	Miscellaneous	06/01/2010	12/31/2075	Related	AVON DAKOTA Property acquisition & development	Merged	3,084,533	N	\$3,084,533	-	-	-	1,542,266	-	\$1,542,266	-	-	-	1,542,267	-	\$1,542,267
115	Avon Dakota Revitalization	Miscellaneous	06/01/2010	12/31/2075	TBD	AVON DAKOTA	Merged	647,976	N	\$647,976	-	-	-	323,988	-	\$323,988	-	-	-	323,988	-	\$323,988

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)					23-24A Total	ROPS 23-24B (Jan - Jun)					23-24B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
						Relocation Costs																	
116	Project Management	Project Management Costs	06/01/2010	06/30/2020	Staff	AVON DA □ OTA □ Project Support	Merged	65,000	N	\$65,000	-	-	-	32,500	-	\$32,500	-	-	-	32,500	-	\$32,500	
117	External Project Costs	Professional Services	06/01/2010	06/30/2020	Consultants/Other	AVON DA □ OTA □ Services/Hard & Soft Costs/ Fees	Merged	150,000	N	\$150,000	-	-	-	75,000	-	\$75,000	-	-	-	75,000	-	\$75,000	
135	Administrative Cost Allowance	Admin Costs	01/01/2014	12/31/1941	City of Anaheim	ADMIN □ Pursuant to AB26 (3 □ of RPTTF)	Merged	470,000	N	\$470,000	-	-	-	-	235,000	\$235,000	-	-	-	-	235,000	\$235,000	
151	Westgate Remediation (Previous ROPS Line 100)	Remediation	03/12/2008	12/31/2044	Various	Westgate □ Settlement Agreement/ Reimbursement	Merged	15,255,426	N	\$8,997,385	-	-	-	5,722,385	-	\$5,722,385	-	-	-	3,275,000	-	\$3,275,000	
187	Domain Project Area Remediation	Remediation	06/22/2012	06/30/2020	Various	EPA Revolving Loan Funds to □ se for Allowable Fund Remediation Expenses	Merged	302,361	N	\$302,361	-	-	-	151,180	-	\$151,180	-	-	-	151,181	-	\$151,181	
191	Insurance for Westgate LandFill (Related to Line 151)	Remediation	07/01/2017	06/30/2028	Beazley ENVIRO CPL Insurance	Westgate □ Settlement Agreement/ Reimbursement	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
193	2018 Refunding Bonds Series A	Bonds Issued On or Before 12/31/10	01/04/2018	02/01/2031	□.S. Ban □	DEBT □ Debt service on Refunded 2007 Tax Allocation Bonds Series A & C	Merged	107,082,000	N	\$11,824,750	-	-	-	2,147,375	-	\$2,147,375	-	-	-	9,677,375	-	\$9,677,375	
195	Westgate Remediation - Water Control Board	Remediation	07/27/2017	12/31/2044	Santa Ana Regional Water □ uality Control Board	Westgate □ Settlement Agreement/ Reimbursement	Merged	425,398	N	\$40,000	-	-	-	20,000	-	\$20,000	-	-	-	20,000	-	\$20,000	

**Anaheim**  
**Recognized Obligation Payment Schedule (ROPS 23-24) - Report of Cash Balances**  
**July 1, 2020 through June 30, 2021**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)</b>	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	<b>Comments</b>
1	<b>Beginning Available Cash Balance (Actual 07/01/20)</b> RPTTF amount should exclude "A" period distribution amount.	3,117,277		8,512,355	17,281,540	167,801	
2	<b>Revenue/Income (Actual 06/30/21)</b> RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller	32,708		-	742,151	14,411,543	
3	<b>Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)</b>	76,460		4,705,791	12,601,554	9,491,852	
4	<b>Retention of Available Cash Balance (Actual 06/30/21)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	3,040,816		3,806,564	2,028,671		
5	<b>ROPS 20-21 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 20-21 PPA form submitted to the CAC		No entry required			5,087,492	
6	<b>Ending Actual Available Cash Balance (06/30/21)</b> <b>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</b>	<b>\$32,709</b>	<b>\$-</b>	<b>\$-</b>	<b>\$3,393,466</b>	<b>\$-</b>	

**Anaheim**  
**Recognized Obligation Payment Schedule (ROPS 23-24) - Notes**  
**July 1, 2023 through June 30, 2024**

Item #	Notes/Comments
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**ANAHEIM SUCCESSOR AGENCY  
23/24 ADMINISTRATIVE BUDGET**

LABOR	\$	328,000
LEGAL		15,000
CITY OVERHEAD CHARGES		70,000
RENTS/OFFICE EQUIPMENT/SUPPLIES		33,000
DOCUMENT OFFSITE STORAGE		4,000
AUDIT FEES		4,500
SHIPPING/MAILING		500
INSURANCE		5,000
ADMINISTRATIVE COSTS - WESTGATE PROJECT		10,000
<b>TOTAL PROJECTED FY 23/24 BUDGET</b>	<b>\$</b>	<b>470,000</b>



Transmitted via e-mail

April 14, 2023

Sergio M. Ramirez, Director of Economic Development  
City of Anaheim  
200 South Anaheim Boulevard #733  
Anaheim, CA 92805

### **2023-24 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Anaheim Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 25, 2023. Finance has completed its review of the ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 151 – Westgate Remediation (Previous ROPS Line 100) in the amount of \$8,997,385 is not allowed. It is our understanding the Sixth Amendment to Professional Services Agreement between the Agency and Tetra Tech BAS, Inc. states the Agency is obligated to pay for services at a cost not to exceed \$20,812,276. Finance has authorized requested Redevelopment Property Tax Trust Fund (RPTTF) in prior ROPS periods sufficient to pay the contractual obligation. Further, the Agency provided support that indicates the authorized RPTTF during the July 1, 2021 through June 30, 2022 (ROPS 21-22) and the July 1, 2022 through June 30, 2023 (ROPS 22-23) periods will be fully spent. Therefore, no additional amounts are due at this time, and \$8,997,385 is not eligible for RPTTF funding.
- Item No. 187 – Domain Project Area Remediation in the total requested amount of \$302,361 has been reclassified. The Agency requested the funding source be reclassified from RPTTF to Other Funds. As a result, the RPTTF funding requested has decreased by \$302,361 and Other Funds has increased by \$302,361.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$14,385,426, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet\\_And\\_Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 23-24. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 23-24 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 23-24 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Sergio M. Ramirez  
April 14, 2023  
Page 3

Please direct inquiries to Todd Vermillion, Supervisor, or Garrett Fujitani, Staff, at (916) 322-2985.

Sincerely,

  
for JENNIFER WHITAKER  
Program Budget Manager

cc: Ramona Castaneda, Property Development Manager, City of Anaheim  
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County  
Kathy Tavoularis, Countywide Oversight Board Representative



<b>Approved RPTTF Distribution July 2023 through June 2024</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 11,999,938	\$ 16,377,090	\$ 28,377,028
Administrative RPTTF Requested	235,000	235,000	470,000
<b>Total RPTTF Requested</b>	<b>12,234,938</b>	<b>16,612,090</b>	<b>28,847,028</b>
<b>RPTTF Requested</b>	<b>11,999,938</b>	<b>16,377,090</b>	<b>28,377,028</b>
<u>Adjustment(s)</u>			
Item No. 151	(5,722,385)	(3,275,000)	(8,997,385)
Item No. 187	(151,180)	(151,181)	(302,361)
	(5,873,565)	(3,426,181)	(9,299,746)
<b>RPTTF Authorized</b>	<b>6,126,373</b>	<b>12,950,909</b>	<b>19,077,282</b>
<b>Administrative RPTTF Authorized</b>	<b>235,000</b>	<b>235,000</b>	<b>470,000</b>
ROPS 20-21 Prior Period Adjustment (PPA)	(5,161,856)	0	(5,161,856)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 1,199,517</b>	<b>\$ 13,185,909</b>	<b>\$ 14,385,426</b>

# Orange Countywide Oversight Board

Agenda Item No. 4b

Date: 1/21/2025

From: Successor Agency to the Fullerton Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget

**Recommended Action:**

Approve resolution approving FY 2025-26 ROPS and Administrative Budget for the Fullerton Successor Agency

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The Fullerton Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2025-26.

The Fullerton Successor Agency requests approval of the Resolution No. 2025-XX (see Attachment 1) approving Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2025-26 (see Attachment 2).

**Fullerton Recognized Obligation Payment Schedule (ROPS)**

The purpose of the Recognized Obligation Payment Schedule (ROPS) is to identify the funds needed to carry out the dissolution process of the former Fullerton Redevelopment Agency, and to set forth the payment amounts and due dates for all existing financial obligations. ROPS shall be forward looking and prepared annually until all debt is repaid. Attached is the proposed ROPS 25-26 for the time period of July 1, 2025 through June 30, 2026. ROPS 25-26 must be submitted to the State Department of Finance (DOF) by February 1, 2024 for their review and approval.

Included in the ROPS 25-26 are all of the enforceable obligations of the Fullerton Successor Agency requiring payments during Fiscal Year 2025-26. These obligations include annual bond debt service payments, fees, and an administrative cost allowance.

**Bond Debt Service Payments**

In 2020 the Fullerton Successor Agency refunded the 2005 Tax Allocation Bonds and 2010 Taxable Tax Allocation Refunding Bonds with the Tax Allocation Refunding Bonds Series 2020A and Series 2020B (Federally Taxable). Below is a list of remaining bonds that are outstanding including annual bank trustee fees:

<b>ROPS Item No.</b>	<b>Bond Name</b>	<b>Term Ends</b>
49	Annual bank trustee fees for bonds	Until all bonds are paid FY 2027-28
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	COMPLETED IN ROPS FY 24-25
63	2020 Tax Allocation Refunding Bonds Series 2020A & B (refunded 2005 and 2010 bonds)	FY 2027-28

**Item No. 49**

Annual bank trustee fees for bonds.

**Item No. 60**

The 2015 Tax Allocation Refunding Bonds were issued in 2015 in the amount of \$11,975,000 for the purpose of prepaying a financing agreement entered into by the former redevelopment agency and to refund certain outstanding bonds issued by the 1998 Financing Agreement. The bonds are secured by property tax revenues derived from each project area. Repayment commenced on March 1, 2016 with interest rates ranging from 3.00% to 5.00%. The final maturity date is March 1, 2025. Interest and principal payments are due semiannually and annually, respectively. This item will no longer be included in future ROPS as it has been completed.

**Item No. 63**

In 2020 the Fullerton Successor Agency refunded the 2005 Tax Allocation Bonds and 2010 Taxable Tax Allocation Refunding Bonds with the Tax Allocation Refunding Bonds Series 2020A (Tax-Exempt) and Series 2020B (Federally Taxable). The 2020 Series A bonds were issued in the amount of \$33,965,000 refunding the 2005 Tax Allocation Bonds. The 2020 Series B bonds were issued in the amount of \$10,730,000 refunding the 2010 Taxable Tax Allocation Bonds. The bonds are secured by property tax revenues derived from each project area. Series A bonds repayment commenced on March 1, 2021 with a 4% interest rate. Series B bonds repayment commenced on March 1, 2021 with interest rates ranging from 0.591% to 1.514%. Interest and principal payments are due semiannually and annually, respectively.

**Property Lease and Purchase Agreements**

ROPS Items #11, the Ronald Miller Lease was completed in FY 24-25 and ROPS Item #62 the Miller Property Purchase was completed in FY 24-25.

**Other ROPS Items**

Other ROPS items include the following:

**Item No. 27**

The administrative budget amount being requested is \$6,000 split evenly between ROPS-A and ROPS-B. This amount covers the necessary accounting staff time to facilitate the remainder of ROPS items including debt service payments and accounting reconciliation work.

**City Accounting Findings on Cash Balance Report**

The Successor Agency met with CA Dept of Finance in 2024 to review cash balance reconciliation. As there appears to be a previous year erroneous transfer of assets resulting in a cash deficit which is reflected in the 25-26 cash balance report. The agency plans to meet with CA Dept of Finance to further resolve this issue in 2025.

**Staff Contacts**

Director of Community & Economic Development

714-738-6541 or via e-mail at Sunayana.Thomas@cityoffullerton.com

Director of Administrative Services

714-738-6522 or via e-mail at echang@cityoffullerton.com

Fullerton Successor Agency staff contacts:

714-738-5381 or via e-mail at Taylor.Samuelson@cityoffullerton.com

**Attachments**

**Attachment 1** – Orange Countywide Board Resolution No. 2025-XX

**Attachment 2** – Fullerton Successor Agency Recognized Obligation Payment Schedule 2025-26 and Administrative Budget Allowance.

**Attachment 3** –Department of Finance letters of determination for Fullerton Successor Agency Recognized Obligation Payment Schedule and Administrative Budget Allowance ROPS 24-25

**Attachment 4** – Department of Finance letters of determination for Fullerton Successor Agency Recognized Obligation Payment Schedule and Administrative Budget Allowance ROPS 23-24.

**Attachment 5** – SA Resolution No. 2025-XX approving ROPS 25-26 and administrative budget allowance for the period covering July 1, 2025 – June 30 2026



**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE FULLERTON SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS] 25-26 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2025 TO JUNE 30, 2026, INCLUDING THE FY 2025-26 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE [DOF] PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

**WHEREAS**, the Fullerton Redevelopment Agency (“Former Agency”) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Fullerton (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

**WHEREAS**, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Fullerton Successor Agency to the Fullerton Redevelopment Agency (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(j) on July 1, 2018 the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency and all other successor agencies in Orange County; and

**WHEREAS**, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Section 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Orange Countywide Oversight Board with final review and approval by the State Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(l) and 34177(o) of the Dissolution Law requires that the annual ROPS for the 25-26 A-B fiscal period of July 1, 2025 to June 30, 2026 (“ROPS 25-26 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Orange Countywide Oversight Board, no later than February 1, 2025; and

**WHEREAS**, the ROPS 25-26, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2025-26 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

**WHEREAS**, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s ROPS 25-26 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 25-26 A-B to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (“SCO”) as required under the Dissolution Law;

**NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:**

**SECTION 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** The Orange Countywide Oversight Board hereby approves ROPS 25-26 A-B submitted therewith and incorporated by this reference, including the FY 2025-26 administrative budget included herewith.

**SECTION 3.** The Orange Countywide Oversight Board authorizes transmittal of the ROPS 25-26 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

**SECTION 4.** The City of Fullerton’s City Manager or authorized designee is directed to post this Resolution, including the ROPS 25-26 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

**SECTION 5.** Under Section 34179(h), written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The Orange Countywide Oversight Board’s action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

**SECTION 6.** The Clerk of the Board shall certify to the adoption of this Resolution





**ATTACHMENT #2**  
**ROPS 25-26 & ADMINISTRATIVE BUDGET**

**Recognized Obligation Payment Schedule (ROPS 25-26) - Summary**  
**Filed for the July 1, 2025 through June 30, 2026 Period**

**Successor Agency:** Fullerton  
**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>25-26A Total (July - December)</b>	<b>25-26B Total (January - June)</b>	<b>ROPS 25-26 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 2,858,849</b>	<b>\$ 5,095,167</b>	<b>\$ 7,954,016</b>
F RPTTF	2,855,849	5,092,167	7,948,016
G Administrative RPTTF	3,000	3,000	6,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 2,858,849</b>	<b>\$ 5,095,167</b>	<b>\$ 7,954,016</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Fullerton  
Recognized Obligation Payment Schedule (ROPS 25-26) - ROPS Detail  
July 1, 2025 through June 30, 2026**

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 25-26 Total	L ROPS 25-26A (Jul - Dec)			M ROPS 25-26B (Jan - Jun)			Q 25-26A Total	R Bond Proceeds	S Reserve Balance	T Fund Sources		V Admin RPTTF	W 25-26B Total					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds				Reserve Balance	Other Funds			RPTTF	Admin RPTTF			
																										RPTTF	Admin RPTTF	
11	Lease: Ron Miller	Miscellaneous	08/01/2004	08/01/2024	Ronald F Miller Trust	Property lease	Merged	\$7,985,016	Y	\$7,954,016	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-					
27	Administrative Cost Allowance FY 2024-25	Admin Costs	07/01/2024	06/30/2025	Fullerton Successor Agency	Administrative expenses for Successor Agency	Merged	6,000	N	\$6,000	-	-	-	-	-	-	-	-	-	-	3,000	-	3,000	\$3,000				
49	Bond Debt Service Fees	Fees	07/01/1998	06/30/2028	US Bank and Wells Fargo	Bond Debt Service Fees	Merged	40,500	N	\$9,500	-	-	-	-	-	-	-	-	-	-	-	9,500	-	9,500	\$9,500			
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	Refunding Bonds Issued After 6/27/12	01/28/2015	12/31/2025	US Bank	Debt service payment on 2015 Tax Allocation Refunding Bonds	Merged	-	N	\$-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$-			
62	Miller Property Purchase	Miscellaneous	07/06/2004	08/01/2024	Ronald F Miller Family Trust	Purchase of real estate per Purchase and Sale Agreement dated 7/6/2004	Merged	-	N	\$-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$-			
63	2020 Series A & B Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	09/01/2020	12/31/2027	US Bank	Refunding bonds	Merged Project Area	7,938,516	N	\$7,938,516	-	-	-	-	-	-	-	-	-	-	-	2,855,849	-	2,855,849	\$2,855,849	-	5,082,667	\$5,082,667

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 25-26) - Notes**  
**July 1, 2025 through June 30, 2026**

<b>Item #</b>	<b>Notes/Comments</b>
11	Line Item Completed FY 24-25
27	Line Item Completed FY 24-25
49	
60	Line Item Completed FY 24-25
62	Line Item Completed FY 24-25
63	

ATTACHMENT #5  
SUCCESSOR AGENCY RESOLUTION  
ROPS 25-26 & ADMINISTRATIVE BUDGET



**ACTION OF THE CITY OF FULLERTON  
CITY COUNCIL / SUCCESSOR AGENCY**

The City of Fullerton City Council / Successor Agency held a regular meeting on Tuesday, January 7, 2025.

Council / Agency Members Present: Jung, Charles, Dunlap, Valencia, Zahra

Council / Agency Members Absent: None

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2025-26 AND ADMINISTRATIVE  
BUDGET ALLOWANCE PER ASSEMBLY BILL X1 26 AND 1484 AND SENATE BILL 107**

Proposed Motion:

Adopt Resolution No. SA-2025-01.

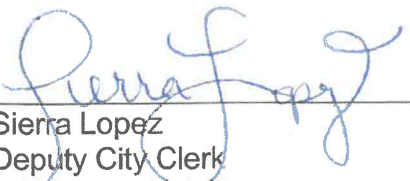
RESOLUTION NO. SA-2025-01 – A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2025-26 AND ADMINISTRATIVE BUDGET ALLOWANCE (PERIOD COVERING JULY 1, 2025 THROUGH JUNE 30, 2026)

Motion carried 5 – 0.

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) SS  
CITY OF FULLERTON )

I, Sierra Lopez, Deputy City Clerk of the City of Fullerton, California, do hereby certify the foregoing as an official action taken by the City Council / Successor Agency at the above meeting.

IN WITNESS WHEREOF, I have here unto set my hand and seal this 8th day of January 2025.

  
\_\_\_\_\_  
Sierra Lopez  
Deputy City Clerk

RESOLUTION NO. SA-2025-XX

A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2025-26 AND ADMINISTRATIVE BUDGET ALLOWANCE (PERIOD COVERING JULY 1, 2025 THROUGH JUNE 30, 2026)

WHEREAS the City of Fullerton established the Successor Agency to the Fullerton Redevelopment Agency (the "Successor Agency") to take certain actions to wind down the former Fullerton Redevelopment Agency affairs in accordance with the California Health and Safety Code.

WHEREAS the City will submit the Recognized Obligation Payment Schedule (ROPS) prepared by the Successor Agency to the County Oversight Board for approval pursuant to Health and Safety Code Section 34177.

WHEREAS the ROPS contains a list of enforceable obligations including, but not limited to, the following:

1. Existing bond debt payments and associated fees
2. Administrative budget allowance for accounting staff.

WHEREAS the ROPS includes all funds the City of Fullerton Successor Agency will need to carry out the former Fullerton Redevelopment Agency dissolution process and identifies the payment funding source for enforceable obligations listed on the ROPS pursuant to Health and Safety Code Section 34177(l)(1).

WHEREAS Successor Agency staff prepared the Recognized Obligation Payment Schedule 2025 - 2026 and administrative budget allowance for July 1, 2025 through June 30, 2026.

NOW, THEREFORE, THE FULLERTON SUCCESSOR AGENCY TO THE FULLERTON REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

1. The above recitals are true and correct and incorporated by reference herein.
2. The Successor Agency approves the Recognized Obligation Payment Schedule 2025-26 and administrative budget allowance (for July 1, 2025 through June 30, 2026).
3. The City will transmit an executed copy of this Resolution, including the ROPS 2025-2026, to the Orange County Oversight Board.
4. The Secretary shall certify adoption of this Resolution.

ADOPTED BY THE FULLERTON SUCCESSOR AGENCY TO THE FULLERTON

---

Fred Jung  
Mayor

ATTEST:

---

Lucinda Williams, MMC  
Secretary

---

Date

Attachments:

- Attachment 1 – Recognized Obligation Payment Schedule 2025-26



**Recognized Obligation Payment Schedule (ROPS 25-26) - Summary  
Filed for the July 1, 2025 through June 30, 2026 Period**

**Successor Agency:** Fullerton  
**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>25-26A Total (July - December)</b>	<b>25-26B Total (January - June)</b>	<b>ROPS 25-26 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 2,858,849</b>	<b>\$ 5,095,167</b>	<b>\$ 7,954,016</b>
F RPTTF	2,855,849	5,092,167	7,948,016
G Administrative RPTTF	3,000	3,000	6,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 2,858,849</b>	<b>\$ 5,095,167</b>	<b>\$ 7,954,016</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 25-26) - ROPS Detail**  
**July 1, 2025 through June 30, 2026**

A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 25-26 Total	L ROPS 25-26A (Jul - Dec)			M ROPS 25-26B (Jan - Jun)			Q 25-26A Total	R Bond Proceeds	S Reserve Balance	T Other Funds	U RPTTF	V Admin RPTTF	W 25-26B Total				
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds								Reserve Balance	Other Funds	RPTTF	Admin RPTTF
11	Lease: Ron Miller	Miscellaneous	08/01/2004	08/01/2024	Ronald F Miller Trust	Property lease	Merged	\$7,985,016	Y	\$7,985,016	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-					
27	Administrative Cost Allowance FY 2024-25	Admin Costs	07/01/2024	06/30/2025	Fullerton Successor Agency	Administrative expenses for Successor Agency	Merged	6,000	N	\$6,000	-	-	-	3,000	-	-	-	-	-	-	3,000	\$3,000					
49	Bond Debt Service Fees	Fees	07/01/1998	06/30/2028	US Bank and Wells Fargo	Bond Debt Service Fees	Merged	40,500	N	\$9,500	-	-	-	-	-	-	-	-	-	-	-	9,500	\$9,500				
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	Refunding Bonds Issued After 6/27/12	01/28/2015	12/31/2025	US Bank	Debt service payment on 2015 Tax Allocation Refunding Bonds	Merged	-	N	\$-	-	-	-	-	-	-	-	-	-	-	-	-	\$-				
62	Miller Property Purchase	Miscellaneous	07/06/2004	08/01/2024	Ronald F Miller Family Trust	Purchase of real estate per Purchase and Sale Agreement dated 7/6/2004	Merged	-	N	\$-	-	-	-	-	-	-	-	-	-	-	-	-	\$-				
63	2020 Series A & B Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	09/01/2020	12/31/2027	US Bank	Refunding bonds	Merged Project Area	7,938,516	N	\$7,938,516	-	-	-	2,855,849	-	-	-	-	-	-	-	5,082,667	\$5,082,667				



**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 25-26) - Notes**  
**July 1, 2025 through June 30, 2026**

<b>Item #</b>	<b>Notes/Comments</b>
11	Line Item Completed FY 24-25
27	Line Item Completed FY 24-25
49	
60	Line Item Completed FY 24-25
62	Line Item Completed FY 24-25
63	

ATTACHMENT #3

CA DOF DETERINATION LETTER ROPS 24-25

ROPS 24-25 & ADMINISTRATIVE BUDGET



Transmitted via e-mail

April 15, 2024

Taylor Samuelson, Administrative Analyst  
City of Fullerton  
303 West Commonwealth Avenue  
Fullerton, CA 92832

### **2024-25 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fullerton Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025 (ROPS 24-25) to the California Department of Finance (Finance) on January 29, 2024. Finance has completed its review of the ROPS 24-25.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- On the ROPS 24-25 form, the Agency reported cash balances and activity for the period July 1, 2021 through June 30, 2022 (ROPS 21-22). According to our review, the Agency has approximately \$3,762,164 from Other Funds available to fund enforceable obligations on the ROPS 24-25. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF) funding. This item does not require payment from property tax revenues; therefore, the funding source for the following item has been reclassified in the amount specified below:
  - Item No. 62 – Miller Property Purchase in the amount of \$6,000,000 is partially reclassified. Finance approves RPTTF in the amount of \$2,237,836 and the use of Other Funds in the amount of \$3,762,164, totaling \$6,000,000.
- It is our understanding the Agency will purchase the real property located at 127 W. Chapman Avenue pursuant to the Agreement for Sale and Purchase of Real Estate dated July 6, 2004 between the former Fullerton Redevelopment Agency and the Ronald F. Miller Family Trust. Finance notes HSC section 34181 (a) requires the Agency to dispose of all property expeditiously and in a manner aimed at maximizing value. Further, HSC section 34181 (f) requires the disposition of property to be approved by the Agency's Oversight Board and Finance.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2021 through June 30, 2022 (ROPS 21-22) period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$10,769,799, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2024 through December 31, 2024 period (ROPS A period), and one distribution for the January 1, 2025 through June 30, 2025 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 24-25 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted item, Finance approves the remaining items listed on the ROPS 24-25 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 24-25, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet\\_And\\_Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 24-25. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 24-25 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 24-25 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Taylor Samuelson  
April 15, 2024  
Page 3

Please direct inquiries to [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Cheryl L. McCormick". The signature is written in a cursive, flowing style.

Cheryl L. McCormick, CPA  
Chief, Office of State Audits and Evaluations

cc: Sunayana Thomas, Interim Director of Community and Economic  
Development, City of Fullerton  
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange  
County  
Kathy Tavoularis, Countywide Oversight Board Representative



**Attachment**

<b>Approved RPTTF Distribution July 2024 through June 2025</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 10,467,202	\$ 3,915,975	\$ 14,383,177
Administrative RPTTF Requested	124,837	124,837	249,674
<b>Total RPTTF Requested</b>	<b>10,592,039</b>	<b>4,040,812</b>	<b>14,632,851</b>
<b>RPTTF Requested</b>	<b>10,467,202</b>	<b>3,915,975</b>	<b>14,383,177</b>
<u>Adjustment(s)</u>			
Item No. 62	(3,762,164)	0	(3,762,164)
<b>RPTTF Authorized</b>	<b>6,705,038</b>	<b>3,915,975</b>	<b>10,621,013</b>
<b>Administrative RPTTF Authorized</b>	<b>124,837</b>	<b>124,837</b>	<b>249,674</b>
ROPS 21-22 prior period adjustment (PPA)	(100,888)	0	(100,888)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 6,728,987</b>	<b>\$ 4,040,812</b>	<b>\$ 10,769,799</b>

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary**  
**Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Fullerton  
**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 10,592,039</b>	<b>\$ 4,040,812</b>	<b>\$ 14,632,851</b>
F RPTTF	10,467,202	3,915,975	14,383,177
G Administrative RPTTF	124,837	124,837	249,674
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 10,592,039</b>	<b>\$ 4,040,812</b>	<b>\$ 14,632,851</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date



A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	24-25A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	24-25B Total
	Bonds (refunded 1998 Revenue Bonds)					Allocation Refunding Bonds																
62	Miller Property Purchase	Miscellaneous	07/06/2004	08/01/2024	Ronald F Miller Family Trust	Purchase of real estate per Purchase and Sale Agreement dated 7/6/2004	Merged	6,000,000	N	\$6,000,000	-	-	-	6,000,000	-	\$6,000,000	-	-	-	-	-	\$-
63	2020 Series A & B Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	09/01/2020	12/31/2027	US Bank	Refunding bonds	Merged Project Area	6,661,799	N	\$6,661,799	-	-	-	3,805,949	-	\$3,805,949	-	-	-	2,855,850	-	\$2,855,850



**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
11	
23	
27	
28	
49	
60	
62	Successor Agency Agreement Signed & Executed - Purchase Agreement is Triggered upon Lease Expiration
63	

ATTACHMENT #4  
CA DOF DETERINATION LETTER ROPS 23-24  
ROPS 23-24 & ADMINISTRATIVE BUDGET



Transmitted via e-mail

March 30, 2023

Taylor Samuelson, Administrative Analyst  
City of Fullerton  
303 West Commonwealth Avenue  
Fullerton, CA 92832

**2023-24 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fullerton Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 30, 2023. Finance has completed its review of the ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 23 and 28 – Affordable Housing Project Monitoring and Affordable Housing Administration and Reporting in the outstanding obligation amounts totaling \$9,854,000 (\$9,594,000 + \$260,000) are not allowed. Finance continues to deny these items. HSC section 34176 requires all rights, powers, duties, obligations, and housing assets to be transferred to the new housing entity. Since the City of Fullerton's Housing Division assumed the housing functions, this transfer of duties and obligations includes the transfer of administrative obligations. Therefore, the total requested amount of \$380,000 (\$120,000 + \$260,000) in Redevelopment Property Tax Trust Fund (RPTTF) funding is not allowed.
- Item No. 63 – 2020 Series A & B Tax Allocation Refunding Bonds debt service in the amount of \$7,616,491 requested from RPTTF is correct. However, the Agency inadvertently requested incorrect amounts for the July 1, 2023 through December 31, 2023 (ROPS A) and the January 1, 2024 through June 30, 2024 (ROPS B) periods. Therefore, to accurately reflect the correct debt service payments, Finance made the following adjustments:

Funding Source	Requested	Adjusted	Authorized
RPTTF (A Period)	\$5,699,600	(\$1,889,058)	\$3,810,542
RPTTF (B Period)	1,916,891	1,889,058	\$3,805,949
<b>Total</b>	<b>\$7,616,491</b>	<b>\$ 0</b>	<b>\$7,616,491</b>



- On the ROPS 23-24 form, the Agency reported cash balances and activity for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. According to our review, the Agency has approximately \$52,735 from Other Funds available to fund enforceable obligations on the ROPS 23-24. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
  - Item No. 60 – 2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds) in the amount of \$1,293,625 is partially reclassified. Finance is approving RPTTF in the amount of \$1,240,890 and the use of Other Funds in the amount of \$52,735, totaling \$1,293,625.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 20-21 period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$9,262,816, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet\\_And\\_Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

Taylor Samuelson  
March 30, 2023  
Page 3

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 23-24. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 23-24 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 23-24 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Kylie Oltmann, Supervisor, or Dylan Newton, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Sunayana Thomas, Interim Director of Community and Economic Development,  
City of Fullerton  
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County  
Kathy Tavoularis, Countywide Oversight Board Representative

<b>Approved RPTTF Distribution July 2023 through June 2024</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 6,616,491	\$ 2,845,157	\$ 9,461,648
Administrative RPTTF Requested	130,406	130,407	260,813
<b>Total RPTTF Requested</b>	<b>6,746,897</b>	<b>2,975,564</b>	<b>9,722,461</b>
<b>RPTTF Requested</b>	<b>6,616,491</b>	<b>2,845,157</b>	<b>9,461,648</b>
<u>Adjustment(s)</u>			
Item No. 23	(60,000)	(60,000)	(120,000)
Item No. 28	(130,000)	(130,000)	(260,000)
Item No. 60	(52,735)	0	(52,735)
Item No. 63	(1,889,058)	1,889,058	0
	(2,131,793)	1,699,058	(432,735)
<b>RPTTF Authorized</b>	<b>4,484,698</b>	<b>4,544,215</b>	<b>9,028,913</b>
<b>Administrative RPTTF Authorized</b>	<b>130,406</b>	<b>130,407</b>	<b>260,813</b>
ROPS 20-21 Prior Period Adjustment (PPA)	(26,910)	0	(26,910)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 4,588,194</b>	<b>\$ 4,674,622</b>	<b>\$ 9,262,816</b>

**Recognized Obligation Payment Schedule (ROPS 23-24) - Summary  
Filed for the July 1, 2023 through June 30, 2024 Period**

**Successor Agency:** Fullerton  
**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>23-24A Total (July - December)</b>	<b>23-24B Total (January - June)</b>	<b>ROPS 23-24 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 6,746,897</b>	<b>\$ 2,975,564</b>	<b>\$ 9,722,461</b>
F RPTTF	6,616,491	2,845,157	9,461,648
G Administrative RPTTF	130,406	130,407	260,813
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 6,746,897</b>	<b>\$ 2,975,564</b>	<b>\$ 9,722,461</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date



A	B	C	D	E	F	G	H	I	J	K	L	M				N				Q	R	S				U	V	W
												ROPS 23-24A (Jul - Dec)				ROPS 23-24B (Jan - Jun)						ROPS 23-24A (Jul - Dec)						
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	23-24A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	23-24B Total						
62	Miller Property Purchase	Miscellaneous	07/06/2004	08/01/2024	Ronald F Miller Family Trust	Purchase of real estate per Purchase and Sale Agreement dated 7/6/2004	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-					
63	2020 Series A & B Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	09/01/2020	12/31/2027	US Bank	Refunding bonds	Merged Project Area	35,035,906	N	\$7,616,491	-	5,699,600	-	-	-	\$5,699,600	-	-	-	1,916,891	-	-	\$1,916,891					
64	N/A - Remove Item	Miscellaneous	07/20/1992	06/30/2028	Remove	Remove		-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-					



**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 23-24) - Notes**  
**July 1, 2023 through June 30, 2024**

<b>Item #</b>	<b>Notes/Comments</b>
11	
23	
27	
28	
49	
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62	
63	
64	



# Orange Countywide Oversight Board

Agenda Item No. 4c

Date: 1/21/2025

From: Successor Agency to the Garden Grove Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget

Recommended Action:

Approve resolution approving FY 2025-26 ROPS and Administrative Budget for the Garden Grove Successor Agency

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The Garden Grove Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2025-26.

The attached Annual Recognized Obligation Payment Schedule (ROPS) is being presented to the Countywide Oversight Board for their approval in regards to the enforceable obligations of the former Garden Grove Redevelopment Agency, pending final approval by the State Department of Finance and State Controller's Office.

The ROPS 2025-26 A-B contains many of the same enforceable obligations listed on the ROPS 2024-25 A-B. There are no new line items on the ROPS 2025-26 A-B.

Enforceable obligations are explained in further details as follows:

- Line Item No. 6 – Anticipated payment due to Katella Cottages Developer when net tax increment exceeds debt service amount pursuant to Promissory Note.
- Line Items No. 7, 39, and 56 – Constitute all bond and/or loan debt service payment obligations per debt service schedules.
- Line Item No. 16 - Required remediation for soil/groundwater monitoring of Sycamore Walk Residential Project per DDA.
- Line Item No. 18 – Seventh repayment of outstanding ERAF/SERAF Housing Deficit Fund Obligations per Final Determination Letter from the DOF Dated June 12, 2018 (*See Attachment No. 3*).
- Line Item No. 19 - Request is for TOT differential per section 408, paragraph two, of the First Amended and Restated Disposition and Development Agreement for the Waterpark Hotel. This has a Final and Conclusive Determination Letter approved on February 6, 2013 by the DOF (*See Attachment No. 4*).
- Line Items No. 24 – Labor cost for continued project coordination of Site B2 (Line No. 20).
- Line Item No. 27 – Cost associated with maintenance of properties pending development or disposition.
- Line Items No. 52, 53, and 54 account for trustee and dissemination fees associated to bond and/or loan payments.
- Line Item No. 55 – Attorney's fees per Judgment Court Ruling. (*See Attachment No. 5*)

The Successor Agency administrative budget of \$250,000 listed as Line Item No. 31 consists of personnel cost, direct costs, and indirect costs.

- Personnel costs include 12 staff members contributing to the Successor Agency activities in some capacity.

- Direct costs include legal fees and consultants.

The Garden Grove Successor Agency is anticipated to approve the ROPS 2025-26 A-B and attached Resolution at its regularly scheduled meeting on Tuesday, January 14, 2025. Successor Agency approval is subject to submittal to and approval by the Countywide Oversight Board and by the State Department of Finance (DOF). The Successor Agency also requests authorization to post the approved Resolution and ROPS 2025-26 A-B to the City's website and to transmit the ROPS 2025-26 A-B to the DOF. Further, the City of Garden Grove's City Manager and her designees, in consultation with legal counsel, shall be authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

#### Impact on Taxing Entities

No fiscal impact until approved by DOF. If the DOF approves the ROPS as submitted, the Garden Grove Successor Agency will receive \$7,816,270 which includes \$250,000 for the administrative budget, for the period of July 1, 2025 through June 30, 2026 to pay the Successor Agency's enforceable obligations.

#### Staff Contact(s)

##### **Grace Kim, Project Manager**

Economic Development and Housing Department  
City of Garden Grove  
Phone: 714-741-5130 | gracel@ggcity.org

##### **Ursula Luna-Reynosa, Director**

Economic Development and Housing Department  
City of Garden Grove  
Phone: 714-741-5141 | uruslal@ggcity.org

#### Attachments

- **Attachment No. 1** - Oversight Board Resolution Approving Annual Recognized Obligation Payment Schedule 2025-26 A-B and Administrative Budget
  - Exhibit A** - Recognized Obligation Payment Schedule 2025-26 A-B
  - Exhibit B** - ROPS 2025-26 A-B Administrative Budget
- **Attachment No. 2** – Placeholder for Approved Garden Grove Successor Agency Resolution No. \_\_\_\_\_ for Recognized Obligation Payment Schedule 2025-26 A-B
- **Attachment No. 3** - DOF Final Determination Letter Regarding Line Item No. 18, Dated June 12, 2018
- **Attachment No. 4** - DOF Final and Conclusive Determination Enforceable Obligation Regarding Line Item No. 19, Dated February 6, 2013
- **Attachment No. 5** - Court Judgment for Limon Legal for Line Item No. 55
- **Attachment No. 6** - Recognized Obligation Payment Schedule 2024-25 A-B
- **Attachment No. 7** - ROPS 2024-25 DOF Determination Letter
- **Attachment No. 8** - Recognized Obligation Payment Schedule 2023-24 A-B
- **Attachment No. 9** - ROPS 2023-24 DOF Determination Letter

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
RESOLUTION NO. 25-003**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH  
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT APPROVING THE RECOGNIZED OBLIGATION  
PAYMENT SCHEDULE (ROPS) 25-26 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY  
1, 2025 TO JUNE 30, 2026, INCLUDING THE FY 25-26 ADMINISTRATIVE BUDGET,  
SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF  
FINANCE (DOF) PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING  
AND TRANSMITTAL THEREOF

**WHEREAS**, the Garden Grove Agency for Community Development (“Former Agency”) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Garden Grove (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

**WHEREAS**, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic the Successor Agency to Garden Grove Agency for Community Development (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(j) on July 1, 2018 the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency and all other successor agencies in Orange County; and

**WHEREAS**, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Section 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, review and approved by the Successor Agency and then reviewed and approved by the Orange Countywide Oversight Board subject to final review and approval by the State Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(l) and 34177(o) of the Dissolution Law requires that the annual ROPS for the 25-26 A-B fiscal period of July 1, 2025 to June 30, 2026 (“ROPS 25-26 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Orange Countywide Oversight Board, no later than February 1, 2025; and

**WHEREAS**, the ROPS 25-26 A-B, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) July 1, 2025 through June 30, 2026 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated herein by this reference; and

**WHEREAS**, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s ROPS 25-26 A-B and desires to approve it , and to authorize the Successor Agency, to cause posting of ROPS 25-26 A-B on the City of Garden Grove’s website: <http://ggcity.org> and to direct transmittal of such ROPS to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (“SCO”) as required under the Dissolution Law;

**NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:**

**SECTION 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** The Orange Countywide Oversight Board hereby approves ROPS 25-26 A-B submitted therewith and incorporated by this reference, including the FY July 1, 2025 through June 30, 2026 Administrative Budget included herewith.

**SECTION 3.** The Orange Countywide Oversight Board authorizes transmittal of the ROPS 25-26 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

**SECTION 4.** The City of Garden Grove’s City Manager or his/her authorized designee is directed to post this Resolution, including the ROPS 25-26 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

**SECTION 5.** Under Section 34179(h), written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The Orange Countywide Oversight Board’s action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

**SECTION 6.** The Clerk of the Board shall certify to the adoption of this Resolution.

**EXHIBIT A TO  
ORANGE COUNTYWIDE OVERSIGHT BOARD RESOLUTION NO. \_\_\_\_\_**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE 25-26 A-B  
FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2025 TO JUNE 30, 2026**

(attached)

**EXHIBIT B TO  
ORANGE COUNTYWIDE OVERSIGHT BOARD RESOLUTION NO. \_\_\_\_  
ADMINISTRATIVE BUDGET FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2025  
TO JUNE 30, 2026**

(attached)

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 25-26 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2025 TO JUNE 30, 2026, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD AND THE STATE DEPARTMENT OF FINANCE UNDER CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AND, AUTHORIZING THE POSTING AND TRANSMITTAL OF THE ROPS

WHEREAS, the Garden Grove Agency for Community Development ("Former Agency") was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Sections 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Garden Grove ("City");

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation, and most recently by Senate Bill 107 (together, the "Dissolution Law");

WHEREAS, as of February 1, 2012, the Former Agency was dissolved pursuant to the Dissolution Law, and, as a separate public entity, corporate and politic, the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") administers the enforceable obligations of the former Agency and otherwise unwinds the Former Agency's affairs, all subject to the review and approval by a seven-member Orange Countywide Oversight Board ("Oversight Board");

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law;

WHEREAS, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed, and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State Department of Finance ("DOF");

WHEREAS, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 25-26 A-B fiscal period of July 1, 2025, to June 30, 2026 ("ROPS 25-26 A-B") shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2025;

WHEREAS, pursuant to Sections 34179.6 and 34177(l)(2)(B), the Successor Agency is required to submit the ROPS to the DOF with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office at the same time that the Successor Agency submits the ROPS to the Oversight Board for review;

WHEREAS, the Successor Agency has reviewed the draft ROPS 25-26 A-B, and desires to approve the ROPS 25-26 A-B and to authorize the Successor Agency staff to transmit the ROPS to the Oversight Board; and

WHEREAS, the Successor Agency staff is directed to post the ROPS 25-26 A-B on the City/Successor Agency website: <http://ggcity.org/econdev>.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. Pursuant to the Dissolution Law, the Successor Agency approves the ROPS 25-26 A-B, which schedule is incorporated herein by this reference; provided however, that the ROPS 25-26 A-B is approved subject to transmittal of the ROPS to the Oversight Board for review and approval with copies of the ROPS to be sent concurrently to the DOF, the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office. Further, the Community and Economic Development Director, or his/her designee, in consultation with legal counsel, is hereby authorized to request and complete meet and confer session(s) with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency and the Oversight Board.

Section 3. After approval by the Oversight Board, the Successor Agency authorizes transmittal of the approved ROPS 25-26 A-B to the DOF, the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

Section 4. The Economic Development and Housing Director, or his/her designee, is directed to post this Resolution, including the ROPS 25-26 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

Section 5. The Secretary of the Successor Agency shall certify to the adoption of this Resolution.



Adopted this 14<sup>th</sup> day of January 2025.

ATTEST:

/s/ STEPHANIE KLOPFENSTEIN  
CHAIR

/s/ LIZ VASQUEZ, CMC  
SECRETARY

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS:  
CITY OF GARDEN GROVE )

I, LIZ VASQUEZ, Secretary of The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution was duly adopted by the Successor Agency, at a meeting held on the 14<sup>th</sup> day of January 2025, by the following vote:

AYES:       MEMBERS: ( )  
NOES:       MEMBERS: ( )  
ABSENT:     MEMBERS: ( )

/s/ LIZ VASQUEZ, CMC  
SECRETARY

Garden Grove Successor Agency

Resolution No. \_\_\_\_\_

Page 4

ATTACHMENT 1

to Successor Agency Resolution No.

RECOGNIZED OBLIGATION PAYMENT SCHEDULE 25-26 A-B  
FOR THE ANNUAL FISCAL PERIOD JULY 1, 2025 TO JUNE 30, 2026

(attached)

**Recognized Obligation Payment Schedule (ROPS 25-26) - Summary**  
**Filed for the July 1, 2025 through June 30, 2026 Period**

**Successor Agency:** Garden Grove

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>25-26A Total (July - December)</b>	<b>25-26B Total (January - June)</b>	<b>ROPS 25-26 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 5,565,939</b>	<b>\$ 2,250,331</b>	<b>\$ 7,816,270</b>
F RPTTF	5,440,939	2,125,331	7,566,270
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 5,565,939</b>	<b>\$ 2,250,331</b>	<b>\$ 7,816,270</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Garden Grove**  
**Recognized Obligation Payment Schedule (ROPS 25-26) - ROPS Detail**  
**July 1, 2025 through June 30, 2026**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$46,066,575		\$7,816,270	\$-	\$-	\$-	\$5,440,939	\$125,000	\$5,565,939	\$-	\$-	\$-	\$2,125,331	\$125,000	\$2,250,331
6	Matella Cottages OPA	OPA/DDA/ Construction	06/10/2008	10/01/2027	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	C.P.A.	60,029	N	\$56,000	-	-	-	56,000	-	\$56,000	-	-	-	-	-	\$-
7	Matella Cottages Note	Bonds Issued On or Before 12/31/10	06/10/2008	10/01/2027	J.S. Banc	Land Acquisition and Project Improvements	C.P.A.	175,000	N	\$174,300	-	-	-	164,400	-	\$164,400	-	-	-	9,900	-	\$9,900
16	Sycamore Walnut DDA	Remediation	11/12/1996	06/30/2023	Olson Urban Housing	Quarterly Soil/Ground Water Monitoring Events	C.P.A.	21,244	N	\$21,244	-	-	-	-	-	\$-	-	-	-	21,244	-	\$21,244
18	Housing Fund Deficit	SERAF/ ERAF	02/01/2012	12/31/2020	Garden Grove Hsng Auth.	Repayment of Housing Fund from SERAF/ ERAF	n/a	1,544,260	N	\$500,000	-	-	-	-	-	\$-	-	-	-	500,000	-	\$500,000
19	Waterpark Hotel DDA	Business Incentive Agreements	05/12/2009	12/31/2031	Garden Grove M&D & Various	Site Assembly/ Project Assistance	C.P.A.	4,895,108	N	\$814,936	-	-	-	-	-	\$-	-	-	-	814,936	-	\$814,936
20	Site B2 DDA	Business Incentive Agreements	06/26/2001	06/26/2025	Sam Sang Inc.	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
22	Brookhurst Triangle DDA	OPA/DDA/ Construction	11/23/2010	12/31/2022	New Age Brookhurst, LLC & Various	Site Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
24	Project Management for Item 20 - Site B2	Project Management Costs	06/26/2001	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	72,274	N	\$72,274	-	-	-	36,137	-	\$36,137	-	-	-	36,137	-	\$36,137
27	Agency Property Maint/ Management	Property Maintenance	02/01/2012	12/31/2025	Various	Management and Maintenance of Successor Agency Owned Property	C.P.A.	30,000	N	\$29,888	-	-	-	14,944	-	\$14,944	-	-	-	14,944	-	\$14,944

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
					Awaiting Development or Disposal																	
31	Administrative Allowance	Admin Costs	01/01/2014	06/30/2019	City of Garden Grove	Administrative Allowance per AB 1484	n.a.	2,744,458	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
33	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	Wang	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
34	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	City of Garden Grove	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
37	Project Management for Item 22 - Brookhurst	Project Management Costs	11/23/2010	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/26/2014	10/01/2029	U.S. Bank National Association	Refunding of 2003 Tax Allocation Bonds	C.P.A.	7,403,900	N	\$2,342,625	-	-	-	2,173,250	-	\$2,173,250	-	-	-	169,375	-	\$169,375
40	Limón Law Suit Settlement	Litigation	09/20/2013	06/30/2015	Various	Settlement of Former Agency Lawsuit Associated with Item 19	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
47	Appraisals(s)	Admin Costs	07/01/2015	12/31/2018	TBD	Appraisals for Properties on the Long Range Property Management Plan	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
49	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Public Counsel	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
50	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Various	Replacement Housing Obligation per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
52	Item 39 Trustee Fee (2014 TARB)	Fees	06/26/2014	10/01/2029	U.S. Bank National Association	Fees associated with Bond payment	C.P.A.	123,985	N	\$4,935	-	-	-	1,315	-	\$1,315	-	-	-	3,620	-	\$3,620
53	Item 19	Fees	05/12/	12/31/2026	U.S. Bank	Fees	C.P.A.	218,455	N	\$4,365	-	-	-	1,315	-	\$1,315	-	-	-	3,050	-	\$3,050

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
	Trustee Fee (Waterpark Bond)		2009		National Association	associated with Bond payment																	
54	Item 7 Trustee Fee (Matella Cottages Note)	Fees	06/10/2008	10/01/2027	.S. Bank National Association	Fees associated with Note	C.P.A.	6,487	N	\$1,953	-	-	-	1,953	-	\$1,953	-	-	-	-	-	-	\$-
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	06/05/2015	06/30/2021	SYCR and WSS Firms	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	50,000	N	\$50,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000	
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	10/01/2016	10/01/2033	.S. Bank	Refunding Bonds issued associated with project item 19	C.P.A.	28,721,375	N	\$3,493,750	-	-	-	2,966,625	-	\$2,966,625	-	-	-	527,125	-	\$527,125	

**Garden Grove**  
**Recognized Obligation Payment Schedule (ROPS 25-26) - Notes**  
**July 1, 2025 through June 30, 2026**

Item #	Notes/Comments
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ROPS 2025-26 A-B Administrative Allowance

Labor %      FY26 frate calc.

PCN Desc (Budget Position)	FY 26 Salary	FY 26 Fringe Est.	FY26 Total Cost Estimated	Fully Burdened Rate	SA LABOR COST FOR FY 25-26	rep	AMENDED SA Fund	
DEPUTY DIR	189,125.91	125,106.31	314,232.22	151.07	43,992.51	M	0.14	0.6615
DEPUTY DIR	163,369.80	116,428.55	279,798.35	134.52	11,142.00	M	0.04	0.7127
SR PROJECT PLANNER	134,709.89	100,804.28	235,514.17	113.23	2,355.14	M	0.01	0.7483
SR PROJECT PLANNER	153,186.22	100,776.93	253,963.15	122.10	2,539.63	M	0.01	0.6579
CITY MGR	322,263.30	243,555.25	565,818.55	272.03	11,316.37	C	0.02	0.7558
PROJECT PLANNER	134,709.89	94,166.31	228,876.20	110.04	45,775.24	M	0.2	0.6990
ASST. CITY MGR	271,608.50	198,681.62	\$ 470,290.12	226.10	28,217.41	C	0.06	0.7315
REVENUE MANAGER	120,028.88	87,818.00	207,846.88	99.93	20,784.69	M	0.1	0.7316
ACCOUNTING MANAGER	145,892.88	109,152.49	255,045.37	122.62	2,550.45	M	0.01	0.7482
FINANCE DIR	258,151.38	188,837.73	446,989.11	214.90	13,409.67	C	0.03	0.7315
CITY CLERK	114,504.68	84,328.93	198,833.61	95.59	9,941.68	C	0.05	0.7365
ASST. CITY MGR	285,188.89	213,587.40	498,776.29	239.80	9,975.53	C	0.02	0.7489
				Total	\$ 202,000.32			
				Legal	\$ 40,000.00	GF		
				Consultants	\$ 8,000.00	GF		
				Admin Cap	\$ 250,000.00			
					\$ -			
					\$ 250,000.00			



June 12, 2018

Ms. Monica L. Covarrubias, Project Manager  
City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, CA 92840

Dear Ms. Covarrubias:

Subject: Approval of Oversight Board Action

The City of Garden Grove Successor Agency (Agency) notified the California Department of Finance (Finance) of its April 25, 2018 Oversight Board (OB) resolution on April 27, 2018. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution No. 58-18, establishing a schedule to repay the Low and Moderate Income Housing Fund (LMIHF) for funds advanced for Educational Revenue Augmentation Fund (ERAF) payments and Supplemental Educational Revenue Augmentation Fund (SERAF) payments pursuant to HSC section 34176 (e) (6) (B), is approved.

This Resolution approves five separate loans from the LMIHF, principal loan amounts totaling \$13,254,260. Of the five loans, three were used to make ERAF payments for fiscal years 2003-04, 2004-05, and 2005-06; principal amounts totaling \$3,721,376. The two remaining loans were used to make the SERAF payments for fiscal years 2009-10 and 2010-11; principal amounts totaling \$9,532,884.

The Agency may now request funding for this item on a subsequent Recognized Obligation Payment Schedule; subject to Finance's review and approval.

This is our determination with respect to the OB action taken.

Please direct inquiries to Nichelle Jackson, Supervisor, or Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,



ERIKA LI  
Program Budget Manager

cc: Ms. Lisa Kim, Community and Economic Development Director, City of Garden Grove  
Mr. Israel Guevara, Property Tax Manager, Orange County



February 6, 2013

Mr. Jim DellaLonga, Senior Project Manager  
City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, CA 92842

Dear Mr. DellaLonga:

Subject: Approval of Final and Conclusive Enforceable Obligation

On November 20, 2012, the City of Garden Grove Successor Agency (Agency) submitted a petition to the California Department of Finance (Finance) requesting written confirmation that Item No. 19 – Waterpark Hotel Disposition and Development Agreement (DDA) as approved in the Recognized Obligation Payment Schedule for the period of January through June 2013 (ROPS III), is final and conclusive, based on the following criteria set forth in Health and Safety Code (HSC) section 34177.5 (i):

- The enforceable obligation submitted for review provides for an irrevocable commitment of property tax revenue.
- The allocation of the property tax revenue is expected to occur over time.
- The enforceable obligation was approved on a previous ROPS.

Finance has completed its review of your request, which included obtaining clarification and additional supporting documentation. Pursuant to the criteria outlined in HSC section 34177.5 (i), we are pleased to inform you that Item No. 19 – Waterpark Hotel DDA as listed on the approved ROPS III, is final and conclusive. Finance's review of the Waterpark Hotel DDA in future ROPS will be limited to confirming the scheduled payments as required by the obligation.

Finance's review of the property tax revenue is limited to the January through June 2012 ROPS, July through December 2012 ROPS, and ROPS III periods. Consequently, this final and conclusive determination does not guarantee a certain level of funding, nor is it approval for an irrevocable assurance of Redevelopment Property Tax Trust Fund (RPTTF) necessary to satisfy the obligation. The amount available from the RPTTF is not and never was an unlimited funding source. Therefore, the ability to fund any item approved as final and conclusive, as well as other items approved on a ROPS with property tax, is limited to the amount of funding available to the Agency in the RPTTF.

Please be further advised that there may be activities included in the enforceable obligation described in this letter that are permissive that the Agency may no longer have the statutory authority to carry out. This final and conclusive determination neither grants additional authority to the Agency nor does it authorize acts contrary to law. Additionally, any amendments to the above item are not subject to this final and conclusive determination; this final and conclusive determination is only valid for the Waterpark Hotel DDA.

Mr. Jim DellaLonga  
February 6, 2013  
Page 2

Please direct inquiries to Nichelle Thomas, Supervisor or Alex Watt, Lead Analyst at  
(916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. Matthew Fertal, City Manager, City of Garden Grove  
Mr. Kingsley Okereke, Director of Finance, City of Garden Grove  
Mr. Frank Davies, Property Tax Manager, County of Orange  
California State Controller's Office

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**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CIVIL COMPLEX LITIGATION CENTER

**JUN 10 2014**

ALAN CARLSON, Clerk of the Court  
*Alan Carlson*  
BY B. ZUANICH

ELECTRONICALLY RECEIVED  
Superior Court of California,  
County of Orange  
06/09/2014 at 10:06:50 AM  
Clerk of the Superior Court  
By Olga Lopez, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ORANGE

MARINA LIMON, *et al.*,  
  
Plaintiffs and Petitioners,  
  
v.  
  
GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT, a municipal  
entity, *et al.*,  
  
Defendants and Respondents.  

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GARDEN GROVE MXD, LLC, and  
MCWHINNEY REAL ESTATE SERVICES,  
and DOES 21 through 40,  
  
Real Parties in Interest.

) Case No. 30-2009-00291597

) **JUDGMENT**

) Complaint Filed: August 10, 2009  
) Dept.: CX-102  
) Judge: Robert J. Moss

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IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

Judgment is entered in favor of Plaintiff Maria Malta and against Defendants pursuant to the terms stated below.

1. As used herein, the term "Low Income Households" shall have the meaning set forth in Health and Safety Code section 50079.5.

2. As used herein, the term "Very Low Income Households" shall have the meaning set forth in Health and Safety Code section 50105.

3. As used herein, the term "Low Income Rent" shall be rent affordable to lower income households as set forth in Health and Safety Code section 50053(b)(3).

4. As used herein, the term "Very Low Income Rent" shall be rent affordable to very low income households as set forth in Health and Safety Code section 50053(b)(2).

5. Within the timeframe described in Paragraph 9, below, the Successor Agency or, at its discretion, the Housing Successor (hereinafter "Successors"), shall develop replacement housing. Pursuant to this paragraph funds held in the Low and Moderate Income Housing Asset Fund, as defined in Health and Safety Code section 34176, shall be available for development of the replacement housing pursuant to this Judgment. The Successors shall develop or cause to be developed twenty five (25) additional new construction dwelling units as replacement housing for the Travel Country Recreational Vehicle Park ("Park") to address Plaintiff Malta's claims for development of replacement housing pursuant to Health and Safety Code section 33413. No less than twelve (12) of the units developed pursuant to this paragraph shall be covenanted to be leased at Very Low Income Rent and restricted to occupancy by Very Low Income Households; the balance of thirteen (13) units shall be covenanted to be leased at Low Income Rent and restricted to occupancy by Low Income Households.

6. In addition to the dwelling units described in Paragraph 6, within the timeframe described in Paragraph 9, below Successors shall develop or cause to be developed thirteen (13) additional dwelling units, either as new construction or Substantial Rehabilitation (as defined below), as replacement housing for the Park to address Plaintiff Malta's claims for development

1 of replacement housing pursuant to Health and Safety Code section 33413. No less  
2 than seven (7) of the units developed pursuant to this paragraph shall be covenanted to be leased  
3 at Very Low Income Rent and restricted to occupancy by Very Low Income Households; the  
4 balance of six (6) units shall be covenanted to be leased at Low Income Rent and restricted to  
5 occupancy by Low Income Households.

6 7. The Successors may reduce the number of dwelling units required to be developed  
7 pursuant to Paragraph 7 (but not Paragraph 6) by one dwelling unit for each dwelling unit offered  
8 to a household listed on Exhibit A hereto that is rejected by such household provided that a  
9 household's rejection of a unit under this section will not disqualify that household from  
10 eligibility under Paragraph 11. In order to reduce the unit count, (1) a displaced household must  
11 receive an offer of affordable replacement housing after a determination (provided to the  
12 displaced household in writing) by the operator of that housing that the displaced household  
13 is eligible for occupancy of the replacement housing with respect to all of its qualifications and  
14 restrictions, including but not limited to income, family size, rental history and credit score, (2)  
15 the offer of affordable housing must be either hand delivered to the displaced household as  
16 evidenced by a proof of personal service, or through regular and certified U.S. mail, and (3) the  
17 displaced household must be allowed ten (10) business days after receipt of the offer to accept or  
18 reject the offer.

19 8. The Successors shall develop, rehabilitate, construct or cause the development,  
20 rehabilitation or construction (as applicable) of the dwelling units described in Paragraphs 6 and  
21 7 ("Replacement Units") within four years from entry of judgment in this case.

22 9. "Substantial Rehabilitation" shall have the same meaning as contained in Health  
23 and Safety Code section 33413.

24 10. In accordance with Health and Safety Code section 33411.3, all residents displaced  
25 by the Redevelopment Agency shall have priority in occupancy of the Replacement Units  
26 developed pursuant to this Judgment. Successors shall provide for such priority in any agreement  
27

1 for development or administration of the Replacement Units, and shall maintain a list of eligible  
2 persons and families displaced by the Redevelopment Agency.

3 11. Pursuant to action of the California Legislature in Stats. 2012, Ch. 5 (Assembly  
4 Bill No. 26, 2011-2012 1st Ex. Sess.) (the "Dissolution Act"), effective June 29, 2011,  
5 redevelopment agencies throughout California began a dissolution process. The Dissolution Act  
6 provides that the city "that authorized the creation of each redevelopment agency" became the  
7 "successor agency" to that redevelopment agency, by operation of law, unless the designated  
8 successor entity elected not to serve as the successor agency. California Health and Safety Code  
9 sections 34173(a), (d). The Garden Grove City Council adopted resolutions electing to serve as  
10 the Successor Agency to the dissolved Redevelopment Agency pursuant to Health and Safety  
11 Code section 34173, and designating the Garden Grove Housing Authority as the Housing  
12 Successor pursuant to Health and Safety Code section 34176. City of Garden Grove Resolution  
13 Nos. 9072-11 (July 12, 2011) and 9089-12 (Jan 17, 2012). As prescribed by the Dissolution Act,  
14 the amounts the Successor Agency is obligated to pay pursuant to the terms of this Judgment shall  
15 be included as an enforceable obligation of the Successor Agency on each applicable Recognized  
16 Obligation Payment Schedule ("ROPS"), as defined in California Health and Safety Code section  
17 34171(h) and in accordance with Health and Safety Code section 34177(l), (m), and as set forth  
18 below.

19 12. The Successor Agency shall include in the ROPS due to be completed and  
20 approved by the oversight board of the Successor Agency no later than October 3, 2015 (ROPS  
21 2015-16B), amounts for Replacement Units that will be expended during the January 1, 2016  
22 through June 30, 2016 period. The amounts to be expended during this ROPS 2015-16B period  
23 shall be appropriate to complete development of the Replacement Units for occupancy within  
24 four years from entry of the Judgment.

25 13. The Successor Agency shall pay \$9,000 in attorneys' fees to counsel for Plaintiff  
26 Malta. The entire amount of attorneys' fees shall be placed on the ROPS due to be completed by  
27 the oversight board of the Successor Agency no later than October 3, 2014 (ROPS 2014-15B).

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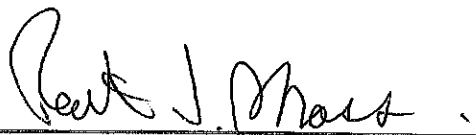
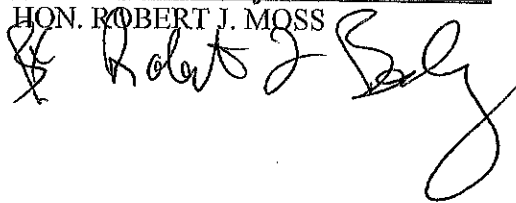
14. The obligations contained herein are obligations of the Garden Grove Agency for Community Development ("Redevelopment Agency"), now dissolved, prior to enactment of the Dissolution Act. The obligations set forth herein are not and under no circumstances shall they be construed as obligations of the City or Garden Grove Housing Authority other than in their roles as Successor Agency and Housing Successor, respectively. Consistent with Health and Safety Code § 34173(e), Successor Agency's liability for amounts owing pursuant to this Judgment shall be limited to the extent of the total sum of property tax revenues the Successor Agency and the Housing Successor receive pursuant to the ROPS process and the value of the assets received by the Successor Agency and the Housing Successor. The Successor Agency shall continue to list the obligations of this Judgment on each ROPS until all obligations required by the Judgment are satisfied.

15. The Court shall have continuing jurisdiction to enforce the terms of this settlement and Judgment pursuant to California Code of Civil Procedure section 664.6.

16. This Judgment represents the sole obligation among the parties hereto and all other causes of action and/or claims arising out of this action are dismissed with prejudice and forever waived.

IT IS SO ORDERED.

DATED: 6/10/15

  
\_\_\_\_\_  
HON. ROBERT J. MOSS  




**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary  
Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Garden Grove

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 249,162</b>	<b>\$ -</b>	<b>\$ 249,162</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	249,162	-	249,162
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 11,226,257</b>	<b>\$ 3,546,005</b>	<b>\$ 14,772,262</b>
F RPTTF	8,101,257	3,421,805	11,523,062
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 11,475,419</b>	<b>\$ 3,546,005</b>	<b>\$ 15,021,424</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Garden Grove**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail**  
**July 1, 2024 through June 30, 2025**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$54,615,766		\$12,022,224	\$-	\$-	\$249,162	\$8,101,257	\$125,000	\$8,475,419	\$-	\$-	\$-	\$3,421,805	\$125,000	\$3,546,805
6	Matella Cottages OPA	OPA/DDA/Construction	06/10/2008	10/01/2027	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	C.P.A.	116,029	N	\$50,000	-	-	-	50,000	-	\$50,000	-	-	-	-	-	\$-
7	Matella Cottages Note	Bonds Issued On or Before 12/31/10	06/10/2008	10/01/2027	S. Ban	Land Acquisition and Project Improvements	C.P.A.	237,250	N	\$178,150	-	-	-	163,750	-	\$163,750	-	-	-	14,400	-	\$14,400
16	Sycamore Wal DDA	Remediation	11/12/1996	06/30/2023	Olson Urban Housing	Quarterly Soil/Ground Water Monitoring Events	C.P.A.	21,244	N	\$21,244	-	-	-	21,244	-	\$21,244	-	-	-	-	-	\$-
18	Housing Fund Deficit	SERAF/ERAF	02/01/2012	12/31/2020	Garden Grove Hsng Auth.	Repayment of Housing Fund from SERAF/ERAF	n/a	3,044,260	N	\$3,000,000	-	-	-	1,500,000	-	\$1,500,000	-	-	-	1,500,000	-	\$1,500,000
19	Waterpar Hotel DDA	Business Incentive Agreements	05/12/2009	12/31/2031	Garden Grove M & Various	Site Assembly/Project Assistance	C.P.A.	5,710,045	N	\$1,026,854	-	-	-	-	-	\$-	-	-	-	1,026,854	-	\$1,026,854
20	Site B2 DDA	Business Incentive Agreements	06/26/2001	06/26/2025	Sam Sang Inc.	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
22	Brookhurst Triangle DDA	OPA/DDA/Construction	11/23/2010	12/31/2022	New Age Brookhurst, LLC & Various	Site Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
24	Project Management for Item 20 - Site B2	Project Management Costs	06/26/2001	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	61,068	N	\$61,068	-	-	-	30,534	-	\$30,534	-	-	-	30,534	-	\$30,534
27	Agency Property Maint/Management	Property Maintenance	02/01/2012	12/31/2025	Various	Management and Maintenance of Successor Agency Owned Property Awaiting	C.P.A.	59,582	N	\$24,783	-	-	-	12,391	-	\$12,391	-	-	-	12,392	-	\$12,392

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
						Development or Disposal																	
31	Administrative Allowance	Admin Costs	01/01/2014	06/30/2019	City of Garden Grove	Administrative Allowance per AB 1484	n.a.	2,994,458	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	-	125,000	\$125,000
33	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	Wang	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
34	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	City of Garden Grove	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
37	Project Management for Item 22 - Brookhurst	Project Management Costs	11/23/2010	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/26/2014	10/01/2029	U.S. Bank National Association	Refunding of 2003 Tax Allocation Bonds	C.P.A.	9,746,525	N	\$3,849,750	-	-	249,162	3,382,338	-	\$3,631,500	-	-	-	218,250	-	\$218,250	
40	Limón Law Suit Settlement	Litigation	09/20/2013	06/30/2015	Various	Settlement of Former Agency Lawsuit Associated with Item 19	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
47	Appraisals(s)	Admin Costs	07/01/2015	12/31/2018	TBD	Appraisals for Properties on the Long Range Property Management Plan	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
49	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Public Counsel	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
50	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Various	Replacement Housing Obligation per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
52	Item 39 Trustee Fee (2014 TARB)	Fees	06/26/2014	10/01/2029	U.S. Bank National Association	Fees associated with Bond payment	C.P.A.	128,920	N	\$6,600	-	-	-	3,300	-	\$3,300	-	-	-	3,300	-	\$3,300	
53	Item 19 Trustee Fee (Waterpar	Fees	05/12/2009	12/31/2026	U.S. Bank National Association	Fees associated with Bond	C.P.A.	222,820	N	\$6,600	-	-	-	3,300	-	\$3,300	-	-	-	3,300	-	\$3,300	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Bond)					payment																
54	Item 7 Trustee Fee (Matella Cottages Note)	Fees	06/10/2008	10/01/2027	U.S. Bank National Association	Fees associated with Note	C.P.A.	8,440	N	\$2,300	-	-	-	1,150	-	\$1,150	-	-	-	1,150	-	\$1,150
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	06/05/2015	06/30/2021	SYCR and WSS Firms	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	50,000	N	\$50,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	10/01/2016	10/01/2033	U.S. Bank	Refunding Bonds issued associated with project item 19	C.P.A.	32,215,125	N	\$3,494,875	-	-	-	2,908,250	-	\$2,908,250	-	-	-	586,625	-	\$586,625

**Garden Grove**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances**  
**July 1, 2021 through June 30, 2022**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
	<b>ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)</b>	<b>Fund Sources</b>					<b>Comments</b>
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/21)</b> RPTTF amount should exclude "A" period distribution amount.	175,569	3,914,387	18,014,507	745,650	1,933,740	E1 \$9,622,474 19-20 PPA □ 8,392,033 20-21 PPA □ \$18,014,507; G1 \$301,992 ROPS 21-22 line 39 □ 43,613 ROPS 22-23 line 39 □ 400,045 ROPS 23-24 line 39 □ \$745,650; G1 \$1,933,740 ROPS 18-19 PPA
<b>2</b>	<b>Revenue/Income (Actual 06/30/22)</b> RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller	46	208		259,354	7,697,961	G2 □ ROPS 21-22 RPTTF
<b>3</b>	<b>Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)</b>	22	11		312,184	9,347,272	
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/22)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	175,593	3,914,584	18,014,507	692,820	-	F4 \$43,613 ROPS 22-23 line 39 □ 400,045 ROPS 23-24 line 39 □ 249,162 ROPS 24-25 line 39 □ \$692,820;
<b>5</b>	<b>ROPS 21-22 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		<b>No entry required</b>			284,429	ROPS 21-22 PPA for ROPS 24-25
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/22)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$-	

**Garden Grove**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
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Transmitted via e-mail

March 15, 2024

Grace E. Kim, Project Manager  
City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, CA 92840

### **2024-25 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Garden Grove Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025 (ROPS 24-25) to the California Department of Finance (Finance) on January 25, 2024. Finance has completed its review of the ROPS 24-25.

Based on a sample of line items reviewed and application of the law, Finance made the following determination:

- The claimed administrative costs exceed the allowance by \$73,835. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual Redevelopment Property Tax Trust Fund (RPTTF) distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$176,165 for fiscal year 2024-25.

Although \$250,000 is claimed for ACA, only \$176,165 is available pursuant to the cap. Therefore, as noted in the table below, \$73,835 in excess ACA is not allowed:

<b>Administrative Cost Allowance (ACA) Calculation</b>	
Actual RPTTF distributed for fiscal year 2023-24	\$352,330
ACA Cap for 2024-25 per HSC section 34171 (b)	\$176,165
ACA requested for 2024-25	250,000
<b>ACA in Excess of the Cap</b>	<b>(\$73,835)</b>

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2021 through June 30, 2022 (ROPS 21-22) period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$11,414,798, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2024 through December 31, 2024 period (ROPS A period), and one distribution for the January 1, 2025 through June 30, 2025 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 24-25 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 24-25 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 24-25, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet\\_And\\_Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 24-25. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 24-25 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 24-25 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.



Grace E. Kim  
March 15, 2024  
Page 3

Please direct inquiries to [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Cheryl L. McCormick". The signature is written in a cursive style.

Cheryl L. McCormick, CPA  
Chief, Office of State Audits and Evaluations

cc: Ursula Luna-Reynosa, Economic Development and Housing Director, City  
of Garden Grove  
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange  
County  
Kathy Tavoularis, Countywide Oversight Board Representative

**Attachment**

<b>Approved RPTTF Distribution July 2024 through June 2025</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 8,101,257	\$ 3,421,805	\$ 11,523,062
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>8,226,257</b>	<b>3,546,805</b>	<b>11,773,062</b>
<b>RPTTF Authorized</b>	<b>8,101,257</b>	<b>3,421,805</b>	<b>11,523,062</b>
<b>Administrative RPTTF Requested</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
Excess Administrative Costs	(0)	(73,835)	(73,835)
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>51,165</b>	<b>176,165</b>
ROPS 21-22 prior period adjustment (PPA)	(284,429)	0	(284,429)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 7,941,828</b>	<b>\$ 3,472,970</b>	<b>\$ 11,414,798</b>

**Recognized Obligation Payment Schedule (ROPS 23-24) - Summary**  
**Filed for the July 1, 2023 through June 30, 2024 Period**

**Successor Agency:** Garden Grove

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>23-24A Total (July - December)</b>	<b>23-24B Total (January - June)</b>	<b>ROPS 23-24 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 6,788,341</b>	<b>\$ 2,356,067</b>	<b>\$ 9,144,408</b>
F RPTTF	6,788,341	2,356,067	9,144,408
G Administrative RPTTF	-	-	-
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 6,788,341</b>	<b>\$ 2,356,067</b>	<b>\$ 9,144,408</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Garden Grove**  
**Recognized Obligation Payment Schedule (ROPS 23-24) - ROPS Detail**  
**July 1, 2023 through June 30, 2024**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)					23-24A Total	ROPS 23-24B (Jan - Jun)					23-24B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$67,865,770		\$9,144,408	\$-	\$-	\$-	\$6,788,341	\$-	\$6,788,341	\$-	\$-	\$-	\$2,356,067	\$-	\$2,356,067
6	Matella Cottages OPA	OPA/DDA/ Construction	06/10/2008	10/01/2027	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	C.P.A.	171,029	N	\$45,000	-	-	-	45,000	-	\$45,000	-	-	-	-	-	\$-
7	Matella Cottages Note	Bonds Issued On or Before 12/31/10	06/10/2008	10/01/2027	S. Ban	Land Acquisition and Project Improvements	C.P.A.	415,400	N	\$176,550	-	-	-	88,275	-	\$88,275	-	-	-	88,275	-	\$88,275
16	Sycamore Walnut DDA	Remediation	11/12/1996	06/30/2023	Olson Urban Housing	Quarterly Soil/Ground Water Monitoring Events	C.P.A.	24,699	N	\$19,971	-	-	-	19,971	-	\$19,971	-	-	-	-	-	\$-
18	Housing Fund Deficit	SERAF/ ERAF	02/01/2012	12/31/2020	Garden Grove Hsng Auth.	Repayment of Housing Fund from SERAF/ ERAF	n/a	5,044,260	N	\$10,000	-	-	-	-	-	\$-	-	-	-	10,000	-	\$10,000
19	Waterpark Hotel DDA	Business Incentive Agreements	05/12/2009	12/31/2031	Garden Grove M&D & Various	Site Assembly/ Project Assistance	C.P.A.	6,736,898	N	\$1,036,186	-	-	-	-	-	\$-	-	-	-	1,036,186	-	\$1,036,186
20	Site B2 DDA	Business Incentive Agreements	06/26/2001	06/26/2025	Sam Sang Inc.	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	2,507,379	N	\$49,761	-	-	-	-	-	\$-	-	-	-	49,761	-	\$49,761
22	Brookhurst Triangle DDA	OPA/DDA/ Construction	11/23/2010	12/31/2022	New Age Brookhurst, LLC & Various	Site Preparation Costs	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
24	Project Management for Item 20 - Site B2	Project Management Costs	06/26/2001	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	71,113	N	\$51,556	-	-	-	25,778	-	\$25,778	-	-	-	25,778	-	\$25,778
27	Agency Property Maint/ Management	Property Maintenance	02/01/2012	12/31/2025	Various	Management and Maintenance of Successor Agency Owned	C.P.A.	84,311	N	\$29,486	-	-	-	14,743	-	\$14,743	-	-	-	14,743	-	\$14,743

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)					23-24A Total	ROPS 23-24B (Jan - Jun)					23-24B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
					Property Awaiting Development or Disposal																	
31	Administrative Allowance	Admin Costs	01/01/2014	06/30/2019	City of Garden Grove	Administrative Allowance per AB 1484	n.a.	2,994,458	N	\$250,000	-	-	-	125,000	-	\$125,000	-	-	-	125,000	-	\$125,000
33	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	Wang	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
34	Brookhurst Triangle DDA	Property Dispositions	07/29/2002	12/31/2025	City of Garden Grove	See Notes.	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
37	Project Management for Item 22 - Brookhurst	Project Management Costs	11/23/2010	12/31/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	85,668	N	\$59,288	-	-	-	29,644	-	\$29,644	-	-	-	29,644	-	\$29,644
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/26/2014	10/01/2029	U.S. Bancorp National Association	Refunding of 2003 Tax Allocation Bonds	C.P.A.	13,596,275	N	\$3,852,250	-	-	-	3,550,750	-	\$3,550,750	-	-	-	301,500	-	\$301,500
40	Limón Law Suit Settlement	Litigation	09/20/2013	06/30/2015	Various	Settlement of Former Agency Lawsuit Associated with Item 19	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
47	Appraisals(s)	Admin Costs	07/01/2015	12/31/2018	TBD	Appraisals for Properties on the Long Range Property Management Plan	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
49	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Public Counsel	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
50	Limón Law Suit Settlement/Judgement	Litigation	06/05/2015	06/05/2020	Various	Replacement Housing Obligation per Judgement/ Court Ruling	C.P.A.	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
52	Item 39 Trustee Fee (2014 TARB)	Fees	06/26/2014	10/01/2029	U.S. Bancorp National Association	Fees associated with Bond	C.P.A.	135,520	N	\$6,600	-	-	-	3,300	-	\$3,300	-	-	-	3,300	-	\$3,300

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	ROPS 23-24A (Jul - Dec)					23-24A Total	ROPS 23-24B (Jan - Jun)					23-24B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
						payment																
53	Item 19 Trustee Fee (Waterpark Bond)	Fees	05/12/2009	12/31/2026	S. Ban National Association	Fees associated with Bond payment	C.P.A.	228,020	N	\$5,200	-	-	-	2,600	-	\$2,600	-	-	-	2,600	-	\$2,600
54	Item 7 Trustee Fee (Matella Cottages Note)	Fees	06/10/2008	10/01/2027	S. Ban National Association	Fees associated with Note	C.P.A.	10,740	N	\$2,060	-	-	-	1,030	-	\$1,030	-	-	-	1,030	-	\$1,030
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	06/05/2015	06/30/2021	SYCR and WSS Firms	Attorneys Fees per Judgement/ Court Ruling	C.P.A.	50,000	N	\$50,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	10/01/2016	10/01/2033	S. Ban	Refunding Bonds issued associated with project item 19	C.P.A.	35,710,000	N	\$3,500,500	-	-	-	2,857,250	-	\$2,857,250	-	-	-	643,250	-	\$643,250

**Garden Grove**  
**Recognized Obligation Payment Schedule (ROPS 23-24) - Notes**  
**July 1, 2023 through June 30, 2024**

Item #	Notes/Comments
6	
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Transmitted via e-mail

March 30, 2023

Grace E. Kim, Project Manager  
City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, CA 92840

### **2023-24 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Garden Grove Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 26, 2023. Finance has completed its review of the ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 31 – Administrative Cost Allowance. Payments for these types of services totaling \$250,000 is considered a general administrative cost and have been reclassified to the Administrative Redevelopment Property Tax Trust Fund.
- On the ROPS 23-24 form, the Agency reported cash balances and activity for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. According to our review, the Agency has approximately \$400,045 from Other Funds available to fund enforceable obligations on the ROPS 23-24. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF) funding. The item below does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source has been reclassified in the amount specified below:
  - Item No. 39 – 2014 Tax Allocation Refunding Bonds in the amount of \$3,852,250 is partially reclassified. Finance is approving RPTTF in the amount of \$3,452,205 and the use of Other Funds in the amount of \$400,045, totaling \$3,852,250.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 20-21 period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.



The Agency's maximum approved RPTTF distribution for the reporting period is \$352,330, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet\\_And\\_Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 23-24. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 23-24 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 23-24 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Grace E. Kim  
March 30, 2023  
Page 3

Please direct inquiries to Kylie Oltmann, Supervisor, or Garrett Fujitani, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER  
Program Budget Manager

cc: Lisa Kim, Assistant City Manager/Community and Economic Development  
Department Director, City of Garden Grove  
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County  
Kathy Tavoularis, Countywide Oversight Board Representative

**Attachment**

<b>Approved RPTTF Distribution July 2023 through June 2024</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 6,788,341	\$ 2,356,067	\$ 9,144,408
Administrative RPTTF Requested	0	0	0
<b>Total RPTTF Requested</b>	<b>6,788,341</b>	<b>2,356,067</b>	<b>9,144,408</b>
<b>RPTTF Requested</b>	<b>6,788,341</b>	<b>2,356,067</b>	<b>9,144,408</b>
<u>Adjustment(s)</u>			
Item No. 31	(125,000)	(125,000)	(250,000)
Item No. 39	(400,045)	0	(400,045)
	(525,045)	(125,000)	(650,045)
<b>RPTTF Authorized</b>	<b>6,263,296</b>	<b>2,231,067</b>	<b>8,494,363</b>
<b>Administrative RPTTF Requested</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Adjustment(s)</u>			
Item No. 31	125,000	125,000	250,000
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
ROPS 20-21 Prior Period Adjustment (PPA)	(6,388,296)	(2,003,737)	(8,392,033)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 0</b>	<b>\$ 352,330</b>	<b>\$ 352,330</b>

# Orange Countywide Oversight Board

Agenda item No. 4d

Date: 1/21/2025

From: Successor Agency to the Mission Viejo Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Annual Recognized Obligation Payment Schedule (ROPS) and Administrative Budget

Recommended Action:

Approve resolution approving FY 2025-26 ROPS and Administrative Budget for the Mission Viejo Successor Agency

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The Mission Viejo Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2025-26.

The Successor Agency to the Community Development Agency of the City of Mission Viejo (Successor Agency) is performing its functions under the Dissolution Law, Division 24, Parts 1.8 and 1.85 of the Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, as amended, the “Dissolution Law”), to administer the enforceable obligations and otherwise unwind the former Agency's affairs, all subject to the review and approval by the seven-member Oversight Board. Under Section 34171(h) of Part 1.85, as amended, the ROPS is “the document setting forth the minimum payment amounts required by enforceable obligations for each fiscal year as provided in subdivision (o) of Section 34177.” Under the dates in the Dissolution Law, the Successor Agency and Oversight Board are required to consider and adopt the ROPS for the 25-26 fiscal period of July 1, 2025 to June 30, 2026, and submit such approved FY 25-26 ROPS to the Department of Finance (DOF) on or before February 1, 2025.

The FY 25-26 ROPS included with this agenda report sets forth comparable listings of the Enforceable Obligations listed in prior ROPS and include:

Line item no. 1 – Mall Bond debt service payment pledge under the Pledge Agreement between the former redevelopment agency and the Mission Viejo Community Development Financing Authority. The amount requested of \$1,725,684 is equal to the debt service payment required during FY 25-26.

Line item no. 4 – Payments for services of \$16,500 to calculate net tax increment revenue obligated under the Pledge Agreement for debt service payment to the Mall Bond trustee under line item no. 1. This calculation is performed 3 times a year and the calculations are shared with the Orange County Auditor-Controller's office.

Line item no. 58 – Estimated payments of \$7,500 to Mall Bond trustee for annual trustee fees.

Also included as part of the ROPS is the FY 25-26 administrative budget of \$184,000 (line item no. 27), an amount allowed under dissolution law. Attached is a budget justifying administrative costs. Direct personnel costs are based on time projected to be spent by staff working directly on Successor Agency matters on a regular basis during fiscal year 2025-26. Other direct costs are estimates of costs anticipated during FY 25-26. These will include legal costs, annual audit fees and other miscellaneous expenses. Indirect costs are based on the approved FY 24-25 budget and the City's Cost Allocation Plan. As an example, in order to conduct Successor Agency business, staff must utilize a wide range of software programs that run on the Information Technology (IT) network, including accounting software, Outlook, Microsoft Office, PDF, agenda preparation software, document imaging software, etc. Therefore, it is necessary to allocate a percentage of cost of the IT program to the Successor Agency. Additionally, there have been a few agreements executed by the former redevelopment agency that DOF would not approve as

separate enforceable obligations and DOF directed Mission Viejo to allocate any costs associated with management and enforcement of these agreements to administrative allowance. The most relevant agreement is the owner participation agreement (OPA) with Simon Properties, owners of the Shops at Mission Viejo (Mall). The City spends both staff time and third-party consultant time related to these matters. For FY 25-26, the City anticipates the need to enforce the covenants of the Mall OPA related to on-site improvements, tenant issues for potential fifth pad and misuse of the parking structure by the Mall owners.

The attached ROPS for 25-26 (attachment 2) and administrative budget (attachment 3) was approved by the Mission Viejo Successor Agency on December 10, 2024. The resolution approving the ROPSs for 25-26 is attachment number 4.

The Mission Viejo Successor Agency requests that the Orange Countywide Oversight Board adopt the attached Resolution approving the FY 25-26 ROPS and Administrative Budget for the Mission Viejo Successor Agency.

Also attached to this agenda are prior year ROPS for 24-25 and 23-24 for easy reference by the Board as to the types of enforceable obligations approved in the two most recent fiscal years and the respective DOF determination letters demonstrating DOF's approval of those ROPS and to demonstrate that DOF had no substantive issues regarding our enforceable obligations. As for the administrative budget, DOF did note in both ROPS 24-25 and 23-24 determination letter (attachments 5 and 6) their opinion that the approved administrative allowance amount appeared to be excessive. In response to those comments, DOF is only taking into consideration enforceable obligation line items 1, 4, 37 and 58 when making these comments and disregarding the agreements DOF would not approve as separate enforceable obligations as noted above. These other agreements are legal binding agreements between the former redevelopment agency and private parties and do require time and effort for enforcement. Past DOF determination letters directed the Mission Viejo Successor Agency to account for the cost of administering these agreements under our annual administrative allowance.

#### Impact on Taxing Entities

Amounts approved for distribution from Mission Viejo's Redevelopment Property Tax Trust Fund (RPTTF) for the 2025-26 period in the amount of \$1,933,684 are funds that will not be available for distribution to all other taxing entities. Mission Viejo's taxing entities include: County of Orange, County of Orange Flood Control District, County of Orange Harbors, Beaches & Parks County Service Area #26, Orange County Fire Authority, Orange County Superintendent of Schools, Saddleback Community College District; Capistrano Unified School District, Saddleback Valley Unified School District and the Mission Viejo Library.

#### Staff Contact(s)

Susan Knudson, Administrative Services Manager  
adminservices@cityofmissionviejo.org  
949-470-3082

#### Attachments

1. Orange Countywide Oversight Board Resolution
2. Mission Viejo ROPS 25-26
3. Mission Viejo Administrative Budget 25-26
4. Mission Viejo Successor Agency Resolution 24-xx
5. DOF Determination Letter 24-25
6. DOF Determination Letter 23-24
7. Mission Viejo ROPS 24-25
8. Mission Viejo ROPS 23-24

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
RESOLUTION NO. 25-004**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH  
OVERSIGHT OF THE SUCCESSOR AGENCY TO THE MISSION VIEJO  
REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION  
PAYMENT SCHEDULE 25-26 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2025  
TO JUNE 30, 2026, INCLUDING THE FY 25-26 ADMINISTRATIVE BUDGET, SUBJECT  
TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE  
PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING AND  
TRANSMITTAL THEREOF

**WHEREAS**, the former Community Development Agency of the City of Mission Viejo (“Former Agency”) was established as a community redevelopment agency that was organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Mission Viejo (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

**WHEREAS**, as of February 1, 2012 the Former Agency was dissolved under the Dissolution Law, and, as a separate public entity, corporate and politic, the Successor Agency to the Community Development Agency of the City of Mission Viejo (“Successor Agency”) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(j) on July 1, 2018 the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency and all other successor agencies in Orange County; and

**WHEREAS**, every oversight board, both the prior local oversight board and this newly established Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Sections 34177(m), 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule (“ROPS”) is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State of California, Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(l) and Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 25-26 A-B fiscal period of July 1, 2025 to June 30, 2026 (“ROPS 25-26

A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2025; and

**WHEREAS**, the ROPS 25-26 A-B, in the form required by DOF, is attached as Exhibit 1 and the Fiscal Year 25-26 Administrative Budget is attached as Exhibit 2, and both attachments are fully incorporated by this reference; and

**WHEREAS**, the Oversight Board has reviewed and considered the Successor Agency’s ROPS 25-26 A-B and desires to approve the ROPS 25-26 A-B, including the FY 25-26 Administrative Budget and to authorize the Successor Agency, to cause posting of ROPS 25-26 A-B on the City’s website: ([www.cityofmissionviejo.org](http://www.cityofmissionviejo.org)) and to transmit the ROPS 25-26 A-B to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (SCO”) as required under the Dissolution Law;

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

**SECTION 1.** The foregoing recitals are hereby incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** The Oversight Board hereby approves the ROPS 25-26 A-B submitted therewith and incorporated by this reference, including the FY 25-26 administrative budget included herewith as Exhibits 1 and 2.

**SECTION 3.** The Oversight Board authorizes transmittal of the ROPS 25-26 A-B to the DOF, with copies to the CEO, CAC and the SCO.

**SECTION 4.** The City of Mission Viejo’s Director of Administrative Services/City Treasurer, or her authorized designee(s), is directed to post this Resolution, including the ROPS 25-26 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

**SECTION 5.** Under Section 34179(h) written notice and information about certain actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The Oversight Board’s action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

**SECTION 6.** The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

**Recognized Obligation Payment Schedule (ROPS 25-26) - Summary  
Filed for the July 1, 2025 through June 30, 2026 Period**

**Successor Agency:** Mission Viejo

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>25-26A Total (July - December)</b>	<b>25-26B Total (January - June)</b>	<b>ROPS 25-26 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	\$ 954,430	\$ 979,246	\$ 1,933,676
F RPTTF	862,438	887,246	1,749,684
G Administrative RPTTF	92,000	92,000	184,000
<b>H Current Period Enforceable Obligations (A+E)</b>	\$ 954,430	\$ 979,246	\$ 1,933,676

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date



**Mission Viejo  
Recognized Obligation Payment Schedule (ROPS 25-26) - ROPS Detail  
July 1, 2025 through June 30, 2026**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$6,305,881		\$1,933,684	\$-	\$-	\$-	\$862,438	\$92,000	\$954,438	\$-	\$-	\$-	\$887,246	\$92,000	\$979,246
1	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Bonds Issued On or Before 12/31/10	05/01/1999	09/01/2028	BNY Mellon Corporate Trust	Bond Pledge	1	6,022,931	N	\$1,725,684	-	-	-	854,188	-	\$854,188	-	-	-	871,496	-	\$871,496
2	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	OPA/DDA/ Construction	02/20/2012	09/01/2028	Stradling Yocca Carlson Rauth	OPA-Bond/ Covenant Compliance	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
4	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Fees	07/01/2010	09/01/2028	HdL Coren & Cone	Net Tax Increment Calculations per Pledge Agreement	1	66,000	N	\$16,500	-	-	-	8,250	-	\$8,250	-	-	-	8,250	-	\$8,250
7	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	02/20/2012	06/30/2033	Stradling Yocca Carlson Rauth	Project Development	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
8	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	09/04/2002	06/30/2033	Davis Company	Economic Planning	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
27	Administration	Admin Costs	02/01/2012	06/30/2033	City of Mission Viejo	Administration	1	184,000	N	\$184,000	-	-	-	-	92,000	\$92,000	-	-	-	-	92,000	\$92,000
33	Camino Capistrano Bridge Improvements	Improvement/ Infrastructure	01/27/1993	06/30/2033	Contractor	Construction of Improvements	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
37	1999 Variable	Bonds Issued	07/01/	06/30/2028	Arbitrage	Arbitrage	1	2,950	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	On or Before 12/31/10	2014		Compliance Specialists, Inc.	rebate calculation																
58	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Bonds Issued On or Before 12/31/10	05/01/1999	09/01/2028	BNY Mellon Trust	Bond Trustee fees	1	30,000	N	\$7,500	-	-	-	-	-	\$-	-	-	-	7,500	-	\$7,500

**Mission Viejo**  
**Recognized Obligation Payment Schedule (ROPS 25-26) - Report of Cash Balances**  
**July 1, 2022 through June 30, 2023**  
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 22-23 Cash Balances (07/01/22 - 06/30/23)</b>	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	<b>Comments</b>
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/22)</b> RPTTF amount should exclude "A" period distribution amount.			64,816	-	222,358	Column G equal to ROPS 19-20 PPA of \$222,358 authorized to use in ROPS 21-22 period.
<b>2</b>	<b>Revenue/Income (Actual 06/30/23)</b> RPTTF amount should tie to the ROPS 22-23 total distribution from the County Auditor-Controller					1,773,618	
<b>3</b>	<b>Expenditures for ROPS 22-23 Enforceable Obligations (Actual 06/30/23)</b>					1,979,772	
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/23)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			64,816			ROPS 20-21 RPTTF PPA of \$1,204 for use in ROPS 23-24 period; and ROPS 21-22 RPTTF PPA of \$63,613 for use in ROPS 24-25 period
<b>5</b>	<b>ROPS 22-23 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 22-23 PPA form submitted to the CAC		No entry required				
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/23)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$16,204	

**Mission Viejo**  
**Recognized Obligation Payment Schedule (ROPS 25-26) - Notes**  
**July 1, 2025 through June 30, 2026**

Item #	Notes/Comments
1	
2	
4	
7	
8	
27	
33	
37	The final arbitrage calculation will be performed during ROPS period 2028-29 and after the final debt service payment is made on September 1, 2028.
58	

**City of Mission Viejo**  
**FY 25/26**  
**Administrative Allowance Estimated Expenditures**

		<u>Fiscal Year</u> <u>2025/2026</u>			<u>Successor</u>	<u>SA</u>	<u>% of Est.</u> <u>Time Spent</u>
		<u>Est. Costs</u>	<u>Hourly Rate</u>	<u>Agency Hours</u>	<u>Administration</u>	<u>on SA</u>	<u>Issues</u>
<b>Direct Personnel Costs</b>							
	<b>Department</b>						
City Manager	City Manager	\$ 439,505	\$ 211.30	24.00	\$ 5,071		1.15%
Assistant City Manager/Director of Public Services	City Manager	391,466	188.20	6.00	1,129		0.29%
City Council	City Council	161,647	76.97	2.00	154		0.10%
City Clerk	City Clerk	220,516	106.02	1.25	133		0.06%
Director of Administrative Services	Administrative Services	315,412	151.64	69.00	10,463		3.32%
AS Manager-Treasury	Administrative Services	229,105	110.15	6.75	743		0.32%
Treasury Analyst	Administrative Services	150,740	72.47	74.25	5,381		3.57%
Administrative Assistant	Administrative Services	92,565	44.50	6.00	267		0.29%
<b>Total Direct Personnel Costs</b>				189.25	<b>23,342</b>		
<b>Other Direct Costs</b>							
Attorneys							
Stradling Yocca Carlson & Rauth	SA Attorney				45,000		
Audit Fees					2,400		
Bank Fees/Delivery/Postage/Office Supplies/Meeting costs					200		
<b>Total Other Direct Cost</b>					<b>47,600</b>		
<b>Indirect Costs (applied at rate for each central service per cost study)</b>							
Central Service Departments (per 6/2019 cost study)							
Interdepartmental		2,105,504	2.01%		42,277		
City Council Administration (non-payroll)		65,145	3.56%		2,319		
Commissions		101,111	0.36%		364		
City Manager Administration (non-payroll)		424,413	2.01%		8,531		
City Clerk Administration (non-payroll)		16,553	3.56%		589		
Council Support (non-payroll)		2,215	3.56%		79		
Elections (non-payroll)		258	3.56%		9		
Community Relations Admin		172,619	3.56%		6,145		
Community Relations Public Info		369,507	3.56%		13,154		
Community Relations Records Mgmt		75,136	1.40%		1,052		
Administrative Services Admin (non-payroll)		13,711	3.56%		488		
Accounting and Payroll		808,691	0.39%		3,154		
Financial Planning and Budget		179,861	3.56%		6,403		
Purchasing		188,105	0.13%		245		
Treasury (non-payroll)		116,261	3.56%		4,139		
Risk Management		276,089	0.45%		1,242		
Human Resources		672,463	0.46%		3,093		
Information Technology		4,431,705	0.29%		12,852		
Fleet Maintenance		170,676	0.02%		34		
Facilities Maintenance		970,170	0.71%		6,888		
<b>Total Indirect Cost</b>					<b>113,058</b>		
<b>Total Estimated Admin Allowance</b>					<b>\$ 184,000</b>		

**City of Mission Viejo  
 FY 25/26  
 Administrative Allowance  
 Personnel Justification**

<i>Position</i>	<i>Department</i>	<i>Summary of Job Duties Pertaining to Successor Agency</i>	<i>Hours</i>	<i>Frequency</i>	<i>Total</i>
City Manager	City Manager	Oversees the entire dissolution process. Attend SA meeting. Review all SA related documents including agenda reports for both SA and OB meetings, and resolutions. Oversees contract with the City Attorney in relation to SA matters, including processing invoices and contract amendments. Oversees the activity at the Mall. Meets with the Mall manager regularly to discuss compliance with Mall Bond covenants, including uses of parking structure, tenancy and maintenance issues. Meets monthly with the Director of Community Development for updates on Mall issues.	2	12	<u>24</u>
<b>Total City Manager</b>					<b>24</b>
Assistant City Manager	City Manager	Provides support to the CM on oversight of entire dissolution process. Attend 1 SA meeting. Review SA related documents including agenda reports and resolutions. Oversees the activity at the Mall. Meets with the Mall manager regularly to discuss compliance with Mall Bond covenants, including uses of parking structure, tenancy and maintenance issues.	0.5	12	<u>6</u>
<b>Total Assistant City Manager</b>					<b>6</b>
Executive Administrator	City Manager	Direct assistant to the City Manager and Asst City Manager in SA and OB related meetings, transaction processing (i.e. meet and confer related travel requests) and document prep.	0	12	<u>0</u>
<b>Total Executive Administrator</b>					<b>0</b>
City Council	City Council	Attendance at Successor Agency Meetings for 5 members	0.25	5	1.25
		Attendance at Successor Agency agenda planning mtgs for 2 members	0.25	2	0.5
		Execution of SA resolutions by Mayor	0.25	1	<u>0.25</u>
<b>Total City Council</b>					<b>2</b>

**City of Mission Viejo  
 FY 25/26  
 Administrative Allowance  
 Personnel Justification**

<i>Position</i>	<i>Department</i>	<i>Summary of Job Duties Pertaining to Successor Agency</i>	<i>Hours</i>	<i>Frequency</i>	<i>Total</i>
City Clerk	City Clerk	Preparation of Successor Agency Board agendas	0.25	1	0.25
		Attendance at Successor Agency Board meetings	0.25	1	0.25
		Preparation of minutes of Successor Agency Board meetings	0.25	1	0.25
		Review and execution of SA resolutions	0.25	1	0.25
		Filing and posting of SA resolutions in City document system	0.25	1	<u>0.25</u>
<b>Total City Clerk</b>					<b>1.25</b>
Director of Administrative Services	Administrative Services	Direct hours reported on timesheet for ROPS preparation, Mall Bond issues, preparation of SA and OB staff reports, attendance at meetings, etc. Based on 23-24 actuals hours.	69	1	<u>69</u>
<b>Total Director of Admin Services</b>					<b>69</b>
AS Manager-Treasury	Administrative Services	Direct hours reported on timesheet for ROPS preparation, Mall Bond issues, preparation of SA and OB staff reports, attendance at meetings, etc. Based on 23-24 actuals hours.	6.75	1	<u>6.75</u>
<b>Total Treasury Manager</b>					<b>6.75</b>
Treasury Analyst	Administrative Services	Direct hours reported on timesheet for daily cash review, preparation of monthly bank reconciliation and Treasurer's Reports, processing invoices, update Mall Bond spreadsheets, preparation of wire transfers, etc. Based on 23-24 actuals hours.	74.25	1	<u>74.25</u>
<b>Total Treasury Analyst</b>					<b>74.25</b>
Administrative Assistant	Administrative Services	Direct assistant to the Director of Administrative Services for both SA and OB related meetings, transaction processing (i.e. meet and confer related travel requests) and document prep. Estimate is equal to .5 hours per month.	0.5	12	<u>6</u>
<b>Total Administrative Assistant</b>					<b>6</b>
					<u>189.25</u>

## SUCCESSOR AGENCY RESOLUTION 24-02

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MISSION VIEJO APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 25-26 A-B ENFORCEABLE OBLIGATIONS FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2025 TO JUNE 30, 2026, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD AND BY THE DEPARTMENT OF FINANCE UNDER THE DIVISION 24, PART 1.85 OF THE CALIFORNIA HEALTH AND SAFETY CODE, AND AUTHORIZING THE POSTING AND TRANSMITTAL THEREOF**

**WHEREAS**, the former Community Development Agency of the City of Mission Viejo (“former Agency”) was established as a community redevelopment agency that was organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency by action of the City Council of the City of Mission Viejo (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation, and most recently by Senate Bill 107 (together, as amended, the “Dissolution Law”); and

**WHEREAS**, as of February 1, 2012 the former Agency was dissolved under the Dissolution Law, and, as a separate public entity, corporate and politic, the Successor Agency to the Community Development Agency of the City of Mission Viejo (“Successor Agency”) administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency’s affairs, all subject to the review and approval by a seven-member oversight board (“Oversight Board”); and

**WHEREAS**, prior to July 1, 2018 under Dissolution Law, in particular Sections 34179 and 34180, all Mission Viejo Successor Agency actions were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Mission Viejo Successor Agency activities during the period from dissolution until June 30, 2018; and

**WHEREAS**, as of, on and after July 1, 2018 under Dissolution Law, in particular Sections 34179(j), in every California county there shall be only one oversight board that is staffed by the county auditor-controller, with certain exceptions that do not apply here; and

**WHEREAS**, every oversight board, both the prior local oversight board and the Orange Countywide Oversight Board, has fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues under Dissolution Law, in particular Sections 34188; and



**WHEREAS**, Sections 34177(m), 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule (“ROPS”) is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State of California, Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 25-26 A-B annual fiscal period of July 1, 2025 to June 30, 2026 (“ROPS 25-26 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2025; and to submit a copy of the ROPS 25-26 A-B to the County Auditor-Controller (“CAC”), the State Controller’s Office (“SCO”) and the DOF at the same time that the Successor Agency submits such ROPS to the Oversight Board for review; and

**WHEREAS**, the Successor Agency has reviewed the ROPS 25-26 A-B Enforceable Obligations, including the FY 25-26 administrative allowance budget, and desires to approve the ROPS 25-26 A-B Enforceable Obligations and to authorize the Successor Agency staff to transmit the ROPS to the Oversight Board; and

**WHEREAS**, the Successor Agency staff is directed to post ROPS 25-26 A-B on the Successor Agency website ([www.cityofmissionviejo.org](http://www.cityofmissionviejo.org)).

**NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MISSION VIEJO DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The foregoing recitals are hereby incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** The Successor Agency hereby approves the following ROPS 25-26 A-B Enforceable Obligations.

Item #	Project Name	Payee	Description	ROPS 25-26 Total	A Period July-Dec	B Period Jan-June
1	1999 Variable Rate Demand Bonds (MV Mall Improvement Project)	BNY Mellon Corporate Trust	Bond Pledge (Debt Service Payments)	\$1,725,684	\$854,188	\$871,496
4	1999 Variable Rate Demand Bonds (MV Mall Improvement Project)	HdL Coren & Cone	Net Tax Increment Calculations per Pledge Agreement	\$16,500	\$8,250	\$8,250
27	Administration	City of Mission Viejo/SA	Administration	\$184,000	\$92,000	\$92,000
58	1999 Variable Rate Demand Bonds (MV Mall Improvement Project)	BNY Mellon Corporate Trust	Bond Trustee fees	\$7,500	\$0	\$7,500
<b>Total s</b>				\$1,933,684	\$954,438	\$979,246

**SECTION 3.** The Successor Agency directs staff to incorporate the Enforceable Obligations referenced in Section 2 into the ROPS format prescribed by DOF under the requirements of the Dissolution Law, transmit the ROPS 25-26 A-B to the Oversight Board for review and approval and a copy of the ROPS is sent concurrently to the CAC, SCO, and DOF. Further, the Director of Administrative Services or her designee(s), in consultation with


legal counsel, is hereby authorized to request and complete meet and confer session(s), if any, with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency.

**SECTION 4.** After approval by the Oversight Board, the Successor Agency authorizes transmittal of the approved ROPS 25-26 A-B again to the CAC, SCO and DOF.

**SECTION 5.** The Director of Administrative Services of the Successor Agency, or her authorized designee(s), is directed to post this Resolution, including the ROPS 25-26 A-B, on the Successor Agency website ([www.cityofmissionviejo.org](http://www.cityofmissionviejo.org)) under the Dissolution Law.

**SECTION 6.** The Secretary of the Successor Agency shall certify to the adoption of this Resolution.

**APPROVED AND ADOPTED** this 10<sup>th</sup> day of December 2024.


  
\_\_\_\_\_  
Trish Kelley, Chair  
Successor Agency to the Community  
Development Agency of the City of Mission Viejo

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) ss.  
CITY OF MISSION VIEJO    )

I, Kimberly Schmitt, Secretary of the Successor Agency to the Community Development Agency of the City of Mission Viejo, hereby certify that the foregoing resolution was duly adopted by the Successor Agency at a regular meeting held on the 10<sup>th</sup> day of December 2024, and that it was so adopted by the following vote:

AYES:           Bucknum, Goodell, Kelley, Ruesch and Vasquez  
NOES:           None  
ABSENT:        None

ATTEST:

  
\_\_\_\_\_  
Kimberly Schmitt, Secretary  
Successor Agency to the Community  
Development Agency of the City of Mission Viejo



Transmitted via e-mail

March 8, 2024

Cheryl Dyas, Director of Administrative Services  
City of Mission Viejo  
200 Civic Center  
Mission Viejo, CA 92691

### **2024-25 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Mission Viejo Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025 (ROPS 24-25) to the California Department of Finance (Finance) on January 22, 2024. Finance has completed its review of the ROPS 24-25.

Based on a sample of line items reviewed and application of the law, Finance approves all the items listed on the ROPS 24-25 at this time. However, Finance notes the following:

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2021 through June 30, 2022 (ROPS 21-22) period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 Redevelopment Property Tax Trust Fund (RPTTF) distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,866,422, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2024 through December 31, 2024 period (ROPS A period), and one distribution for the January 1, 2025 through June 30, 2025 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 24-25 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 24-25. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 24-25 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 24-25 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,



Cheryl L. McCormick, CPA  
Chief, Office of State Audits and Evaluations

cc: Sherry Merrifield, Administrative Assistant, City of Mission Viejo  
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange  
County  
Kathy Tavoularis, Countywide Oversight Board Representative

<b>Approved RPTTF Distribution July 2024 through June 2025</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 862,405	\$ 882,630	\$ 1,745,035
Administrative RPTTF Requested	92,500	92,500	185,000
<b>Total RPTTF Requested</b>	<b>954,905</b>	<b>975,130</b>	<b>1,930,035</b>
<b>RPTTF Authorized</b>	<b>862,405</b>	<b>882,630</b>	<b>1,745,035</b>
<b>Administrative RPTTF Authorized</b>	<b>92,500</b>	<b>92,500</b>	<b>185,000</b>
ROPS 21-22 prior period adjustment (PPA)	(63,613)	0	(63,613)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 891,292</b>	<b>\$ 975,130</b>	<b>\$ 1,866,422</b>



Transmitted via e-mail

March 10, 2023

Cheryl Dyas, Director of Administrative Services  
City of Mission Viejo  
200 Civic Center  
Mission Viejo, CA 92691

### **2023-24 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Mission Viejo Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 30, 2023. Finance has completed its review of the ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance approves all of the items listed on the ROPS 23-24 at this time. However, Finance notes the following:

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 Redevelopment Property Tax Trust Fund (RPTTF) distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,936,545, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 23-24. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 23-24 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 23-24 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Garrett Fujitani, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER  
Program Budget Manager

cc: Sherry Merrifield, Administrative Assistant, City of Mission Viejo  
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County  
Kathy Tavoularis, Countywide Oversight Board Representative

**Attachment**

<b>Approved RPTTF Distribution July 2023 through June 2024</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 866,620	\$ 885,129	\$ 1,751,749
Administrative RPTTF Requested	93,000	93,000	186,000
<b>Total RPTTF Requested</b>	<b>959,620</b>	<b>978,129</b>	<b>1,937,749</b>
<b>RPTTF Authorized</b>	<b>866,620</b>	<b>885,129</b>	<b>1,751,749</b>
<b>Administrative RPTTF Authorized</b>	<b>93,000</b>	<b>93,000</b>	<b>186,000</b>
ROPS 20-21 Prior Period Adjustment (PPA)	(1,204)	0	(1,204)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 958,416</b>	<b>\$ 978,129</b>	<b>\$ 1,936,545</b>



**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary**  
**Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Mission Viejo

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 954,905</b>	<b>\$ 975,130</b>	<b>\$ 1,930,035</b>
F RPTTF	862,405	882,630	1,745,035
G Administrative RPTTF	92,500	92,500	185,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 954,905</b>	<b>\$ 975,130</b>	<b>\$ 1,930,035</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Mission Viejo**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail**  
**July 1, 2024 through June 30, 2025**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$8,051,916		\$1,930,035	\$-	\$-	\$-	\$862,405	\$92,500	\$954,905	\$-	\$-	\$-	\$882,630	\$92,500	\$975,130
1	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Bonds Issued On or Before 12/31/10	05/01/1999	09/01/2028	BNY Mellon Corporate Trust	Bond Pledge	1	7,743,966	N	\$1,721,035	-	-	-	854,155	-	\$854,155	-	-	-	866,880	-	\$866,880
2	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	OPA/DDA/ Construction	02/20/2012	09/01/2028	Stradling Yocca Carlson Rauth	OPA-Bond/ Covenant Compliance	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
4	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Fees	07/01/2010	09/01/2028	HdL Coren & Cone	Net Tax Increment Calculations per Pledge Agreement	1	82,500	N	\$16,500	-	-	-	8,250	-	\$8,250	-	-	-	8,250	-	\$8,250
7	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	02/20/2012	06/30/2033	Stradling Yocca Carlson Rauth	Project Development	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
8	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	09/04/2002	06/30/2033	Davis Company	Economic Planning	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
27	Administration	Admin Costs	02/01/2012	06/30/2033	City of Mission Viejo	Administration	1	185,000	N	\$185,000	-	-	-	-	92,500	\$92,500	-	-	-	-	92,500	\$92,500
33	Camino Capistrano Bridge Improvements	Improvement/ Infrastructure	01/27/1993	06/30/2033	Contractor	Construction of Improvements	1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
37	1999 Variable	Bonds Issued	07/01/	06/30/2028	Arbitrage	Arbitrage	1	2,950	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	On or Before 12/31/10	2014		Compliance Specialists, Inc.	rebate calculation																
58	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Bonds Issued On or Before 12/31/10	05/01/1999	09/01/2028	BNY Mellon Trust	Bond Trustee fees	1	37,500	N	\$7,500	-	-	-	-	-	\$-	-	-	-	7,500	-	\$7,500

**Mission Viejo**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances**  
**July 1, 2021 through June 30, 2022**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)</b>	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	<b>Comments</b>
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/21)</b> RPTTF amount should exclude "A" period distribution amount.	-	-	223,562	-	372,334	Column G equal to ROPS 18-19 RPTTF PPA of \$372,334 authorized to use in ROPS 21-22 period.
<b>2</b>	<b>Revenue/Income (Actual 06/30/22)</b> RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller	-	-	-	-	1,640,817	
<b>3</b>	<b>Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)</b>	-	-	-	-	1,949,538	
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/22)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	-	-	223,562	-	-	ROPS 19-20 RPTTF PPA of \$222,358 for use in ROPS 22-23 period; and ROPS 20-21 RPTTF PPA of \$1,204 for use in ROPS 23-24 period
<b>5</b>	<b>ROPS 21-22 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC			No entry required		63,613	
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/22)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$-	

**Mission Viejo**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
1	
2	
4	
7	
8	
27	
33	
37	
58	

**Recognized Obligation Payment Schedule (ROPS 23-24) - Summary  
Filed for the July 1, 2023 through June 30, 2024 Period**

**Successor Agency:** Mission Viejo

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>23-24A Total (July - December)</b>	<b>23-24B Total (January - June)</b>	<b>ROPS 23-24 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 959,620</b>	<b>\$ 978,129</b>	<b>\$ 1,937,749</b>
F RPTTF	866,620	885,129	1,751,749
G Administrative RPTTF	93,000	93,000	186,000
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 959,620</b>	<b>\$ 978,129</b>	<b>\$ 1,937,749</b>

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**Mission Viejo**  
**Recognized Obligation Payment Schedule (ROPS 23-24) - ROPS Detail**  
**July 1, 2023 through June 30, 2024**

A	B	C	D	E	F	G	H	I	J	K	ROPS 23-24 (Jul - Dec)				ROPS 23-24B (Jan - Jun)				W							
											Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total		Fund Sources			Fund Sources			23-24B Total
																				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	
1	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Bonds Issued On or Before 12/31/10	05/01/1999	09/01/2028	BNY Mellon Corporate Trust	Bond Pledge	1	\$9,801,842	N	\$1,937,749	\$959,620	\$866,620	\$93,000	\$885,129	\$866,429	\$93,000	\$978,129	\$866,429								
2	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	OPA/DDA/ Construction	02/20/2012	09/01/2028	Stradling Yocca Carlson Rauth	OPA-Bond/ Covenant Compliance	1	-	N	\$-	\$858,370	-	-	-	-	-	-	-	\$-							
4	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Fees	07/01/2010	09/01/2028	HdL Coren & Cone	Net Tax Increment Calculations per Pledge Agreement	1	99,000	N	\$16,500	\$8,250	8,250	-	8,250	-	-	8,250	-	\$8,250							
7	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	02/20/2012	06/30/2033	Stradling Yocca Carlson Rauth	Project Development	1	-	N	\$-	-	-	-	-	-	-	-	-	\$-							
8	Camino Capistrano Bridge Improvements	OPA/DDA/ Construction	09/04/2002	06/30/2033	Davis Company	Economic Planning	1	-	N	\$-	-	-	-	-	-	-	-	-	\$-							
27	Administration	Admin Costs	02/01/2012	06/30/2033	City of Mission Viejo	Administration	1	186,000	N	\$186,000	\$93,000	-	93,000	-	-	93,000	-	93,000	\$93,000							
33	Camino Capistrano Bridge Improvements	Improvement/ Infrastructure	01/27/1993	06/30/2033	Contractor	Construction of Improvements	1	-	N	\$-	-	-	-	-	-	-	-	-	\$-							
37	1999 Variable	Bonds Issued	07/01/	06/30/2028	Arbitrage	Arbitrage	1	5,900	N	\$2,950	-	-	-	-	-	-	2,950	-	\$2,950							

A	B	C	D	E	F	G	H	I	J	K	L	M	N			O	P	Q	R	S	T	U			V	W
													Agreement Execution Date	Agreement Termination Date	Payee							Description	Project Area	Total Outstanding Obligation		
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 23-24 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	23-24B Total					
	Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	On or Before 12/31/10	2014		Compliance Specialists, Inc.	rebate calculation																				
58	1999 Variable Rate Demand Revenue Bonds (Mission Viejo Mall Improvement Project)	Bonds Issued On or Before 12/31/10	05/01/1999	09/01/2028	BNY Mellon Trust	Bond Trustee fees	1	45,000	N	\$7,500	-	-	-	-	-	-	-	-	7,500	-	-	\$7,500				



**Mission Viejo**  
**Recognized Obligation Payment Schedule (ROPS 23-24) - Report of Cash Balances**  
**July 1, 2020 through June 30, 2021**  
 (Report Amounts in Whole Dollars)

A		B		C		D	E			F	G		H
							Fund Sources				RPTTF	Comments	
							Bond Proceeds	Reserve Balance	Other Funds				
ROPS 20-21 Cash Balances (07/01/20 - 06/30/21)		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin							
Exhibit 1													
1	<b>Beginning Available Cash Balance (Actual 07/01/20)</b> RPTTF amount should exclude "A" period distribution amount.		-	-	851,768	-	-	-	-	-	-	-	-
2	<b>Revenue/Income (Actual 06/30/21)</b> RPTTF amount should tie to the ROPS 20-21 total distribution from the County Auditor-Controller		-	-	-	-	-	-	-	-	1,732,413	-	-
3	<b>Expenditures for ROPS 20-21 Enforceable Obligations (Actual 06/30/21)</b>				273,576						1,731,209		Amount in column E equals amount allowed per DOF ROPS 20-21 approval letter dated April 10, 2020
4	<b>Retention of Available Cash Balance (Actual 06/30/21)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)		-	-	578,192	-	-	-	-	-	-	-	Column E equals \$372,334 from ROPS period 18-19 distributed to ROPS period 21-22 by DOF; \$222,358 from ROPS period 19-20 distributed to ROPS period 22-23 by DOF; netted with \$16,500 which represents amount paid in 17-18 for line item 4 and disputed by MV until resolved with approval of ROPS 21-22.
5	<b>ROPS 20-21 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 20-21 PPA				<b>No entry required</b>						1,204		



**Mission Viejo**  
**Recognized Obligation Payment Schedule (ROPS 23-24) - Notes**  
**July 1, 2023 through June 30, 2024**

Item #	Notes/Comments
1	
2	
4	
7	
8	
27	
33	
37	
58	

# Orange Countywide Oversight Board

Agenda Item No. 5a

Date: 1/21/2025

From: Successor Agency to the former Redevelopment Agency of the City of Santa Ana

Subject: Resolution Approving Transfer of Real Property to the City of Santa Ana

## Recommended Action:

Adopt a resolution directing the Santa Ana Successor Agency to transfer Real Property located at Third Street and Main Street (APN 398-601-02) to the City of Santa Ana and taking related actions.

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The Successor Agency to the former Redevelopment Agency of the City of Santa Ana (“Santa Ana Successor Agency”) requests that the Oversight Board adopt a Resolution (Attachment 1) to approve the sale and transfer of the property located at Third Street and Main Street, as depicted in Attachment 2 - Location Map, which is also identified as APN 398-601-02, (the “Property”) to the City of Santa Ana (“City”). The sale and transfer will further the wind-down of the affairs of the former Redevelopment Agency of the City of Santa Ana, pursuant to HSC section 34181(a).

The Property is identified in the Santa Ana Successor Agency Long Range Management Plan (LRPMP) for disposition via sale to benefit the taxing agencies; and is the last remaining property held by the Santa Ana Successor Agency. In July 1981, the City acquired the Property as a parking lot and provided 60 parking spaces via a Parking Space Agreement with the adjacent property owner. Furthermore, the adjacent property owner maintains the Property through a Property Maintenance License and Revocable Access easement with the City.

The fair market value and purchase price for the City was established as \$190,000 by an appraisal conducted on October 3, 2023 (Attachment 3). Following the appraisal, the City undertook multiple steps at the City’s Planning Commission (General Plan Consistency Finding), Successor Agency (Summary Report and Reuse Analysis and Approval of Sale) and City Council (Exemption finding for the Surplus Land Act and Approval of Sale) to effectuate the sale and acquisition of the Property. The most important of these actions was the approval of the sale conducted by the City Council and the Successor Agency.

On September 23, 2024, the governing board of the Santa Ana Successor Agency and the City Council held a joint public hearing and approved the acquisition of the Property via a Santa Ana Successor Agency Resolution (Attachment 4), a City Council Resolution (Attachment 5), and a Purchase and Sale Agreement (Attachment 6). The Santa Ana Successor Agency seeks approval of the Oversight Board to 1) adopt a Resolution (Attachment 1) to approve the transfer of certain Real Property to the City of Santa Ana pursuant to LRPMP, 2) authorize the Santa Ana Successor Agency Executive Director to execute all pertinent documents, and 3) authorize staff to transmit the approved Resolution and documents to the State Department of Finance.

## Impact on Taxing Entities

There is no fiscal impact for this action. The proceeds of the sale will be remitted to the County Auditor-Controller for disbursement to the local taxing entities that will receive a distribution of \$190,000 generated by the sale of the Property, which will be a financial benefit to the local taxing entities.

Staff Contact(s)

Waldo Barela Jr., Administrative Services Manager, 714-647-5376, [wbarela@santa-ana.org](mailto:wbarela@santa-ana.org)

Michael L. Garcia, Executive Director, Community Development Agency, 714-647-5336, [mgarcia15@santa-ana.org](mailto:mgarcia15@santa-ana.org)

Attachments

1. Oversight Board Resolution
2. Location Map
3. Appraisal Report
4. Successor Agency Resolution
5. City of Santa Ana Resolution
6. Purchase and Sale Agreement

RESOLUTION NO. 25-005

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA DIRECTING THE DISPOSITION AND TRANSFER OF PROPERTY LOCATED AT THIRD STREET AND MAIN STREET (APN 398-601-02) TO THE CITY OF SANTA ANA AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011 and amended from time to time, the “Dissolution Act”) and the California Supreme Court’s decision in California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011), all redevelopment agencies within the State of California, including the Community Redevelopment Agency of the City of Santa Ana (“Former Agency”), were dissolved; and

WHEREAS, on January 9, 2012, pursuant to section 34173 of the California Health and Safety Code (“HSC”), the City of Santa Ana (“City”) elected to serve as the Successor Agency to the dissolved Former Agency (“Successor Agency”); and

WHEREAS, the Successor Agency is tasked with winding down the Former Agency’s affairs; and pursuant to HSC section 34175(b), all assets, including real properties, of the Former Agency transferred to the control of the Successor Agency by operation of law; and

WHEREAS, the Former Agency acquired certain sites, delineated as follows: Third Street and Main Street, APN 398-601-02; and

WHEREAS, the Properties are included in the Long Range Property Management Plan identified for disposition via sale for the benefit of taxing agencies, and the City believes that the Properties will be useful in pursuing the public purpose activities of the City; and

WHEREAS, accordingly, in furtherance of its wind-down of the Former Agency’s affairs, the Successor Agency desires to transfer the Properties to the City pursuant to HSC section 34181(a); and

WHEREAS, the fair market value and purchase price was established as \$190,000 by an appraisal conducted on October 3, 2023, and the City and the Successor Agency have reviewed the fair market value of the Properties, as aggregated, and have concluded that the value of such Properties are consistent with the purchase price as set forth in a “Purchase and Sale Agreement” (the “Agreement”); and

WHEREAS, on September 23, 2024, the governing board of the Successor Agency and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Successor Agency reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, the Successor Agency has considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Properties pursuant to the Agreement complies with the Oversight Board’s direction to dispose of all assets and properties of the Former

Agency pursuant to HSC section 34181(a), and in accord with the public purposes and provisions of applicable State and local laws and requirements; and

WHEREAS, the Successor Agency approved the Agreement via Resolution No. 2024-003 and the City approved the Agreement via Resolution No. 2024-052; and

WHEREAS, pursuant to HSC Section 34179(j), commencing on and after July 1, 2018, the Orange Countywide Oversight Board (the "Oversight Board") has jurisdiction over the Successor Agency; and

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD;

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby authorizes and directs the Successor Agency to transfer of the Property to the City and authorizes the Successor Agency to execute and deliver a deed (the "Deed"), substantially in the form attached as Exhibit A, for such transfer.

Section 3. The members of this Oversight Board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution.

The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

**EXHIBIT A**

**LEGAL DESCRIPTION**

The land referred to herein is situated in the State of California, County of Orange, described as follows:

Lot 4 of Tract Map 16217, in the City of Santa Ana, County of Orange, State of California, filed in Book 833, Pages 48 through 50, inclusive of Maps, in the Office of the County Recorder of Orange County, California.

APN: 398-601-02



**EXHIBIT A**

**DEED**

**RECORDING REQUESTED BY  
AND  
WHEN RECORDED MAIL TO:**

City of Santa Ana  
20 Civic Center Plaza  
Santa Ana, CA 92701  
Attn: \_\_\_\_\_

APN: 398-601-02

[Space above for recorder.]

EXEMPT FROM PAYMENT OF DOCUMENTARY  
TRANSFER TAX (TRANSFER BETWEEN PUBLIC  
AGENCIES)

**GRANT DEED**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana (“Grantor”), hereby grants to the City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California, that certain real property located in the County of Orange, State of California, more particularly described on **Attachment No. 1** attached hereto and incorporated herein by this reference (the “Property”), subject to existing easements, restrictions and covenants of record.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of \_\_\_\_\_, 2025.

**SUCCESSOR AGENCY TO THE FORMER  
COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF SANTA ANA**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Executive Director

**ATTACHMENT NO. 1 TO GRANT DEED**

**LEGAL DESCRIPTION**

The land referred to herein is situated in the State of California, County of Orange, described as follows:

Lot 4 of Tract Map 16217, in the City of Santa Ana, County of Orange, State of California, filed in Book 833, Pages 48 through 50, inclusive of Maps, in the Office of the County Recorder of Orange County, California.

APN: 398-601-02

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed under the foregoing Grant Deed by the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana to the City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California (“City”) as to the following property:

Real property in the City of Santa Ana, County of Orange, State of California, described as follows:

Lot 4 of Tract Map 16217, in the City of Santa Ana, County of Orange, State of California, filed in Book 833, Pages 48 through 50, inclusive of Maps, in the Office of the County Recorder of Orange County, California.

APN: 398-601-02

is hereby accepted by the City Manager of the City on behalf of the City pursuant to authority conferred by action of the City Council of the City by Resolution No. \_\_\_\_\_ of the City Council, and the City as grantee consents to recordation thereof by its duly authorized officer.

CITY OF SANTA ANA

\_\_\_\_\_  
Alvaro Nuñez  
City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:  
Sonia R. Carvalho  
City Attorney

By: \_\_\_\_\_  
Andrea Garcia-Miller  
Assistant City Attorney

**Property Location:** APN 398-601-02; Third and Main Street  
**Property Use:** Parking Lot Agreement for 60 Spaces  
**Square Footage:** 27,830



**Property Description:**

Property is located on the Southwest Corner of Third Street and Main Street. The property has a property maintenance license and revocable access easement agreement which includes “exclusive access to sixty (60) parking spaces”.

CBRE VALUATION & ADVISORY SERVICES

# APPRAISAL REPORT

PARKING LOT / APN 398-601-02  
3RD ST AND MAIN ST  
SANTA ANA, CALIFORNIA 92701  
CBRE FILE NO. CB23US065441-1

CLIENT: CITY OF SANTA ANA, COMMUNITY  
DEVELOPMENT AGENCY  
CLIENT REFERENCE NO.: A-2021-221-02

**CBRE**



Date of Report: October 3, 2023

Mr. Waldo Barela  
Administrative Services  
CITY OF SANTA ANA, COMMUNITY DEVELOPMENT AGENCY  
20 Civic Center Plaza, M-25  
Santa Ana, California 92702

RE: Appraisal of: Parking Lot / APN 398-601-02  
SW corner of 3rd St and Main St  
Santa Ana, Orange County, California  
CBRE, Inc. File No. CB23US065441-1  
Client Reference No.: A-2021-221-02

Dear Mr. Barela:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The purpose of this appraisal is to estimate the market value of the property for transfer of the property from the Successor Agency to the City of Santa Ana.

The property which is the subject of this appraisal is comprised of a single parcel totaling 0.639± acres and is currently improved as a parking lot. It is located on the southwest corner of 3rd and Main Streets within the City of Santa Ana. This is a property owned by the Successor Agency of the Former Redevelopment Agency (Successor Agency) of the City.

We understand that the property is subject to a Parking Space Agreement dated May 18, 1993, and the agreement assures the Builders Exchange Associates (BEA) at 200 North Main Street, with future availability of 60 parking spaces exclusively for the use of BEA and successive owners of the property. This agreement will be considered in our valuation of the property.

We further understand that Swinerton purchased 200 North Main Street and currently holds a Property Maintenance License and Revocable Access easement that was entered into on October 11, 2019; the term was for 3 years and automatically renews in 1-year periods. However, the City has the right to cancel this agreement at the end of each term. At the request of our client, we will not consider this agreement in our appraisal.

Based on the analysis contained in the following report, the market value of the subject property is concluded as follows:

<b>MARKET VALUE CONCLUSION</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
As Is - Land	Fee Simple Estate	September 11, 2023	\$190,000
Compiled by CBRE			

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

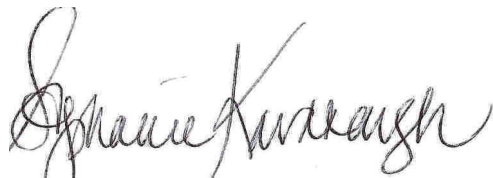
The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



Stephanie Kavanaugh  
 AG030565  
 Phone: 949-591-8149  
 Email: stephanie.kavanaugh@cbre.com



J. Richard Donahue, MAI  
 AG008427  
 Phone: 949-591-8147  
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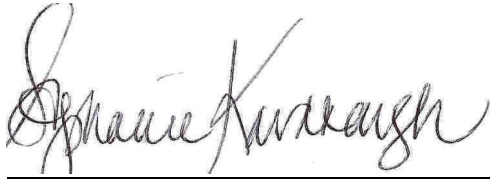
## Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of California.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, J. Richard Donahue, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
10. No Candidates/Practicing Affiliates of the Appraisal Institute have signed this report.
11. Stephanie Kavanaugh conducted an on-site inspection of the subject property. J. Richard Donahue, MAI did not personally conduct an on-site inspection.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.



14. Stephanie Kavanaugh and J. Richard Donahue, MAI have not provided any 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 agreement to perform this assignment.



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Stephanie Kavanaugh  
AG030565



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J. Richard Donahue, MAI  
AG008427

## Subject Photographs



Aerial View



Photo 1 – Access from 2<sup>nd</sup> Street



Photo 2 – Subject parking lot



Photo 3 – Subject parking lot



Photo 4 – Subject parking lot



Photo 5 – Subject parking lot



Photo 6 – 200 N. Main St (NAP)





Photo 7 – East on 2<sup>nd</sup> Street



Photo 8 – West on 2<sup>nd</sup> Street



Photo 9 – South on Main Street



Photo 10 – North on Main Street



Photo 11 – East on 3<sup>rd</sup> Street



Photo 12 – West on 3<sup>rd</sup> Street

## Executive Summary

### EXECUTIVE SUMMARY

<b>Property Name</b>	Parking Lot / APN 398-601-02		
<b>Location</b>	3rd St and Main St Santa Ana, Orange County, CA 92701		
<b>Parcel Number(s)</b>	398-601-02		
<b>Client</b>	City of Santa Ana, Community Development Agency		
<b>Highest and Best Use</b>			
As If Vacant	Future commercial development with 60 additional parking spaces		
As Improved	Parking Lot		
<b>Property Rights Appraised</b>	Fee Simple Estate		
<b>Date of Inspection</b>	September 11, 2023		
<b>Estimated Exposure Time</b>	6 - 12 Months		
<b>Estimated Marketing Time</b>	6 - 12 Months		
<b>Primary Land Area</b>	0.64 AC	27,835 SF	
<b>Zoning</b>	SD-84 - Specific Development		
<b>Buyer Profile</b>	Public Agency or Developer		

#### CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Fee Simple Estate	September 11, 2023	\$190,000

Compiled by CBRE

## STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

### Strengths/ Opportunities

- The subject property is located in Downtown Santa Ana.
- The current SD-84 zoning allows for numerous uses.

### Weaknesses/ Threats

- The subject property is subject to a Parking Space agreement which limits its current use to parking for the adjacent office building.
- Commercial real estate market conditions have deteriorated at the macro level. The significant recent increase in the cost of capital and reduced volume of transaction activity is impacting price discovery and creating an increase in uncertainty. Increasing interest rates and subdued economic growth will continue to weigh on commercial real estate fundamentals and investment transaction volumes. This creates a higher degree of uncertainty in general, though the impacts may vary by market and asset class/type.

## MARKET VOLATILITY

We draw your attention to a combination of inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have significantly increased the

potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

## CURRENT ECONOMIC CONDITIONS

At its July 2023 meeting, the Federal Reserve raised the federal funds rate by 25 basis points to a 22-year-high range of 5.25% to 5.50% and indicated that future changes in monetary policy will depend on incoming data, taking into consideration the lagged impact of tightening monetary policy on the economy. The Fed also noted that it will continue to reduce the size of its balance sheet by \$95 billion per month.

Inflation is slowing as the pandemic's impact wears off. The economy has been remarkably resilient in the face of rapid rate hikes and inflation is unlikely to fall to 2.0% with a continued tight labor market and an unemployment rate of only 3.6%. For this reason, another rate hike cannot be ruled out, but we believe that the current rate of 5.25% to 5.50% will be enough to sufficiently weaken the labor market.

While opinions vary on future economic issues, the general market consensus at the time of this appraisal is the anticipation of moderating inflation as higher interest rates cool demand. Tighter lending conditions and a weakening economy will keep capital markets activity subdued and reduce leasing demand in the short to medium term. Amid this uncertain and dynamic environment, investment market performance will be uneven across property types.

## EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions." <sup>1</sup>

- None noted

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<sup>1</sup> The Appraisal Foundation, *USPAP, 2020-2021 (Effective January 1, 2020 through December 31, 2023)*

## HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.”<sup>2</sup>

- None noted

## OWNERSHIP AND PROPERTY HISTORY

OWNERSHIP SUMMARY	
Item	Current
<b>Current Ownership</b>	
Owner:	The City of Santa Ana
Sale in Last 3 Years?:	No
County/Locality Name:	Orange
Compiled by CBRE	

CBRE is unaware of any arm’s length ownership transfers of the property within three years of the date of appraisal. Further, the property is not reportedly being offered for sale as of the current date.

## EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- Exposure periods for comparable sales used in this appraisal;
- Exposure/marketing time information from the CBRE, Inc. National Investor Survey and the PwC Real Estate Investor Survey; and
- The opinions of market participants.

EXPOSURE/MARKETING TIME DATA		
Investment Type	Exposure/Mktg. (Months)	
	Range	Average
<b>CBRE Exposure Time Estimate</b>	<b>6 - 12 Months</b>	
<b>CBRE Marketing Period Estimate</b>	<b>6 - 12 Months</b>	
Various Sources Compiled by CBRE		

<sup>2</sup> The Appraisal Foundation, *USPAP, 2020-2021 (Effective January 1, 2020 through December 31, 2023)*

## Table of Contents

Certification .....	i
Subject Photographs.....	iii
Executive Summary .....	vi
Table of Contents.....	ix
Scope of Work .....	1
Area Analysis .....	5
Neighborhood Analysis .....	7
Site Analysis.....	11
Zoning.....	15
Tax and Assessment Data .....	17
Market Analysis.....	18
Highest and Best Use .....	38
Land Value .....	39
Conclusion of Value .....	44
Assumptions and Limiting Conditions.....	46
<b>ADDENDA</b>	
A Land Sale Data Sheets	
B Subject Information	
C Qualifications	



## Scope of Work

This Appraisal Report is intended to comply with the real property appraisal development and reporting requirements set forth under Standards Rule 1 and 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied.

### INTENDED USE OF REPORT

This appraisal is to be used for internal use and no other use is permitted.

### CLIENT

The client is City of Santa Ana, Community Development Agency.

### INTENDED USER OF REPORT

This appraisal is to be used by City of Santa Ana, Community Development Agency. No other user(s) may rely on our report unless as specifically indicated in this report.

Intended users are those who an appraiser intends will use the appraisal or review report. In other words, appraisers acknowledge at the outset of the assignment that they are developing their expert opinions for the use of the intended users they identify. Although the client provides information about the parties who may be intended users, ultimately it is the appraiser who decides who they are. This is an important point to be clear about: The client does not tell the appraiser who the intended users will be. Rather, the client tells the appraiser who the client needs the report to be speaking to, and given that information, the appraiser identifies the intended user or users. It is important to identify intended users because an appraiser's primary responsibility regarding the use of the report's opinions and conclusions is to those users. Intended users are those parties to whom an appraiser is responsible for communicating the findings in a clear and understandable manner. They are the audience.<sup>3</sup>

### RELIANCE LANGUAGE

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for

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<sup>3</sup> Appraisal Institute, *The Appraisal of Real Estate*, 15<sup>th</sup> ed. (Chicago: Appraisal Institute, 2020), 40.

any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

### **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to estimate the market value of the property for transfer of the property from the Successor Agency to the City of Santa Ana.

We understand that the property is subject to a parking Space Agreement dated May 18, 1993, and the agreement assures the Builders Exchange Associates (BEA) at 200 North Main Street, with future availability of 60 parking spaces exclusively for the use of BEA and successive owners of the property. This agreement will be considered in our valuation of the property.

We further understand that Swinerton purchased 200 North Main Street and currently holds a Property Maintenance License and Revocable Access easement that was entered into on October 11, 2019; the term was for 3 years and automatically renews in 1-year periods. However, the City has the right to cancel this agreement at the end of each term. At the request of our client, we will not consider this agreement in our appraisal.

### **DEFINITION OF VALUE**

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.<sup>4</sup>

### **INTEREST APPRAISED**

The value estimated represents Fee Simple Estate as defined below:

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<sup>4</sup> Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

*Fee Simple Estate* - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.<sup>5</sup>

### Extent to Which the Property is Identified

The property is identified through the following sources:

Postal address  
Assessor's records  
Legal description

### Extent to Which the Property is Inspected

Stephanie Kavanaugh inspected the subject property, as well as its surrounding environs on the effective date of appraisal. This inspection was considered adequate and is the basis for our findings. J. Richard Donahue, MAI did not inspect the subject property.

### Type and Extent of the Data Researched

CBRE reviewed the following:

Applicable tax data  
Zoning requirements  
Flood zone status  
Demographics  
Comparable data

### Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. For vacant land, the sales comparison approach has been employed for this assignment.

## STATEMENT OF COMPETENCY

Stephanie Kavanaugh and J. Richard Donahue, MAI have the appropriate knowledge, education and experience to complete this assignment competently.

## APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

### Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements

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<sup>5</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7<sup>th</sup> ed. (Chicago: Appraisal Institute, 2022), 73.

that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

### Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

### Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

### Methodology Applicable to the Subject

The subject is valued as vacant land, and there is a relatively active land market. As a result, the sales comparison approach applies to the subject and is applied in our analysis.

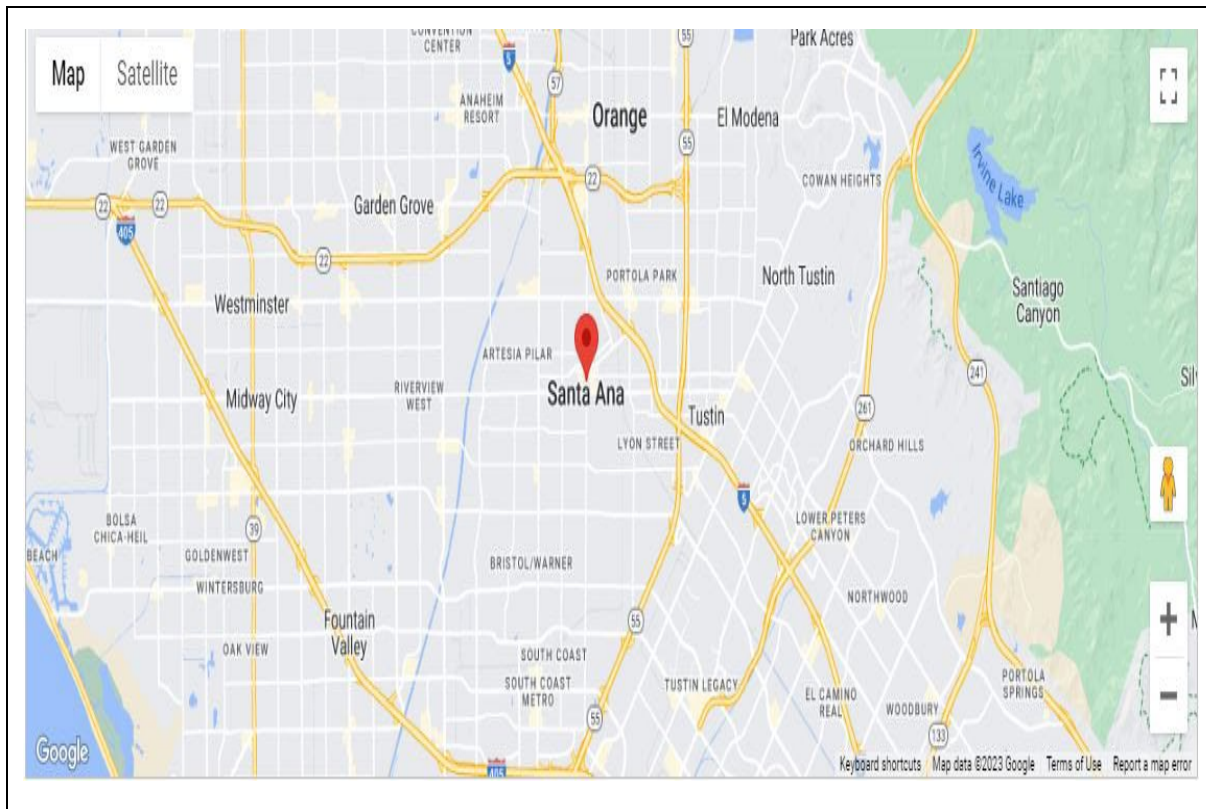
The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation. The subject is valued as vacant land and this approach is not applicable.

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing.

The income capitalization approach is usually given the greatest weight when evaluating investment properties. The subject property in its current condition does not generate any income. The income capitalization approach does not apply to this property type. Accordingly, this approach is not applicable.

The exclusion of said approach(s) is not considered to compromise the credibility of the results rendered herein.

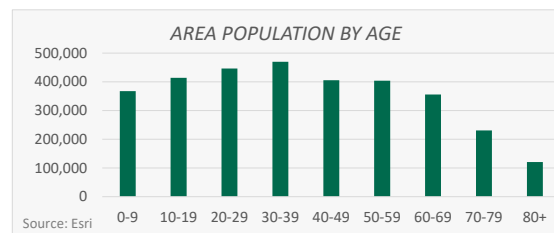
## Area Analysis



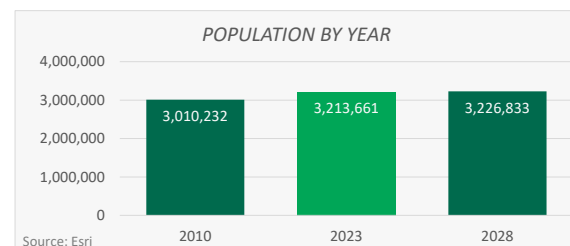
The subject is located in Orange County. Key information about the area is provided in the following tables.

### POPULATION

The area has a population of 3,213,661 and a median age of 38, with the largest population group in the 30-39 age range and the smallest population in 80+ age range.



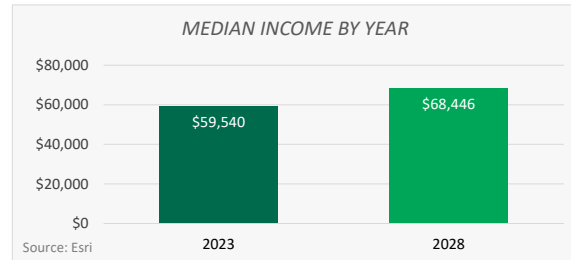
Population has increased by 203,429 since 2010, reflecting an annual increase of 0.5%. Population is projected to increase by 13,172 between 2023 and 2028, reflecting a 0.1% annual population growth.



Source: ESRI, downloaded on Aug, 30 2023

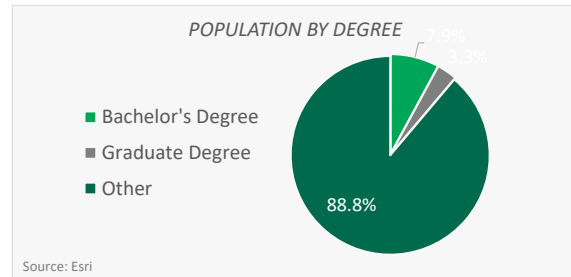
## INCOME

The area features an average household income of \$82,442 and a median household income of \$59,540. Over the next five years, median household income is expected to increase by 15.0%, or \$1,781 per annum.

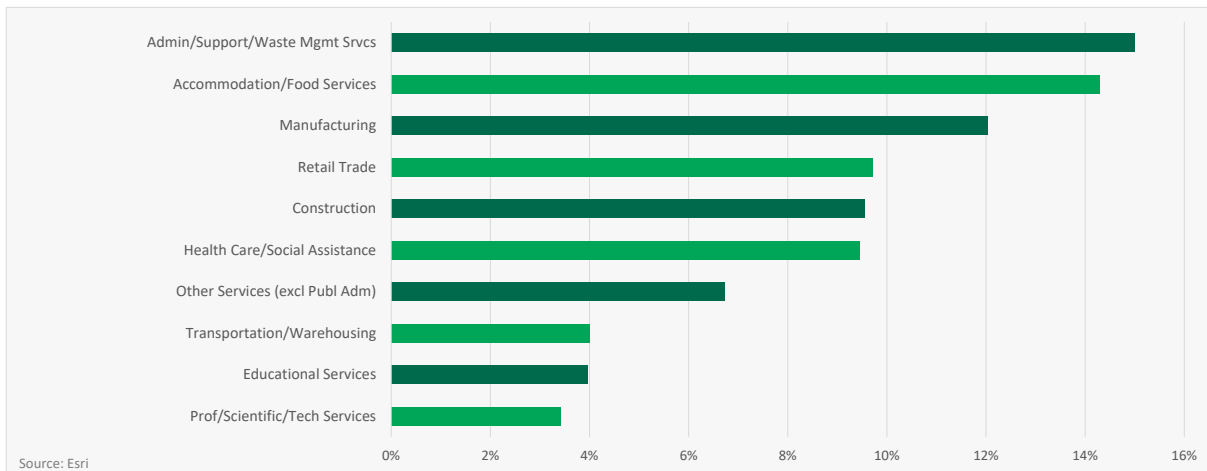


## EDUCATION

A total of 11.2% of individuals over the age of 24 have a college degree, with 7.9% holding a bachelor's degree and 3.3% holding a graduate degree.



## EMPLOYMENT



The area includes a total of 26,153 employees. The top three industries within the area are Admin/Support/Waste Mgmt Svcs, Accommodation/Food Services and Manufacturing, which represent a combined total of 41% of the workforce.

Source: ESRI, downloaded on Aug 30, 2023; BLS.gov dated Jan 0, 1900

In summary, the area is forecasted to experience an increase in population and an increase in household income.

# Neighborhood Analysis



### LOCATION

The subject is located on the southwest corner of 3<sup>rd</sup> Street and Main Street in the heart of Downtown Santa Ana. Surrounding improvements include offices, mixed-use, retail, commercial and public parking structures.

### BOUNDARIES

The neighborhood boundaries are detailed as follows:

- North: Civic Center Drive
- South: 1<sup>st</sup> Street
- East: I-5 Freeway
- West: Bristol Street

### ACCESS

Primary highway access to the area is via the I-5 Freeway. Public transportation is provided by OCTA and provides access throughout Orange County. Overall, the primary mode of transportation in the area is the automobile.

### LAND USE

The area is suburban and approximately 95% developed. Predominant land uses are residential, civic and office uses. During the last five years, development has been predominantly of multi-family residential uses. The pace of development has generally been intermittent over this time.



## DEMAND GENERATORS

Major employers include city government offices, sheriff's station, and City Hall. Also, there are numerous restaurants and commercial uses nearby.

## DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS					
3rd St and Main St Santa Ana, CA 92701	1 Mile Radius	3 Mile Radius	5 Mile Radius	California	Orange County
<b>Population</b>					
2028 Total Population	62,516	322,692	679,540	40,140,276	3,226,833
2023 Total Population	61,043	318,318	671,022	39,877,642	3,213,661
2010 Total Population	65,252	331,821	656,899	37,253,956	3,010,232
2000 Total Population	71,609	346,157	649,087	33,871,648	2,846,230
Annual Growth 2023 - 2028	0.48%	0.27%	0.25%	0.13%	0.08%
Annual Growth 2010 - 2023	-0.51%	-0.32%	0.16%	0.52%	0.50%
Annual Growth 2000 - 2010	-0.93%	-0.42%	0.12%	0.96%	0.56%
<b>Households</b>					
2028 Total Households	15,009	83,845	200,802	13,819,199	1,102,984
2023 Total Households	14,532	81,607	195,586	13,648,502	1,089,171
2010 Total Households	13,735	76,875	175,869	12,577,498	992,781
2000 Total Households	13,904	77,391	169,066	11,502,870	935,244
Annual Growth 2023 - 2028	0.65%	0.54%	0.53%	0.25%	0.25%
Annual Growth 2010 - 2023	0.43%	0.46%	0.82%	0.63%	0.72%
Annual Growth 2000 - 2010	-0.12%	-0.07%	0.40%	0.90%	0.60%
<b>Income</b>					
2023 Median Household Income	\$59,540	\$80,372	\$88,325	\$89,455	\$105,332
2023 Average Household Income	\$82,442	\$107,522	\$119,648	\$131,660	\$148,983
2023 Per Capita Income	\$19,705	\$27,684	\$34,944	\$45,201	\$50,563
2023 Pop 25+ College Graduates	3,805	38,724	132,823	10,252,701	1,002,338
Age 25+ Percent College Graduates - 2023	11.2%	19.9%	30.5%	37.8%	45.2%

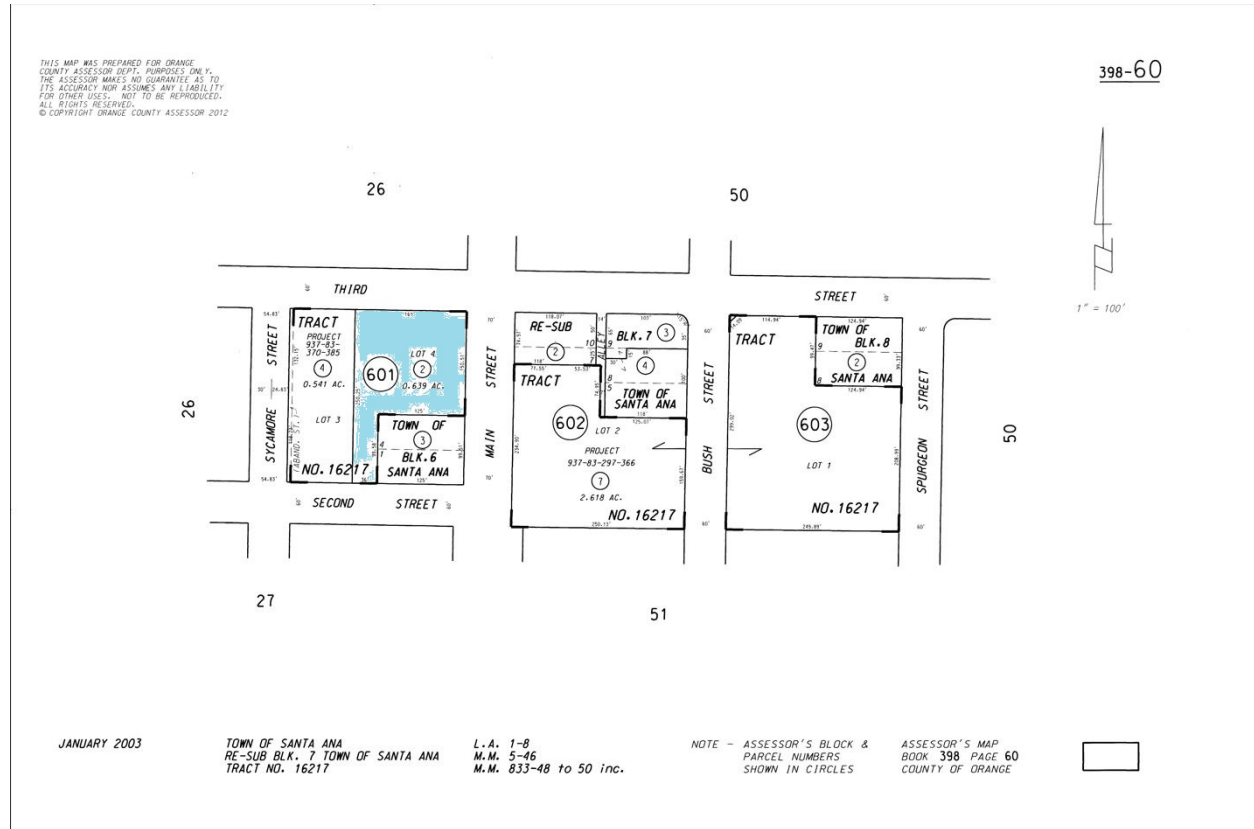
Source: ESRI

## CONCLUSION

The area is in the revitalization stage of its life cycle. We anticipate that property values will continue to increase in the near future.



PLAT MAP

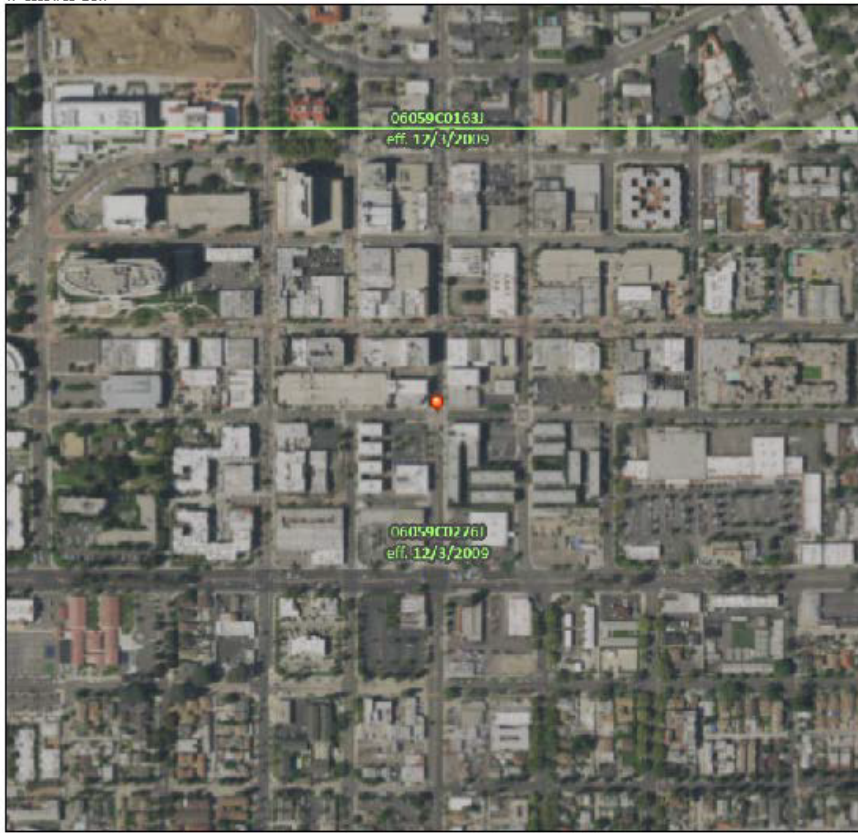


FLOOD PLAIN MAP

National Flood Hazard Layer FIRMette



11 751 42° W 32 54 13° N



0 250 500 1,000 1,500 2,000 Feet 1:6,000  
 Basemap Imagery Source: USGS National Map 2023

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

<b>SPECIAL FLOOD HAZARD AREAS</b>	<ul style="list-style-type: none"> <li>Without Base Flood Elevation (BFE) Zone A, X, AE</li> <li>With BFE Depth Zone A, X, AE, AC, AP</li> <li>Regulatory Floodway</li> </ul>
<b>OTHER AREAS OF FLOOD HAZARD</b>	<ul style="list-style-type: none"> <li>0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with average areas of less than one square mile. Zone F</li> <li>Future Conditions 1% Annual Chance Flood Hazard Zone F</li> <li>Area with Reduced Flood Risk due to Levees. See Note. Zone X</li> <li>Area with Flood Risk due to Levees. Zone D</li> </ul>
<b>OTHER AREAS</b>	<ul style="list-style-type: none"> <li>NO SCREEN Area of Minimal Flood Hazard Zone F</li> <li>Effective 10 MRS</li> <li>Area of Unincorporated Flood Hazard Zone D</li> </ul>
<b>GENERAL STRUCTURES</b>	<ul style="list-style-type: none"> <li>Channel, Outfall, or Storm Sewer Levee, Dike, or Retention Wall</li> </ul>
<b>OTHER FEATURES</b>	<ul style="list-style-type: none"> <li>200 Cross Sections with 1% Annual Chance</li> <li>17.6 Water Surface Elevation</li> <li>2 Coastal Transects</li> <li>Base Flood Elevation Line (BFE)</li> <li>Line of Study</li> <li>Jurisdiction Boundary</li> <li>Coastal Transect, Baseline</li> <li>Profile Baseline</li> <li>Hydrographic Feature</li> </ul>
<b>MAP PANELS</b>	<ul style="list-style-type: none"> <li>Digital Data Available</li> <li>No Digital Data Available</li> <li>Unmapped</li> </ul> <p>The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.</p>

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown conflicts with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was updated on 02/20/2025 to 2024 NFHL and therefore reflects changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legends, scale bar, map coordinate data, community locations, FIRM panel number, and FIRM effective date. Map images for unimproved and unincorporated areas cannot be used for regulatory purposes.

## Site Analysis

The following chart summarizes the salient characteristics of the subject site.

<b>SITE SUMMARY AND ANALYSIS</b>			
<b>Physical Description</b>			
Gross Site Area	0.64 Acres	27,835 Sq. Ft.	
Net Site Area	0.64 Acres	27,835 Sq. Ft.	
Primary Road Frontage	3rd St	160 Feet	
Secondary Road Frontage	Main St	150 Feet	
Shape	Irregular		
Topography	Level, At Street Grade		
Parcel Number(s)	398-601-02		
Zoning District	SD - 4 - Specific Development		
Flood Map Panel No. & Date	06059C0276J	3-Dec-09	
Flood Zone	Zone X (Unshaded)		
Adjacent Land Uses	Office and Mixed-use		
<b>Comparative Analysis</b>			<b>Rating</b>
Visibility			Average
Functional Utility			Average
Traffic Volume			Average
Adequacy of Utilities			Average
Landscaping			Average
Drainage			Average
<b>Utilities</b>		<b>Availability</b>	
Water	City of Santa Ana		
Sewer	City of Santa Ana		
Natural Gas	Southern California Gas Co.		
Electricity	Southern California Edison		
Telephone	Various		
Mass Transit	OCTA		
<b>Other</b>	<b>Yes</b>	<b>No</b>	<b>Unknown</b>
Detrimental Easements		X	
Encroachments		X	
Deed Restrictions	X		
Reciprocal Parking Rights	X		
Various sources compiled by CBRE			

## LAND AREA

The land area size was obtained via the Assessor's Parcel Map. The site is considered adequate in terms of size and utility. There is no unusable, excess or surplus land area.

## SHAPE AND FRONTAGE

The site is irregular and has adequate frontage along two primary thoroughfares within the neighborhood.

## INGRESS/EGRESS

A reciprocal ingress/egress easement provides access to the site via 2<sup>nd</sup> Street.

## TOPOGRAPHY AND DRAINAGE

The site is generally level and at street grade. The topography of the site is not seen as an impediment to the development of the property. During our inspection of the site, we observed no drainage problems and assume that none exist.

## SOILS

A soils analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soils report, it is a specific assumption that the site has adequate soils to support the highest and best use.

## EASEMENTS AND ENCROACHMENTS

There are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

## COVENANTS, CONDITIONS AND RESTRICTIONS

We understand that the property is subject to a parking Space Agreement dated May 18, 1993, and the agreement assures the Builders Exchange Associates (BEA) at 200 North Main Street, with future availability of 60 parking spaces exclusively for the use of BEA and successive owners of the property.

The Successor Agency Long Range Property Management Plan for the City of Santa Ana identifies this property for transfer/sale to the City of Santa Ana.

LRPMP PG 12 - The Successor Agency is bound by the original agreement to provide the 60 parking spaces indefinitely for use by the BEA property owner. This obligation is binding on all successive owners of the property per the agreement. The Successor Agency proposes to transfer this property to the City for future development. Per the dissolution laws, compensation

agreements with the affected taxing entities will be required as a condition of the transfer of the property to the City.

### **UTILITIES AND SERVICES**

The site includes access to all municipal services, including police, fire and refuse garbage collection. All utilities are available proximate to the site in adequate quality and quantity to service the highest and best use.

### **ENVIRONMENTAL ISSUES**

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

### **ADJACENT PROPERTIES**

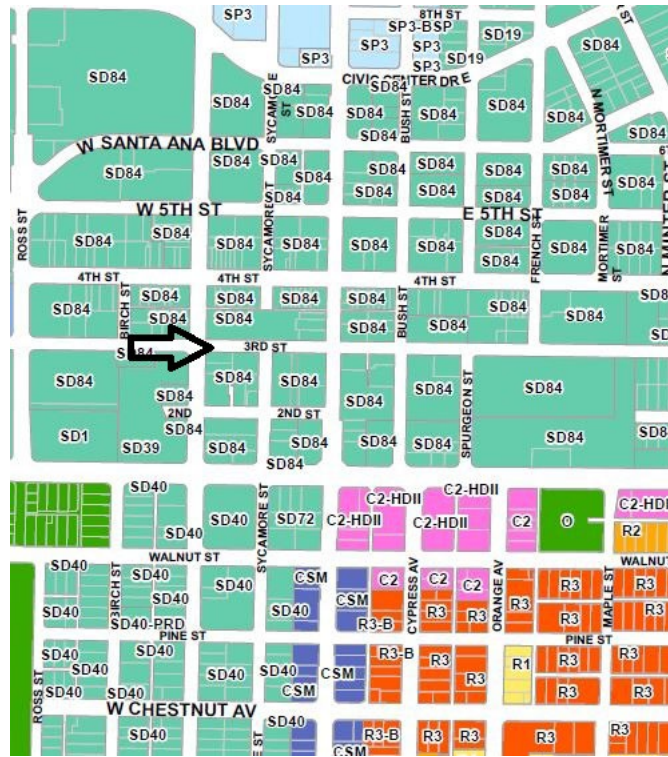
The adjacent land uses are summarized as follows:

North:	Public parking structure
South:	Office buildings and commercial uses
East:	City Hall
West:	Live/Work Lofts

### **CONCLUSION**

The site is physically suitable for numerous commercial and office uses. However, based on the parking space agreement it is restricted to use as a parking lot.

ZONING MAP



## Zoning

The following chart summarizes the subject’s zoning requirements.

<b>ZONING SUMMARY</b>	
Current Zoning	SD-84 - Specific Development
Legally Conforming	Yes
Uses Permitted	Numerous office, retail, and residential uses
Zoning Change	Not likely
<b>Category</b>	<b>Zoning Requirement</b>
Minimum Lot Size	N/A
Maximum Bldg. Coverage	N/A
Maximum FAR/Density	N/A
Source: Planning & Zoning Dept.	

The Specific Development District and suffix is authorized and established for the purpose of protecting and promoting the public health, safety and general welfare of the city and its residents by:

- (1)Protecting and enhancing the value of properties by encouraging the use of good design principles and concepts, as related to the division of property, site planning and individual improvements with full recognition of the significance and effect they have on the proper planning and development of adjacent and nearby properties.
- (2)Encouraging, securing and maintaining the orderly and harmonious appearance, attractiveness and aesthetic development of structures and grounds in order that the most appropriate use and value thereof be determined and protected.
- (3)Providing a method whereby specific development plans are to be based on the general plan as well as other regulations, programs, and legislation as may in the judgment of the city be required for the systematic execution of the general plan.
- (4)Recognizing the interdependence of land values and aesthetics and providing a method to implement this interdependence in order to maintain the values of surrounding properties and improvements and encouraging excellence of property development, compatible with the general plan for, and character of, the city, with due regard for the public and private interests involved.
- (5)Ensuring that the public benefits derived from expenditures of public funds for improvements and beautification of streets and public facilities shall be protected by exercise of reasonable controls over the character and design of private buildings, structures and open space.

According to the parking agreement, the Agency may, at some time in the future, enter into an agreement with a developer for the develop-ment of all or part of the Agency Property.

The BEA Property is developed with a building, known as the "Builders Exchange Building," which is a building of historical significance to the city of Santa Ana and which has been rehabilitated

for use as an office building, but which lacks sufficient off-street parking facilities to allow for its effective economic operation as such. The parties hereto desire to enter into this Agreement to assure the future availability of 60 parking spaces on the Agency Property servicing the Builders Exchange Building, while at the same time allowing for the development of all or part of the Agency Property by a developer pursuant to agreement with the Agency. It shall be the responsibility of the Agency, and the Agency agrees, to assure that any agreement entered into by the Agency with a developer for the development of all or part of the Agency Property accommodates the rights of BEA under the Agreement. No such agreement shall be approved by the Agency unless, following the completion of development pursuant to such agreement, the Agency Property shall contain parking facilities having at least 60 parking spaces which may be used in accordance with this Agreement.

### **ANALYSIS AND CONCLUSION**

The site is suitable for numerous uses as long as 60 parking spaces are provided for the adjacent office building. Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.



## Tax and Assessment Data

In California, privately held real property is typically assessed at 100% of full cash value (which is interpreted to mean market value of the fee simple estate) as determined by the County Assessor. Generally, a reassessment occurs only when a property is sold (or transferred) or when new construction occurs (as differentiated from replacing existing construction). In the case of long-term ground leases, the general rule is that a reassessment is made at the time of assigning or terminating a lease where the remaining term is more than 35 years. For reassessment purposes, the lease term includes all options to extend. Assessments for properties that were acquired before the tax year 1975-1976 were stabilized as of the tax year 1975-1976. Property taxes are limited by state law to 1% of the assessed value plus voter-approved obligations and special assessments. If no sale (or transfer) occurs or no new building takes place, assessments may not increase by more than 2% annually.

The subject property is owned by the City of Santa Ana and is exempt from taxes.

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## Market Analysis

The subject property is zoned for Specific Development which allows for numerous commercial and office uses. Based on its location, surrounding improvements and current use a review of the Orange County Office and Orange County Retail markets are made. The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility.

## METROPOLITAN ORANGE COUNTY OFFICE MARKET OVERVIEW

### Recent Performance

The following table summarizes historical and projected performance for the overall metropolitan Orange County office market, as reported by CoStar.

ORANGE COUNTY OFFICE MARKET								
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF Gross)	Asking Rent Change	Net Absorption (SF)	Transaction Price Per Area (SF)
2013	153,690,771	-521,020	136,348,544	88.7%	\$23.89	5.73%	1,214,088	\$226.65
2014	154,754,783	1,064,012	139,381,872	90.1%	\$25.60	7.15%	3,033,326	\$207.65
2015	154,555,487	-199,296	140,839,456	91.1%	\$28.06	9.63%	1,457,587	\$268.82
2016	155,052,971	497,484	142,473,440	91.9%	\$29.69	5.81%	1,633,986	\$275.38
2017	157,187,354	2,134,383	142,829,488	90.9%	\$31.11	4.78%	355,246	\$295.04
2018	157,986,648	799,294	143,410,528	90.8%	\$32.27	3.73%	548,930	\$259.78
2019	158,892,530	905,882	143,587,920	90.4%	\$33.19	2.84%	172,875	\$293.60
2020	158,686,232	-206,298	141,815,968	89.4%	\$32.04	-3.46%	-1,771,960	\$332.30
2021	158,188,838	-497,394	140,163,456	88.6%	\$31.16	-2.74%	-1,652,519	\$336.59
Q1 2022	157,979,527	-209,311	139,601,744	88.4%	\$31.00	-0.51%	-561,710	\$293.90
Q2 2022	157,775,226	-204,301	139,830,880	88.6%	\$30.98	-0.06%	229,142	\$358.25
Q3 2022	158,468,266	693,040	139,193,120	87.8%	\$30.85	-0.42%	-637,762	\$379.78
Q4 2022	158,375,380	-92,886	139,266,704	87.9%	\$30.94	0.27%	73,586	\$287.58
2022	158,375,380	186,542	139,266,704	87.9%	\$30.94	-0.72%	-896,744	\$287.58
Q1 2023	158,625,370	249,990	137,849,824	86.9%	\$31.06	0.39%	-1,416,876	\$249.18
Q2 2023	158,645,370	20,000	137,672,832	86.8%	\$31.02	-0.11%	-177,003	\$204.97
Q3 2023*	158,734,260	88,890	136,888,656	86.2%	\$30.97	-0.18%	-784,046	\$272.53
Q4 2023*	158,857,241	122,981	135,826,720	85.5%	\$30.86	-0.35%	-1,060,792	-
2023*	158,857,241	481,861	135,826,720	85.5%	\$30.86	-0.25%	-3,438,717	-
2024*	158,626,280	-230,961	134,434,032	84.7%	\$29.97	-2.88%	-1,384,846	-
2025*	158,393,446	-232,834	133,992,648	84.6%	\$30.15	0.62%	-434,262	-
2026*	158,213,128	-180,318	133,531,416	84.4%	\$30.48	1.07%	-454,641	-
2027*	158,116,004	-97,124	133,564,272	84.5%	\$30.91	1.42%	39,432	-
2028*	158,087,499	-28,505	133,815,696	84.6%	\$31.36	1.46%	258,349	-

\* Future Projected Data according to CoStar

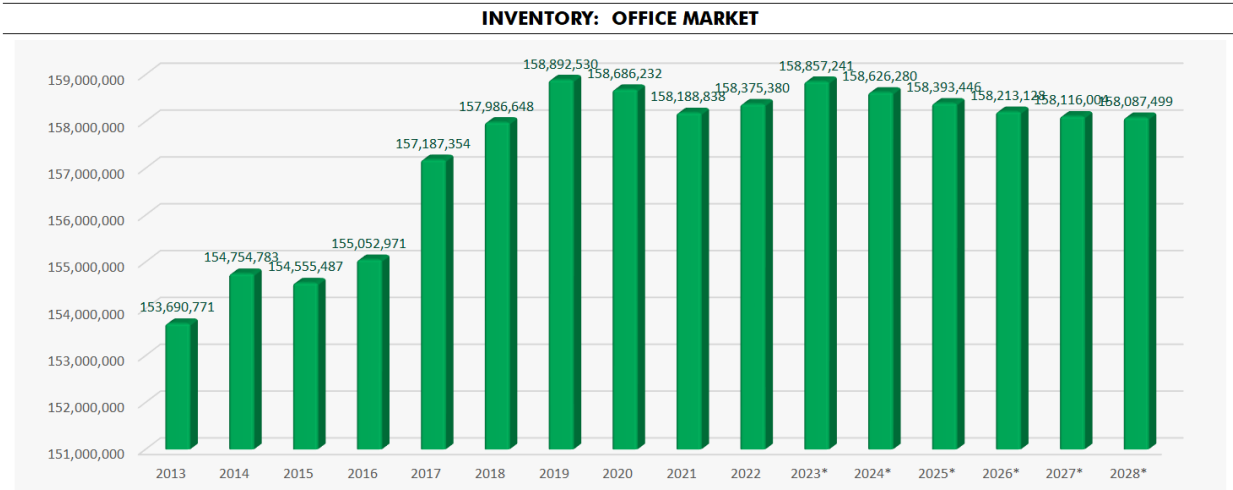
Source: CoStar, 2nd Quarter 2023

The Orange County office market consists of approximately 158,645,370 square feet of office space. The following observations are noted from the table above:

- As of 2nd Quarter 2023, there was approximately 137,672,832 square feet of occupied office space (including sublet space), resulting in an occupancy rate of 86.8% for the metro area. This reflects a small decrease from the previous quarter's occupancy of 86.9%, and a decrease from an occupancy rate of 87.9% from last year.
- The area experienced negative 177,003 square feet of net absorption for the current quarter. This indicates an improvement from the previous quarter's negative 1,416,876 square feet of net absorption, and an improvement from the negative 896,744 square feet of net absorption from last year.
- The area had completions of positive 20,000 square feet for the current quarter, which indicates a decrease from the previous quarter's completions of positive 249,990 square feet, and indicates a decline from completions of positive 186,542 square feet from last year.

- The area achieved average asking rent of \$31.02 per square foot, which indicates a small decrease from the previous quarter’s asking rent of \$31.06 per square foot, and an increase from the asking rent of \$30.94 per square foot from last year.

### Historical Inventory – Market

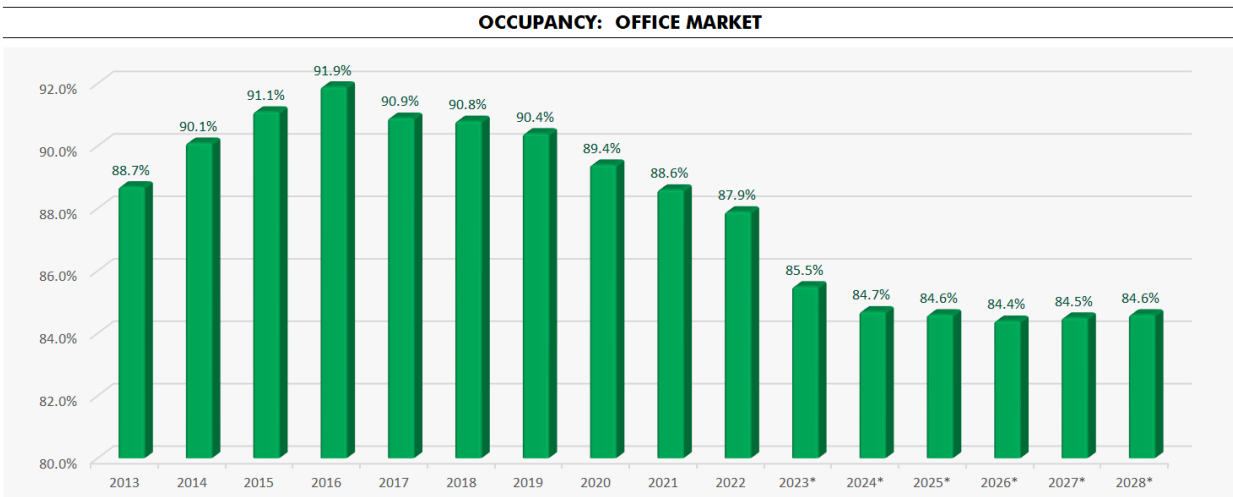


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

Inventory is projected to be 158,857,241 square feet at the end of the current year, which represents an increase from the previous year’s inventory of 158,375,380 square feet. Inventory for next year is projected to be 158,626,280 square feet, reflecting a decrease from the current year.

### Historical Occupancy - Market

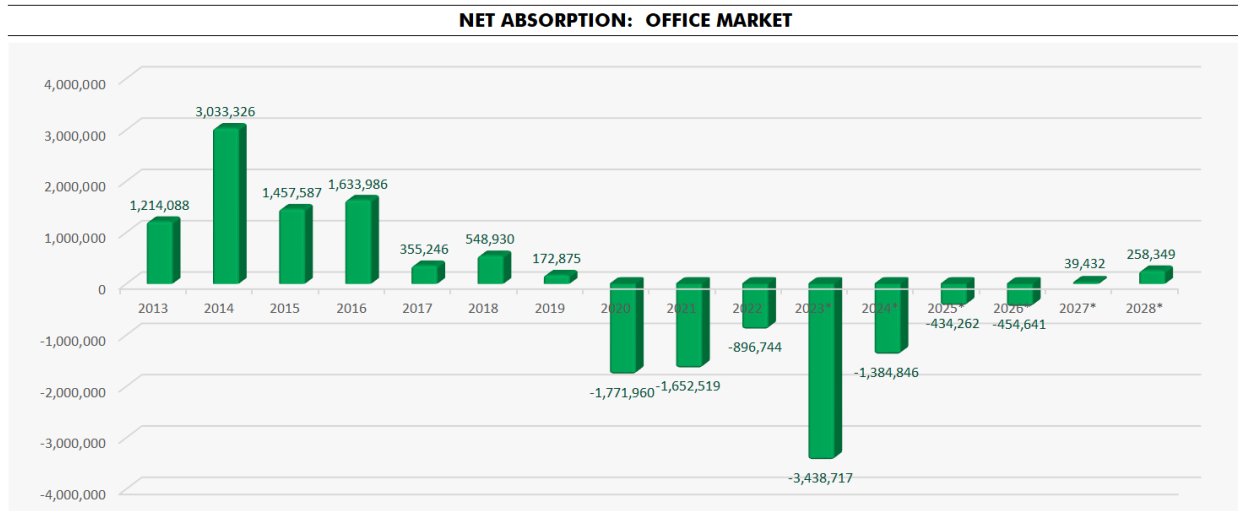


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

At the end of the current year, the occupancy rate is projected to be 85.5%, which reflects a decrease from the 87.9% occupancy rate at the end of last year. Occupancy for next year is projected to be 84.7%, reflecting a decrease from the current year.

### Historical Net Absorption - Market

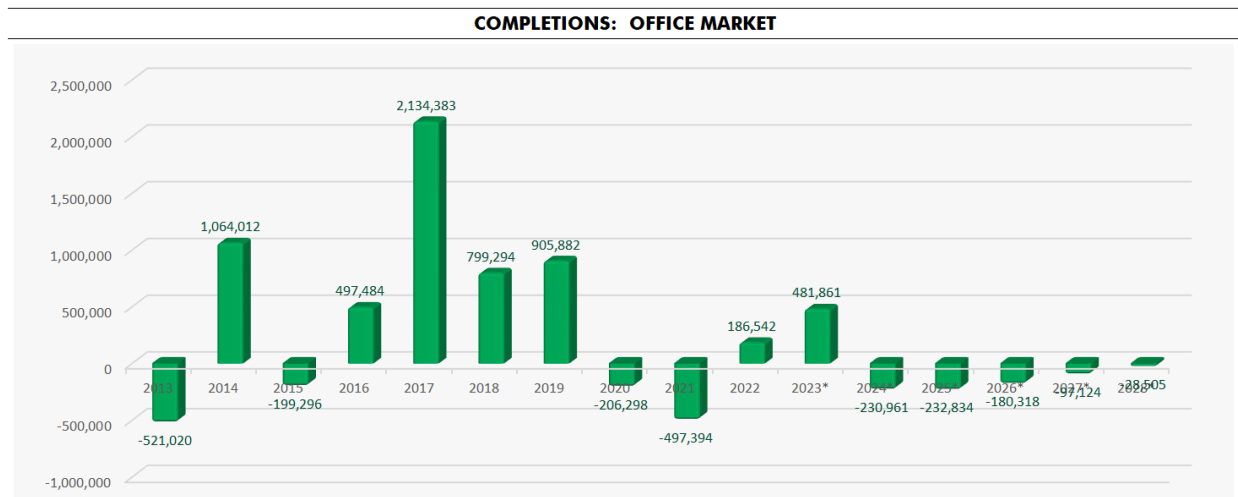


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

At the end of the current year, the area is projected to experience negative 3,438,717 square feet of net absorption, which indicates a decline from the negative 896,744 square feet of net absorption for the previous year. The area is projected to experience negative 1,384,846 square feet of net absorption as of the end of next year, which indicates an improvement from the current year.

### Historical Completions - Market

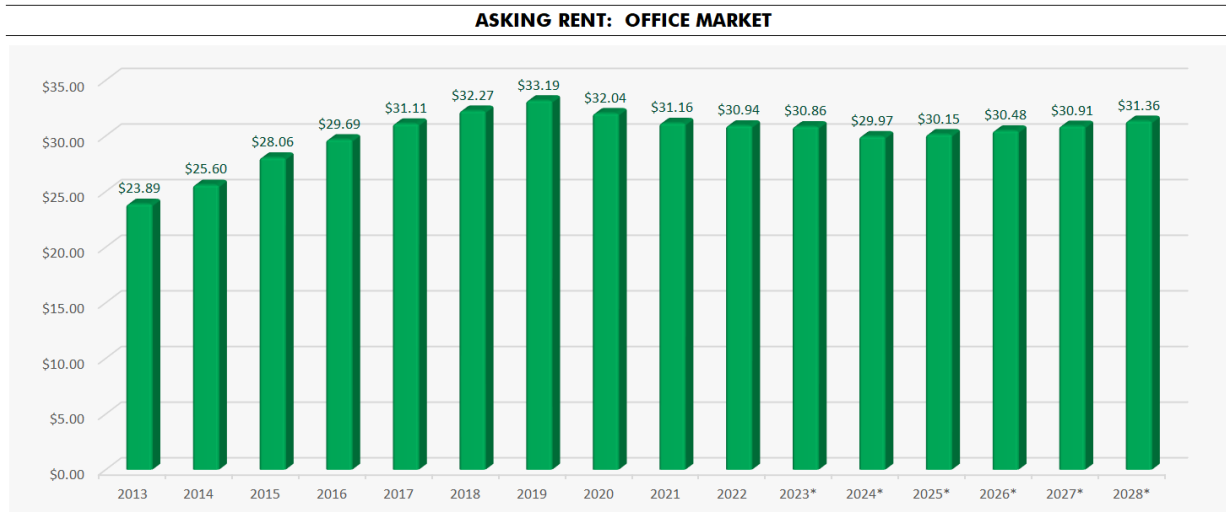


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

The area is projected to achieve completions of positive 481,861 square feet for the current year, which indicates an improvement from the previous year’s completions of positive 186,542 square feet. The area is projected to experience completions of negative 230,961 square feet as of the end of next year, which indicates a decline from the current year.

### Historical Asking Rent - Market



\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

The area is projected to achieve average asking rent of \$30.86 per square foot at the end of the current year, which indicates a decrease from the previous year’s asking rent of \$30.94 per square foot. The area is projected to achieve asking rent of \$29.97 per square foot by the end of next year, indicating a decrease from the current year.

## SUBMARKET SNAPSHOT

The following table summarizes the supply of office square footage for each submarket within the Orange County market as of 2nd Quarter 2023.

SUBMARKET SNAPSHOT				
Submarket	Inventory (SF)	Completions* (SF)	Asking Rent (\$/SF Gross)	Occupancy
Anaheim Hills	1,419,093	0	\$27.08	93.7%
Brea/La Habra	5,038,663	-9,576	\$26.87	86.8%
Buena Park/La Palma	2,415,421	5,940	\$27.58	94.2%
Civic Center Area	6,106,563	-1,199	\$26.36	91.7%
Costa Mesa	9,726,601	449,206	\$32.55	83.1%
Cypress	2,062,470	0	\$27.53	91.0%
East Orange	2,909,175	-4,988	\$29.41	94.6%
Fountain Valley	2,407,139	0	\$28.81	95.4%
Fullerton	3,820,094	-49,478	\$29.65	95.4%
Garden Grove	2,813,983	0	\$25.41	96.5%
Huntington Beach	3,391,972	2,463	\$29.09	85.8%
Irvine Spectrum	16,919,260	503,835	\$34.75	87.6%
Irvine/Tustin Legacy	28,200,025	0	\$31.70	82.5%
Laguna Hills/Aliso Viejo	6,325,241	0	\$31.95	79.1%
Laguna Niguel/Laguna Beach	2,475,698	0	\$36.80	94.8%
Lake Forest/Foothill Ranch/RSM	4,309,078	0	\$30.06	80.9%
Los Alamitos/Stanton	1,594,474	0	\$29.35	94.4%
Main Place Area	3,221,526	0	\$28.28	85.0%
Mission Viejo	2,655,755	0	\$31.58	84.2%
Newport Beach	14,003,363	0	\$38.51	89.1%
North/East Anaheim	7,258,632	-23,408	\$26.48	93.6%
Outlying Orange County	60,909	0	\$31.20	100.0%
Parkcenter Area	5,881,903	-2,651	\$26.98	86.2%
Placentia/Yorba Linda	1,060,989	0	\$27.49	94.2%
San Juan Cap/S Clemente/Dana				
Pt/Cap Bch	4,040,663	0	\$32.72	95.3%
<b>Santa Ana</b>	<b>5,698,941</b>	<b>0</b>	<b>\$28.24</b>	<b>82.2%</b>
Seal Beach	644,972	0	\$36.39	88.6%
South Santa Ana	2,469,234	0	\$27.36	70.0%
Stadium Area	3,764,023	0	\$28.26	81.0%
The City Area	2,665,293	0	\$28.30	74.6%
Tustin (South of I-5)	2,107,838	0	\$29.21	97.4%
Westminster	1,176,379	0	\$28.46	92.9%

\*Completions include trailing 4 quarters

Source: CoStar, 2nd Quarter 2023

## Santa Ana Submarket

Important characteristics of the Santa Ana office market are summarized below:

SANTA ANA OFFICE SUBMARKET							
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF Gross)	Asking Rent Change	Net Absorption (SF)
2013	5,730,831	-80,593	4,839,510	84.4%	\$19.35	2.97%	-417,310
2014	5,706,941	-23,890	4,891,202	85.7%	\$20.81	7.51%	51,692
2015	5,706,941	0	4,764,932	83.5%	\$22.60	8.63%	-126,270
2016	5,706,941	0	4,950,941	86.8%	\$23.77	5.17%	186,009
2017	5,706,941	0	5,211,982	91.3%	\$25.19	5.98%	261,041
2018	5,698,941	-8,000	5,115,282	89.8%	\$26.75	6.21%	-96,700
2019	5,698,941	0	4,942,102	86.7%	\$27.84	4.05%	-173,180
2020	5,698,941	0	4,880,428	85.6%	\$27.95	0.40%	-61,674
2021	5,698,941	0	5,015,805	88.0%	\$28.44	1.75%	135,377
Q1 2022	5,698,941	0	4,760,226	83.5%	\$28.51	0.26%	-255,579
Q2 2022	5,698,941	0	4,735,308	83.1%	\$28.32	-0.67%	-24,918
Q3 2022	5,698,941	0	4,607,524	80.8%	\$28.09	-0.80%	-127,784
Q4 2022	5,698,941	0	4,651,416	81.6%	\$28.19	0.34%	43,892
2022	5,698,941	0	4,651,416	81.6%	\$28.19	-0.87%	-364,389
Q1 2023	5,698,941	0	4,653,514	81.7%	\$28.27	0.30%	2,098
Q2 2023	5,698,941	0	4,684,406	82.2%	\$28.24	-0.12%	30,892
Q3 2023*	5,698,941	0	4,666,707	81.9%	\$28.14	-0.36%	-17,696
Q4 2023*	5,696,971	-1,970	4,610,144	80.9%	\$28.04	-0.36%	-56,504
2023*	5,696,971	-1,970	4,610,144	80.9%	\$28.04	-0.54%	-41,210
2024*	5,688,808	-8,163	4,573,273	80.4%	\$27.23	-2.88%	-36,567
2025*	5,680,658	-8,150	4,556,870	80.2%	\$27.41	0.66%	-16,119
2026*	5,672,523	-8,135	4,540,667	80.0%	\$27.73	1.15%	-15,928
2027*	5,664,404	-8,119	4,539,007	80.1%	\$28.15	1.53%	-1,369
2028*	5,656,321	-8,083	4,545,147	80.4%	\$28.60	1.60%	6,402

\*Future Projected Data according to CoStar  
Source: CoStar, 2nd Quarter 2023

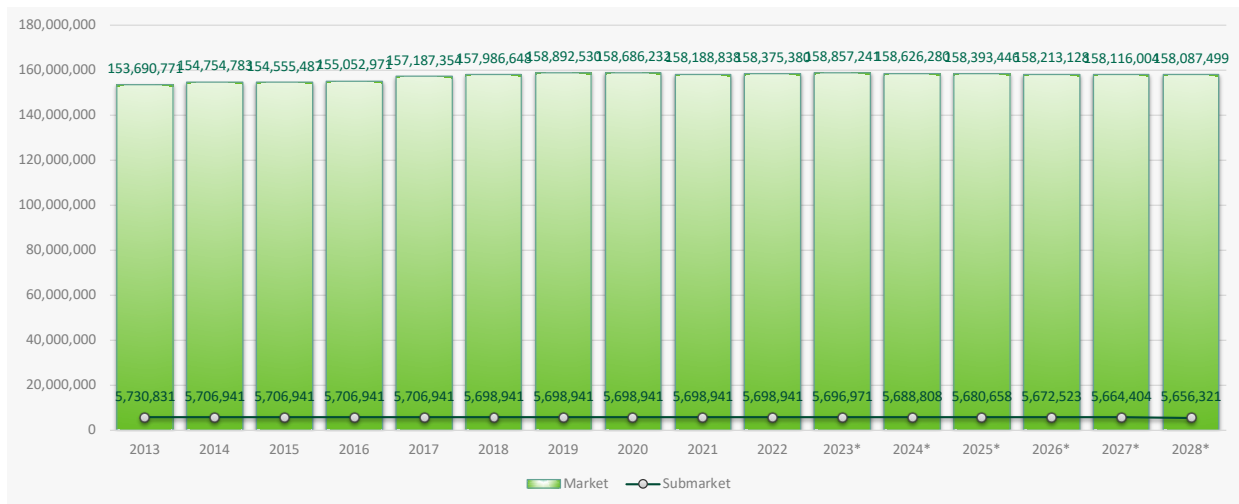
The Santa Ana office submarket consists of approximately 5,698,941 square feet of office space. The current submarket inventory represents approximately 3.6% of the overall market inventory. The following observations were noted from the table above:

- As of 2nd Quarter 2023, there was approximately 4,684,406 square feet of occupied office space (including sublet space), resulting in an occupancy rate of 82.2% for the submarket. This reflects an increase from the previous quarter's occupancy of 81.7%, and an increase from an occupancy rate of 81.6% from last year. The submarket occupancy is below the 86.8% market occupancy.
- The submarket experienced positive 30,892 square feet of net absorption for the current quarter. This indicates an improvement from the previous quarter's positive 2,098 square feet of net absorption, and an improvement from the negative 364,389 square feet of net absorption from a year ago. Overall, the submarket has experienced positive 32,990 square feet of net absorption for the current year-to-date period. The submarket's current net absorption of positive 30,892 square feet compares favorably with the overall market net absorption of negative 177,003 square feet.



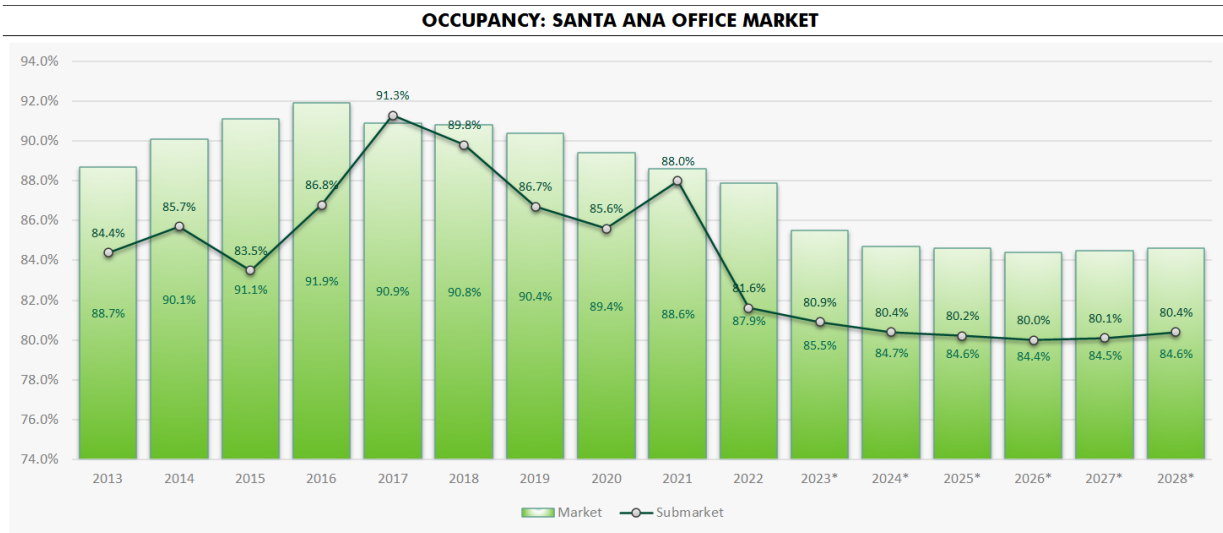
- The submarket had zero completions for the current quarter, which indicates no change from the previous quarter’s zero completions, and no change from the zero completions from last year.
- The submarket achieved average asking rent of \$28.24 per square foot, which indicates a small decrease from the previous quarter’s asking rent of \$28.27 per square foot, and a small increase from the asking rent of \$28.19 per square foot from last year. The submarket’s current asking rent of \$28.24 per square foot is below the overall market asking rent of \$31.02 per square foot.

### Historical Inventory - Submarket



Submarket Inventory is projected to be 5,696,971 square feet at the end of the current year, which represents a small decrease from the previous year’s submarket inventory of 5,698,941 square feet. Inventory for next year is projected to be 5,688,808 square feet, reflecting a small decrease from the current year.

## Historical Occupancy - Submarket

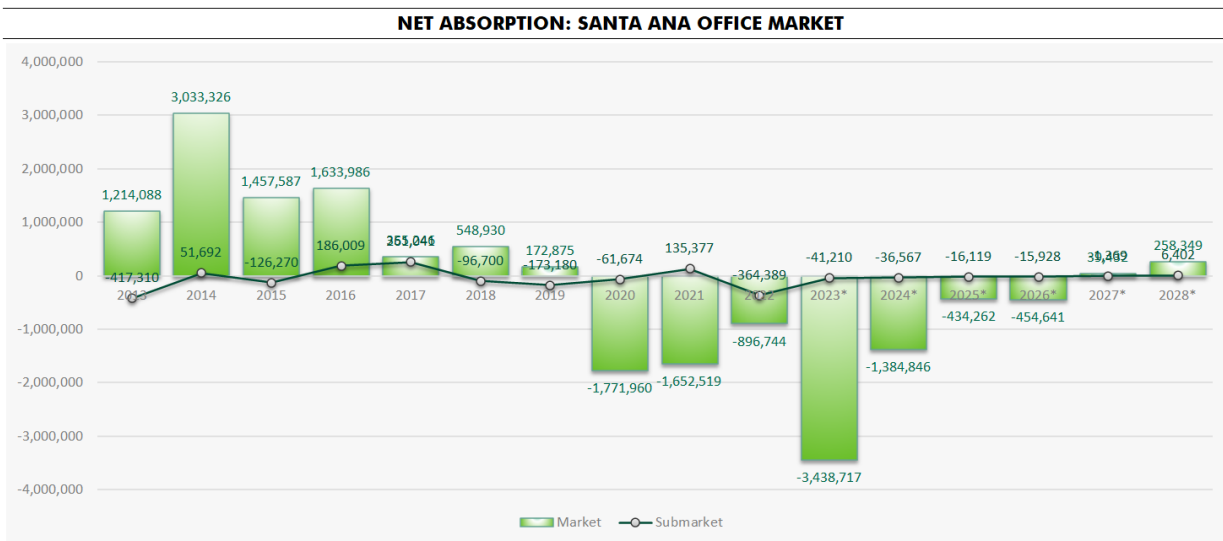


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

Submarket occupancy is projected to be 80.9% at the end of the current year, which represents a decrease from the previous year’s submarket occupancy of 81.6%. Submarket occupancy for next year is projected to be 80.4%, reflecting a decrease from the current year.

## Historical Net Absorption - Submarket

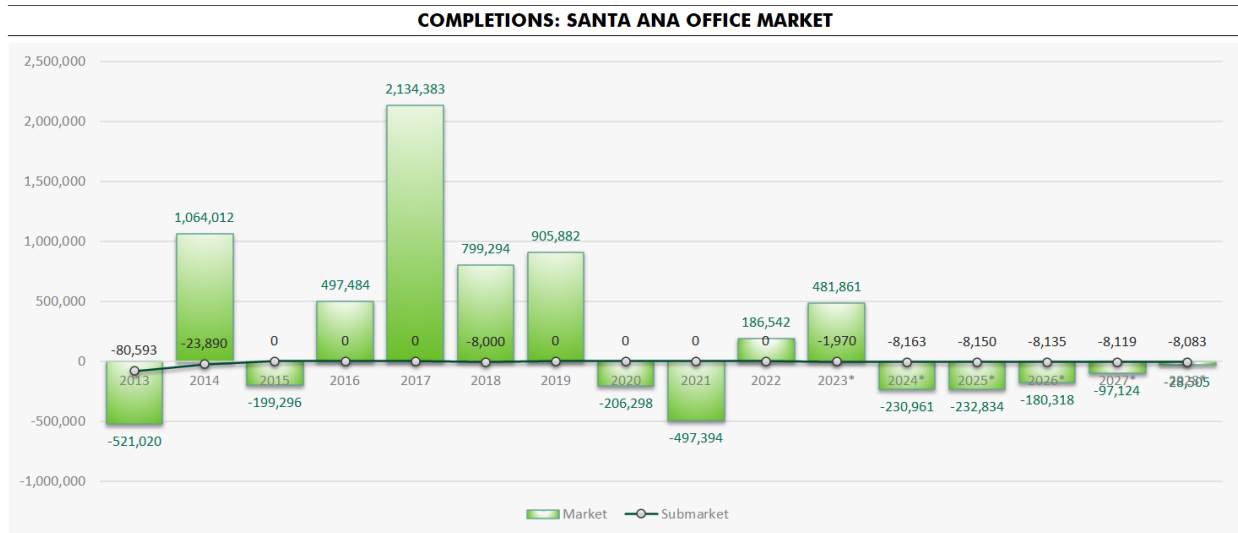


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

Net absorption in the submarket is projected to be negative 41,210 square feet at the end of the current year, reflecting an improvement from the previous year’s net absorption of negative 364,389 square feet. Net absorption for next year is projected to be negative 36,567 square feet, indicating an improvement from the current year.

### Historical Completions - Submarket

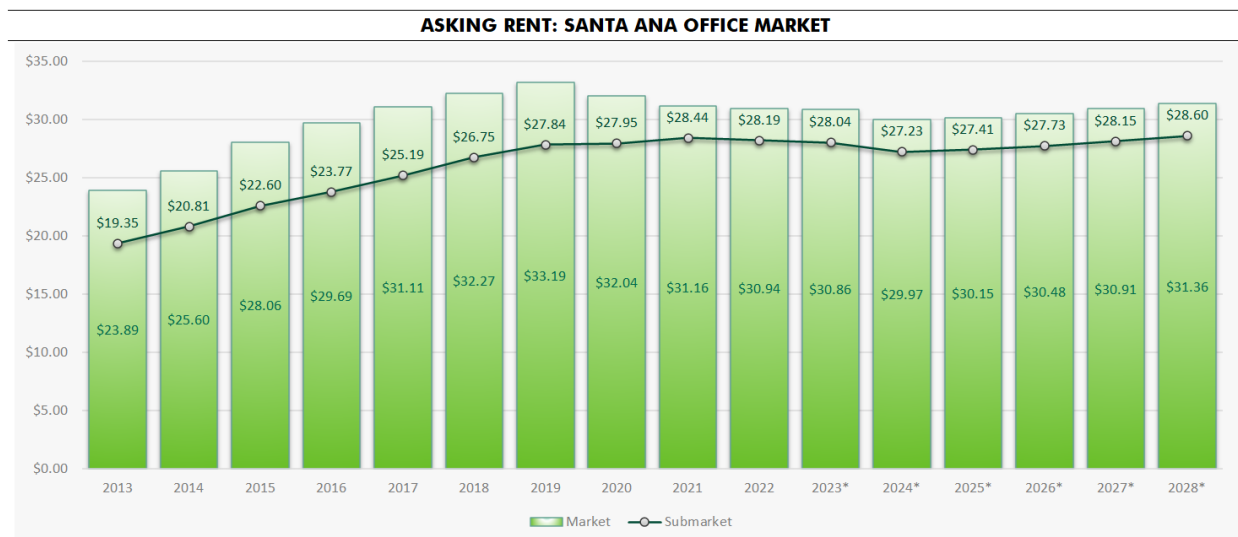


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

The submarket is projected to achieve completions of negative 1,970 square feet at the end of the current year, which indicates a decline from the previous year’s zero completions. The submarket is projecting completions of negative 8,163 square feet for next year, which indicates a decline from the current year.

### Historical Asking Rent - Submarket



\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

The submarket is projected to achieve average asking of \$28.04 per square foot at the end of the current year, which represents a decrease from the previous year’s asking rent of \$28.19 per

square foot. The submarket is projected to achieve average asking rent of \$27.23 per square foot, reflecting a decrease from the current year.

## METROPOLITAN ORANGE COUNTY RETAIL MARKET OVERVIEW

### Recent Performance

The following table summarizes historical and projected performance for the overall metropolitan Orange County retail market, as reported by CoStar.

ORANGE COUNTY RETAIL MARKET								
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF NNN)	Asking Rent Change	Net Absorption (SF)	Transaction Price Per Area (SF)
2013	141,280,982	-20,705	134,087,864	94.9%	\$27.27	3.13%	1,026,624	\$302.67
2014	141,613,569	332,587	135,326,048	95.6%	\$28.39	4.12%	1,238,179	\$328.99
2015	142,736,205	1,122,636	137,232,928	96.1%	\$29.62	4.32%	1,906,533	\$291.52
2016	142,880,151	143,946	137,498,912	96.2%	\$30.54	3.12%	265,987	\$270.21
2017	143,898,030	1,017,879	138,133,808	96.0%	\$31.07	1.72%	634,898	\$362.77
2018	143,947,209	34,314	138,618,208	96.3%	\$31.82	2.40%	474,716	\$253.14
2019	144,040,267	93,058	138,186,368	95.9%	\$32.60	2.47%	-420,664	\$486.05
2020	143,894,471	-145,796	137,068,256	95.3%	\$33.16	1.71%	-1,118,110	\$451.52
2021	143,702,373	-192,098	137,232,368	95.5%	\$34.46	3.91%	164,124	\$388.02
Q1 2022	143,790,270	87,897	137,045,056	95.3%	\$34.82	1.06%	-187,320	\$477.27
Q2 2022	143,658,287	-131,983	137,254,800	95.5%	\$35.13	0.89%	209,743	\$482.88
Q3 2022	143,655,145	-3,142	137,668,400	95.8%	\$35.67	1.53%	413,609	\$659.25
Q4 2022	143,739,037	83,892	137,728,672	95.8%	\$36.02	0.97%	60,257	\$324.30
2022	143,739,037	36,664	137,728,672	95.8%	\$36.02	4.53%	496,289	\$324.30
Q1 2023	143,736,039	-2,998	137,593,504	95.7%	\$36.28	0.72%	-135,162	\$283.08
Q2 2023	143,751,255	15,216	137,571,872	95.7%	\$36.68	1.11%	-21,624	\$381.26
Q3 2023*	143,796,858	45,603	137,496,032	95.6%	\$37.13	1.24%	-71,842	\$274.31
Q4 2023*	143,787,705	-9,153	137,404,032	95.6%	\$37.44	0.81%	-90,938	-
2023*	143,787,705	48,668	137,404,032	95.6%	\$37.44	3.94%	-319,566	-
2024*	143,839,089	51,384	137,637,776	95.7%	\$38.29	2.28%	242,357	-
2025*	143,995,283	156,194	137,870,464	95.7%	\$39.25	2.52%	215,076	-
2026*	144,207,540	212,257	138,051,088	95.7%	\$40.12	2.20%	160,079	-
2027*	144,479,862	272,322	138,272,000	95.7%	\$40.88	1.89%	199,620	-
2028*	144,792,886	313,024	138,551,072	95.7%	\$41.56	1.67%	257,582	-

\* Future Projected Data according to CoStar

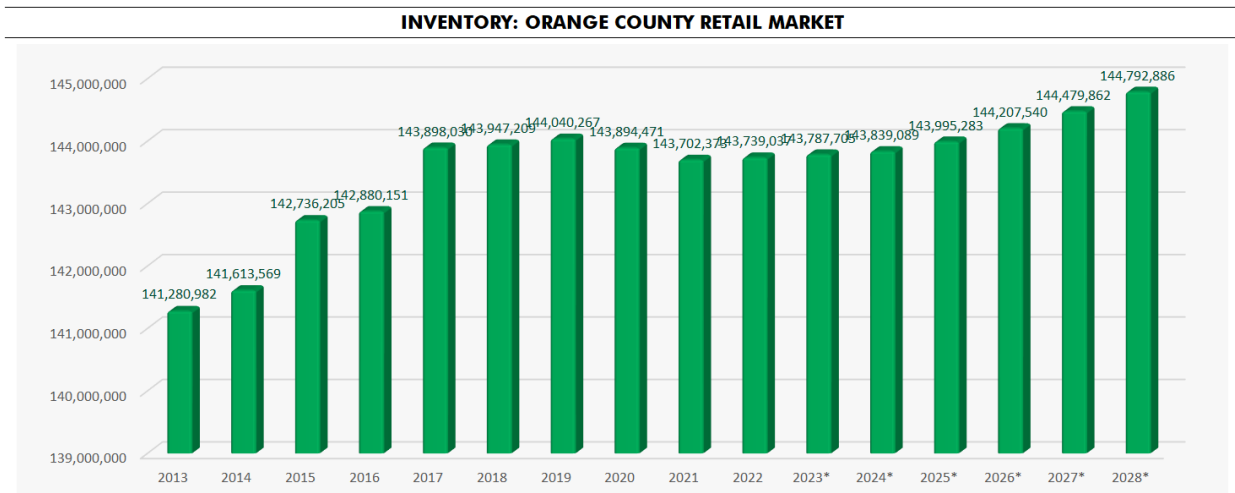
Source: CoStar, 2nd Quarter 2023

The Orange County retail market consists of approximately 143,751,255 square feet of retail space. The following observations are noted from the table above:

- As of 2nd Quarter 2023, there was approximately 137,571,872 square feet of occupied retail space (including sublet space), resulting in an occupancy rate of 95.7% for the metro area. This reflects no change from the previous quarter's occupancy of 95.7%, and a small decrease from an occupancy rate of 95.8% from last year.
- The area experienced negative 21,624 square feet of net absorption for the current quarter. This indicates an improvement from the previous quarter's negative 135,162 square feet of net absorption, and a decline from the positive 496,289 square feet of net absorption from last year.

- The area had completions of positive 15,216 square feet for the current quarter, which indicates an increase from the previous quarter’s completions of negative 2,998 square feet, and indicates a decline from completions of positive 36,664 square feet from last year.
- The area achieved average asking rent of \$36.68 per square foot, which indicates an increase from the previous quarter’s asking rent of \$36.28 per square foot, and an increase from the asking rent of \$36.02 per square foot from last year.

### Historical Inventory – Market

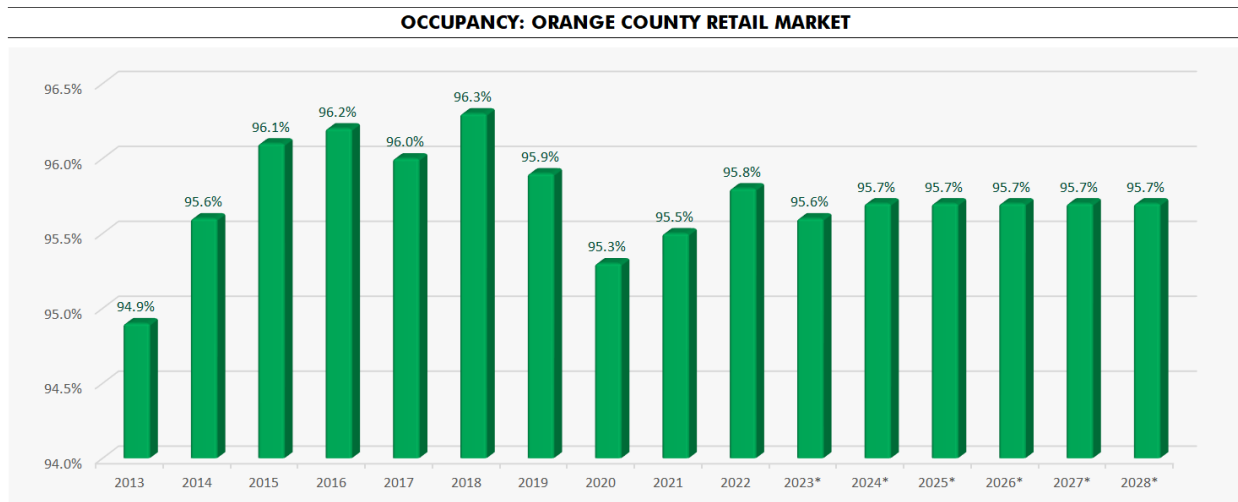


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

Inventory is projected to be 143,787,705 square feet at the end of the current year, which represents an increase from the previous year’s inventory of 143,739,037 square feet. Inventory for next year is projected to be 143,839,089 square feet, reflecting an increase from the current year.

## Historical Occupancy - Market

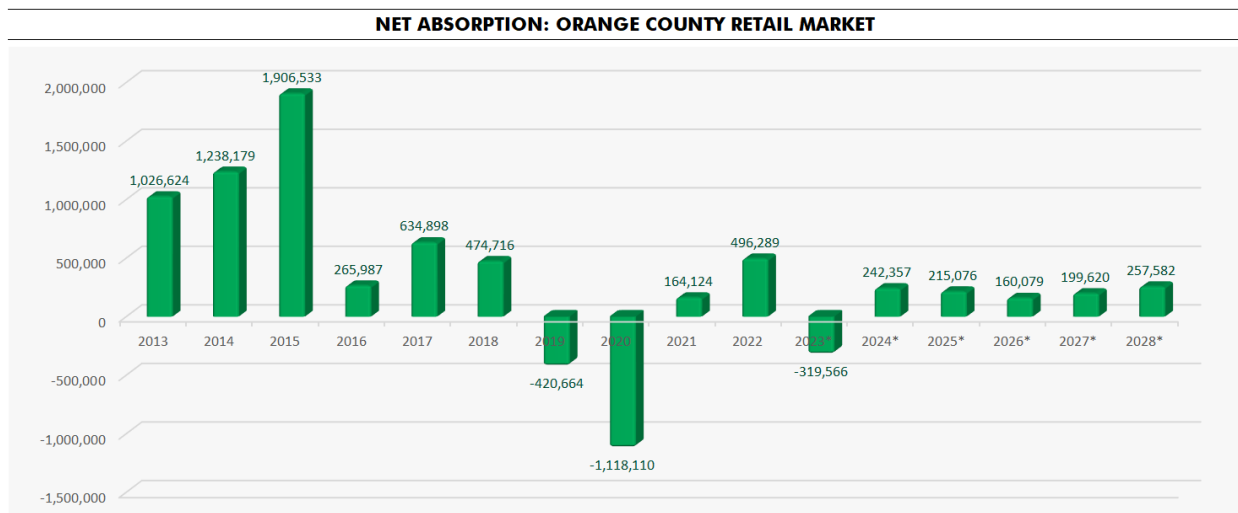


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

At the end of the current year, the occupancy rate is projected to be 95.6%, which reflects a small decrease from the 95.8% occupancy rate at the end of last year. Occupancy for next year is projected to be 95.7%, reflecting a small increase from the current year.

## Historical Net Absorption - Market

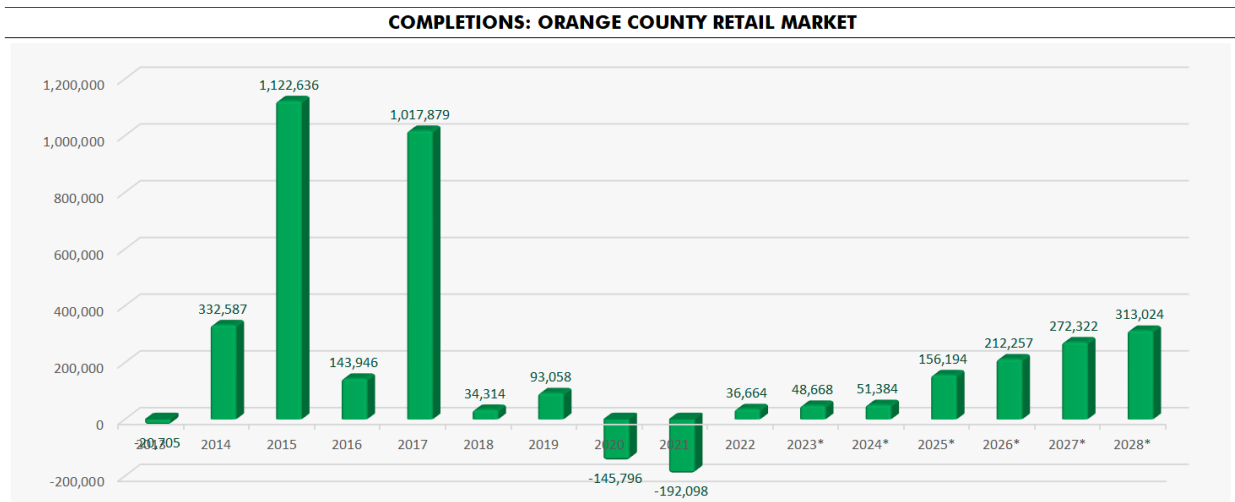


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

At the end of the current year, the area is projected to experience negative 319,566 square feet of net absorption, which indicates a decline from the positive 496,289 square feet of net absorption for the previous year. The area is projected to experience positive 242,357 square feet of net absorption as of the end of next year, which indicates an improvement from the current year.

## Historical Completions - Market

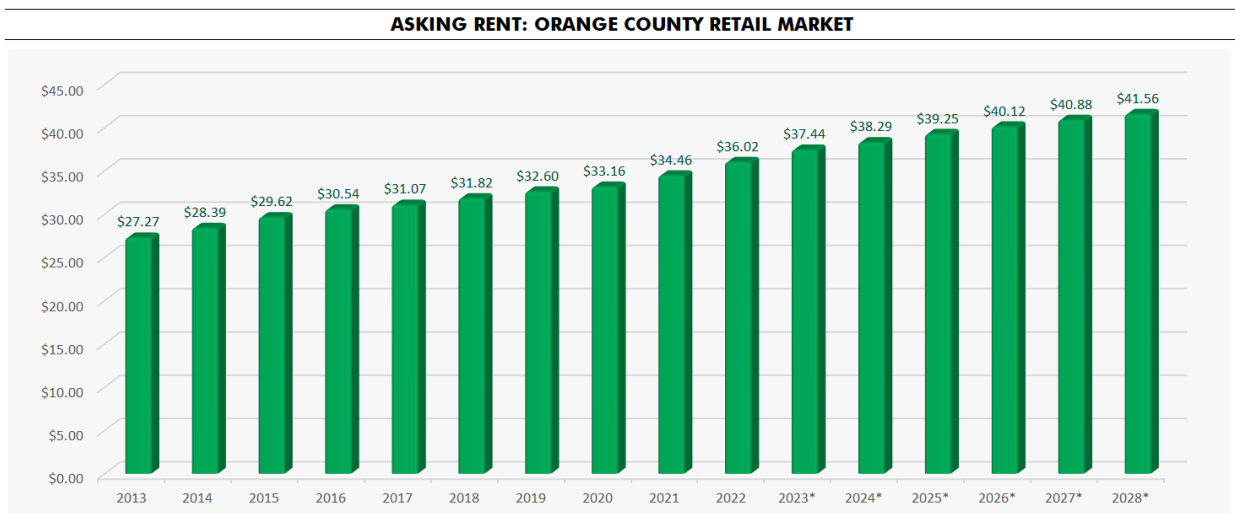


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

The area is projected to achieve completions of positive 48,668 square feet for the current year, which indicates an improvement from the previous year’s completions of positive 36,664 square feet. The area is projected to experience completions of positive 51,384 square feet as of the end of next year, which indicates an improvement from the current year.

## Historical Asking Rent - Market



\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

The area is projected to achieve average asking rent of \$37.44 per square foot at the end of the current year, which indicates an increase from the previous year’s asking rent of \$36.02 per square foot. The area is projected to achieve asking rent of \$38.29 per square foot by the end of next year, indicating an increase from the current year.

## SUBMARKET SNAPSHOT

The following table summarizes the supply of retail square footage for each submarket within the Orange County market as of 2nd Quarter 2023.

SUBMARKET SNAPSHOT				
Submarket	Inventory (SF)	Completions* (SF)	Asking Rent (\$/SF NNN)	Occupancy
Anaheim Hills	2,243,693	0	\$35.77	92.8%
Brea/La Habra	9,269,685	0	\$33.88	95.2%
Buena Park/La Palma	5,378,740	81,949	\$35.25	93.8%
Civic Center Area	1,777,423	0	\$29.28	95.8%
Costa Mesa	8,196,909	0	\$42.05	98.0%
Cypress	1,953,382	30,565	\$32.37	96.0%
East Orange	6,131,690	-8,366	\$33.33	94.2%
Fountain Valley	3,511,022	0	\$29.10	96.7%
Fullerton	6,655,490	0	\$32.10	96.2%
Garden Grove	7,694,464	7,553	\$29.23	96.2%
Huntington Beach	9,357,860	-6,800	\$36.33	96.7%
Irvine Spectrum	3,706,397	0	\$37.32	92.2%
Irvine/Tustin Legacy	6,276,841	0	\$50.14	95.7%
Laguna Hills/Aliso Viejo	4,171,123	-2,700	\$38.81	91.0%
Laguna Niguel/Laguna Beach	4,553,826	0	\$48.64	97.0%
Lake Forest/Foothill Ranch/RSM	5,997,978	0	\$40.48	95.7%
Los Alamitos/Stanton	2,204,451	0	\$30.37	94.9%
Main Place Area	2,450,006	-7,000	\$37.89	89.4%
Mission Viejo	5,063,922	-2,024	\$41.76	93.7%
Newport Beach	5,560,694	-5,500	\$49.15	97.1%
North/East Anaheim	8,826,460	-5,838	\$28.24	97.2%
Outlying Orange County	121,370	0	\$37.09	100.0%
Parkcenter Area	4,245,256	3,012	\$33.91	98.4%
Placentia/Yorba Linda	3,676,645	0	\$30.94	97.3%
San Juan Cap/S Clemente/Dana Pt/Cap Bch	6,474,206	2,632	\$44.11	95.8%
<b>Santa Ana</b>	<b>7,167,588</b>	<b>0</b>	<b>\$31.66</b>	<b>97.1%</b>
Seal Beach	1,507,709	0	\$44.05	95.1%
South Santa Ana	45,446	0	\$43.72	97.9%
Stadium Area	998,720	0	\$32.22	98.6%
The City Area	1,096,553	0	\$31.56	98.6%
Tustin (South of I-5)	601,844	0	\$33.89	97.7%
Westminster	6,833,862	5,485	\$35.14	94.1%

\*Completions include trailing 4 quarters

Source: CoStar, 2nd Quarter 2023



## Santa Ana Submarket

Important characteristics of the Santa Ana retail market are summarized below:

SANTA ANA RETAIL SUBMARKET							
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF NNN)	Asking Rent Change	Net Absorption (SF)
2013	7,152,449	0	6,797,050	95.0%	\$22.95	2.88%	15,905
2014	7,150,097	-2,352	6,878,091	96.2%	\$23.90	4.14%	81,041
2015	7,150,162	65	6,957,335	97.3%	\$24.88	4.09%	79,244
2016	7,150,162	0	6,889,434	96.4%	\$25.70	3.29%	-67,901
2017	7,150,162	0	6,846,484	95.8%	\$26.33	2.46%	-42,950
2018	7,167,569	17,407	6,971,931	97.3%	\$27.05	2.75%	125,447
2019	7,174,539	6,970	6,948,079	96.8%	\$27.95	3.31%	-23,852
2020	7,174,539	0	6,916,478	96.4%	\$28.48	1.89%	-31,601
2021	7,174,539	0	7,017,272	97.8%	\$29.64	4.08%	100,794
Q1 2022	7,172,519	-2,020	6,985,388	97.4%	\$30.02	1.28%	-31,884
Q2 2022	7,167,588	-4,931	6,975,171	97.3%	\$30.35	1.11%	-10,217
Q3 2022	7,167,588	0	6,955,301	97.0%	\$30.84	1.60%	-19,870
Q4 2022	7,167,588	0	6,988,455	97.5%	\$31.17	1.06%	33,154
2022	7,167,588	-6,951	6,988,455	97.5%	\$31.17	5.16%	-28,817
Q1 2023	7,167,588	0	6,977,169	97.3%	\$31.31	0.45%	-11,286
Q2 2023	7,167,588	0	6,958,416	97.1%	\$31.66	1.14%	-18,753
Q3 2023*	7,167,588	0	6,952,829	97.0%	\$32.05	1.21%	-5,587
Q4 2023*	7,169,039	1,451	6,943,001	96.8%	\$32.32	0.84%	-9,774
2023*	7,169,039	1,451	6,943,001	96.8%	\$32.32	3.69%	-45,400
2024*	7,170,933	1,894	6,947,911	96.9%	\$33.08	2.36%	5,534
2025*	7,181,560	10,627	6,958,910	96.9%	\$33.94	2.60%	9,504
2026*	7,195,446	13,886	6,969,964	96.9%	\$34.71	2.27%	9,383
2027*	7,212,894	17,448	6,983,999	96.8%	\$35.39	1.96%	12,354
2028*	7,232,728	19,834	7,001,020	96.8%	\$36.01	1.74%	15,317

\*Future Projected Data according to CoStar  
Source: CoStar, 2nd Quarter 2023

The Santa Ana retail submarket consists of approximately 7,167,588 square feet of retail space. The current submarket inventory represents approximately 5.0% of the overall market inventory. The following observations were noted from the table above:

- As of 2nd Quarter 2023, there was approximately 6,958,416 square feet of occupied retail space (including sublet space), resulting in an occupancy rate of 97.1% for the submarket. This reflects a small decrease from the previous quarter's occupancy of 97.3%, and a small decrease from an occupancy rate of 97.5% from last year. The submarket occupancy is above the 95.7% market occupancy.
- The submarket experienced negative 18,753 square feet of net absorption for the current quarter. This indicates a decline from the previous quarter's negative 11,286 square feet of net absorption, and an improvement from the negative 28,817 square feet of net absorption from a year ago. Overall, the submarket has experienced negative 30,039 square feet of net absorption for the current year-to-date period. The submarket's current net absorption of negative 18,753 square feet compares favorably with the overall market net absorption of negative 21,624 square feet.

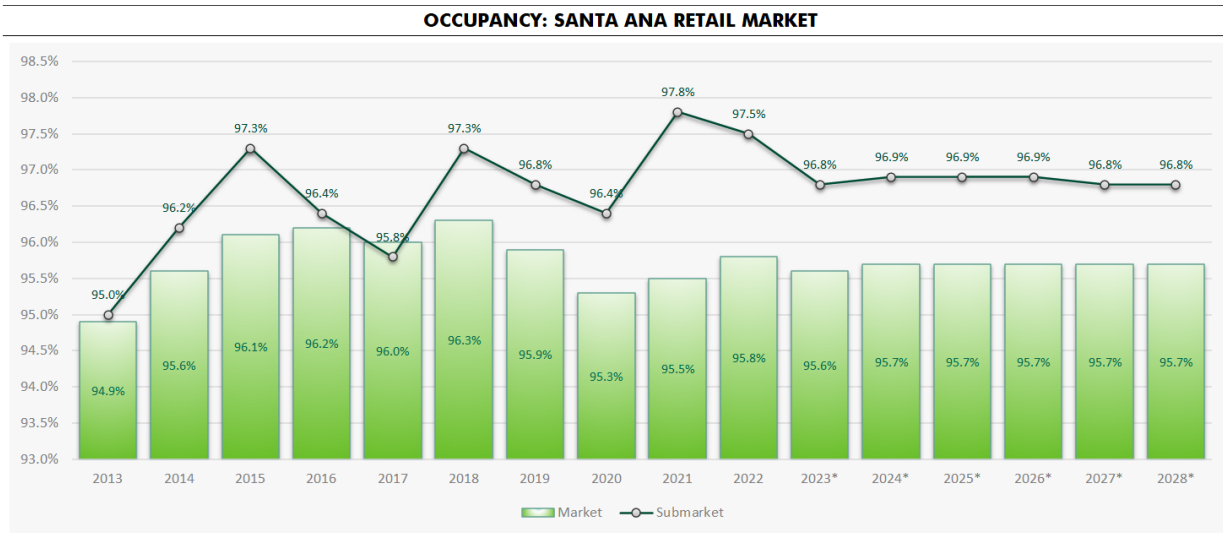
- The submarket had zero completions for the current quarter, which indicates no change from the previous quarter’s zero completions, and an increase from the completions of negative 4,931 square feet from last year.
- The submarket achieved average asking rent of \$31.66 per square foot, which indicates an increase from the previous quarter’s asking rent of \$31.31 per square foot, and an increase from the asking rent of \$31.17 per square foot from last year. The submarket’s current asking rent of \$31.66 per square foot is below the overall market asking rent of \$36.68 per square foot.

### Historical Inventory - Submarket



Submarket Inventory is projected to be 7,169,039 square feet at the end of the current year, which represents a small increase from the previous year’s submarket inventory of 7,167,588 square feet. Inventory for next year is projected to be 7,170,933 square feet, reflecting a small increase from the current year.

### Historical Occupancy - Submarket

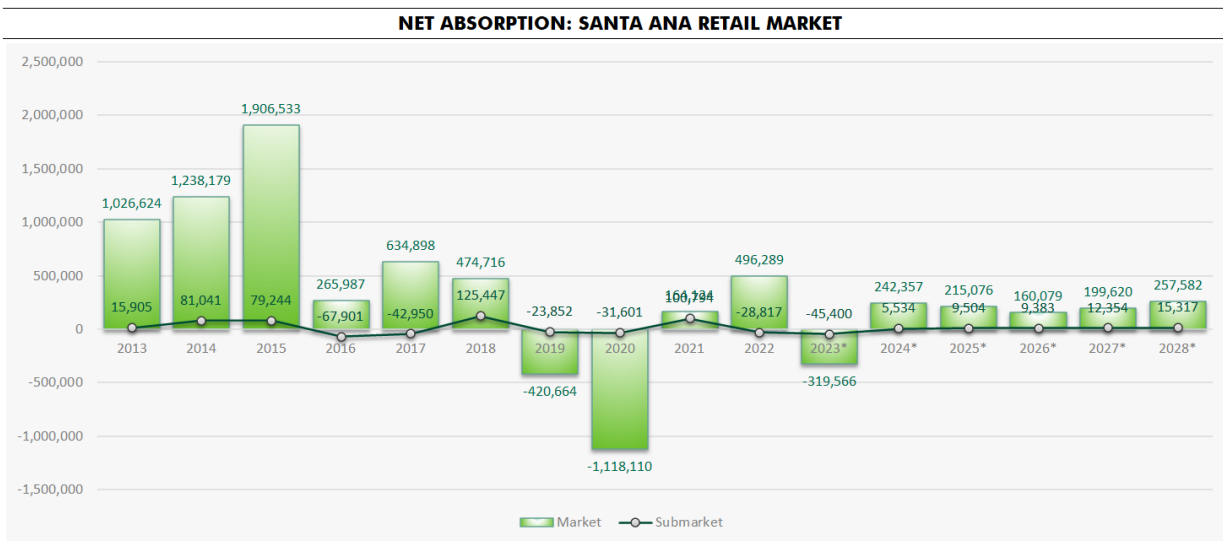


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

Submarket occupancy is projected to be 96.8% at the end of the current year, which represents a decrease from the previous year’s submarket occupancy of 97.5%. Submarket occupancy for next year is projected to be 96.9%, reflecting a small increase from the current year.

### Historical Net Absorption - Submarket

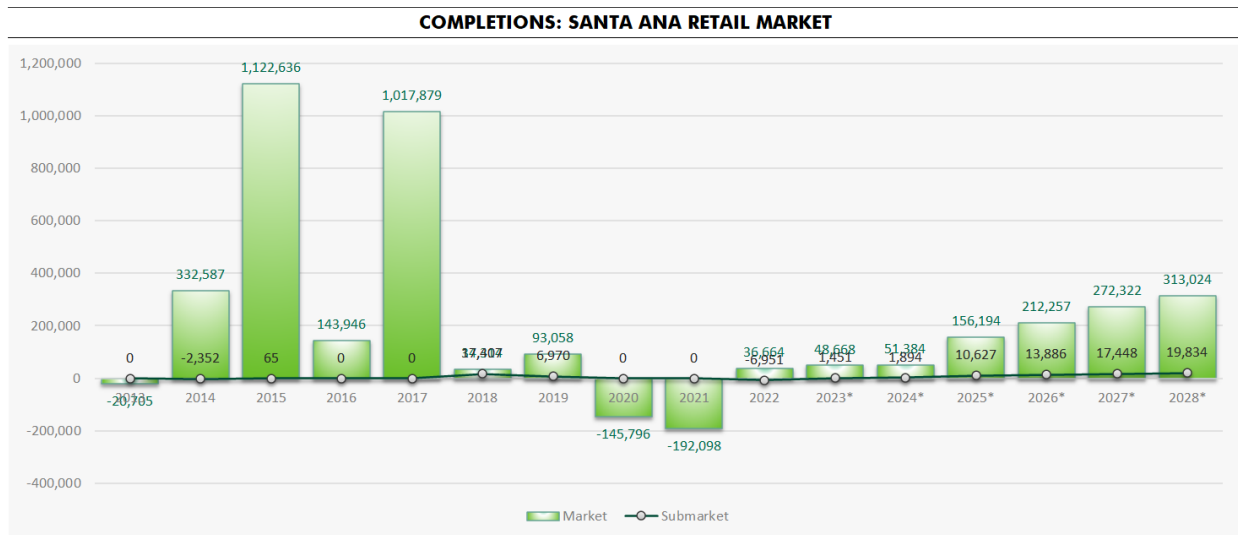


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

Net absorption in the submarket is projected to be negative 45,400 square feet at the end of the current year, reflecting a decline from the previous year’s net absorption of negative 28,817 square feet. Net absorption for next year is projected to be positive 5,534 square feet, indicating an improvement from the current year.

### Historical Completions - Submarket

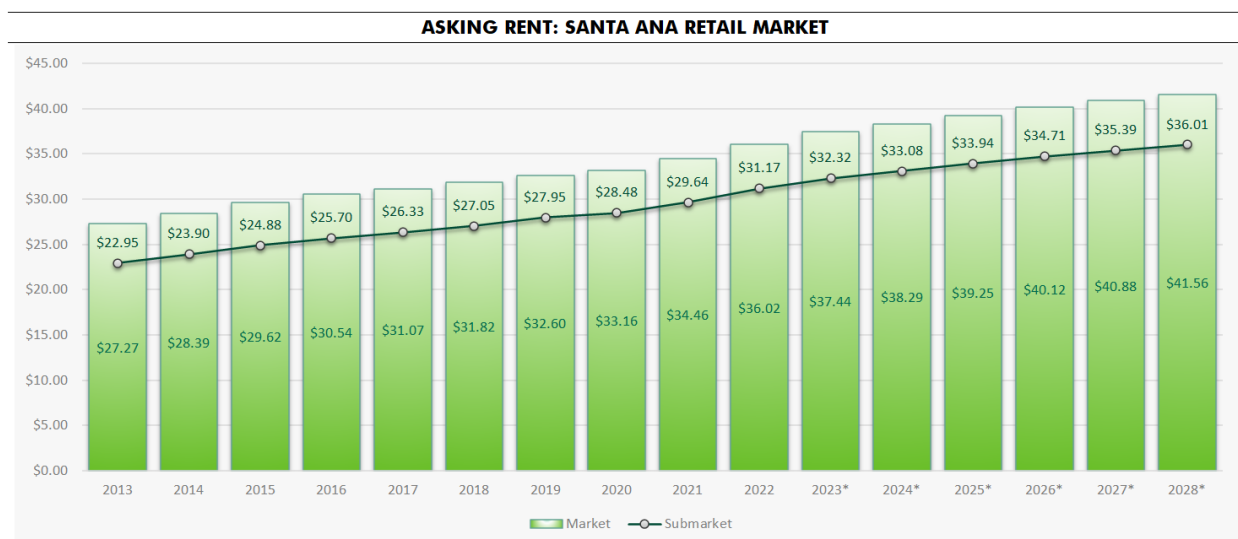


\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

The submarket is projected to achieve completions of positive 1,451 square feet at the end of the current year, which indicates an improvement from the previous year’s completions of negative 6,951 square feet. The submarket is projecting completions of positive 1,894 square feet for next year, which indicates an improvement from the current year.

### Historical Asking Rent - Submarket



\* Future Projected Data according to CoStar

Source: CoStar, 2nd Quarter 2023

The submarket is projected to achieve average asking of \$32.32 per square foot at the end of the current year, which represents an increase from the previous year’s asking rent of \$31.17 per

square foot. The submarket is projected to achieve average asking rent of \$33.08 per square foot, reflecting an increase from the current year.

## Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

legally permissible;  
physically possible;  
financially feasible; and  
maximally productive.

The highest and best use analysis of the subject is discussed below.

### AS VACANT

#### Legal Permissibility

The site is zoned Specific Development – (SD-84). Permitted uses numerous commercial, office and retail uses. The subject property is subject to a Parking Space Agreement dated May 18, 1993. The agreement assures the Builders Exchange Associates (BEA) at 200 North Main Street, has future availability of 60 parking spaces exclusively for the use of BEA and successive owners of the property.

#### Physical Possibility

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for allowed uses.

#### Financial Feasibility

Consideration to existing land use trends has been given in determining feasible uses. Only those uses that are physically possible and legally permissible are given further consideration. Based on the current market conditions and the subject's parking agreement, holding for future development would be financially feasible.

#### Maximum Productivity - Conclusion

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be for future redevelopment including 60 additional parking spaces.

#### As Improved

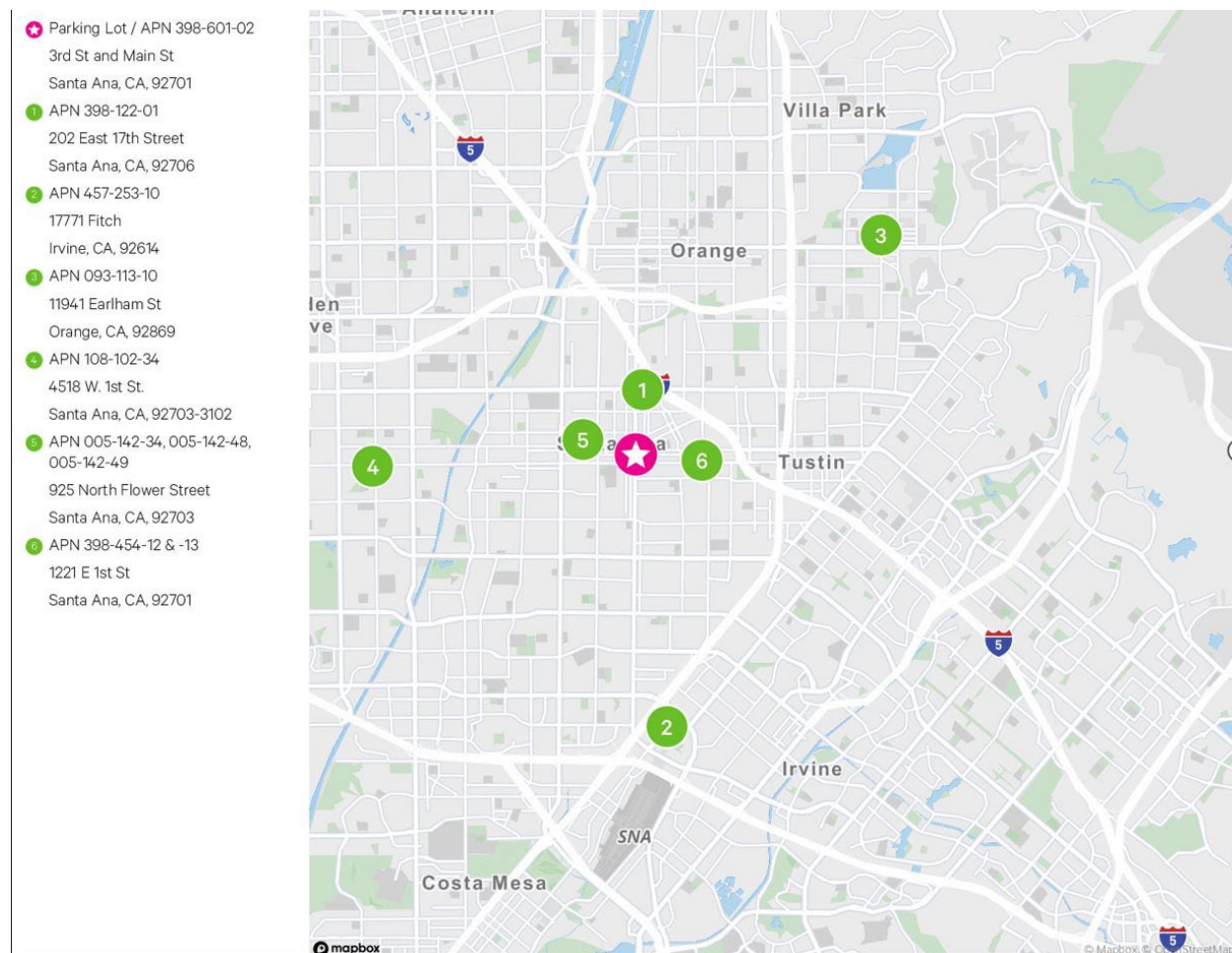
The subject property is utilized as a parking lot for the adjacent office building.

#### Most Probable Buyer

The most likely buyer would be a government agency or local developer that could develop the site under a joint development scenario.

## Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



- ★ Parking Lot / APN 398-601-02  
3rd St and Main St  
Santa Ana, CA, 92701
- 1 APN 398-122-01  
202 East 17th Street  
Santa Ana, CA, 92706
- 2 APN 457-253-10  
17771 Fitch  
Irvine, CA, 92614
- 3 APN 093-113-10  
11941 Earlham St  
Orange, CA, 92869
- 4 APN 108-102-34  
4518 W. 1st St.  
Santa Ana, CA, 92703-3102
- 5 APN 005-142-34, 005-142-48,  
005-142-49  
925 North Flower Street  
Santa Ana, CA, 92703
- 6 APN 398-454-12 & -13  
1221 E 1st St  
Santa Ana, CA, 92701

SUMMARY OF COMPARABLE LAND SALES									
No.	Property Location	Transaction Type	Transaction Date	Interest Transferred	Proposed Use	Actual Sale Price	Size (Acres)	Size (SF)	Price Per SF
1	APN 398-122-01 202 East 17th Street Santa Ana, CA 92706	Sale	Jul-22	Fee Simple/Freehold	Parking lot	\$900,000	0.40	17,350	\$51.87
2	APN 457-253-10 17771 Fitch Irvine, CA 92614	Sale	Mar-22	Fee Simple/Freehold	Parking lot	\$1,700,000	0.70	30,579	\$55.59
3	APN 093-113-10 11941 Earllham St Orange, CA 92869	Sale	Feb-22	Leased Fee	Parking Lot	\$475,000	0.17	7,507	\$63.27
4	APN 108-102-34 4518 W. 1st St. Santa Ana, CA 92703-3102	Sale	Dec-21	Fee Simple/Freehold	Commercial	\$1,175,000	0.40	17,550	\$66.95
5	APN 005-142-34, 005-142-48, 005-142-49 925 North Flower Street Santa Ana, CA 92703	Sale	Jan-21	Fee Simple/Freehold	Office	\$685,000	0.39	16,776	\$40.83
6	APN 398-454-12 & -13 1221 E 1st St Santa Ana, CA 92701	Sale	Oct-20	Fee Simple/Freehold	Fast Food	\$2,800,000	0.75	32,500	\$86.15
Subject	3rd St and Main St Santa Ana, CA 92701	---	---		Parking lot	---	0.64	27,835	---

<sup>1</sup> Adjusted sale price for cash equivalency and/or development costs (where applicable)  
Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject and were selected from the greater Santa Ana area and neighboring cities.

## DISCUSSION/ANALYSIS OF LAND SALES

### Land Sale One

This is the purchase of a 46 space parking lot located at the corner of 17th Street and Bush Street. The buyer has the property available for lease or build to suit, but no prospects have been found. Surrounding improvements include multi-family residential and commercial uses.

### Land Sale Two

This is a 0.70-acre parking lot that is located along Fitch in the city of Irvine. The property sold for \$1.7 million. It was purchased by the owner of 17752 Fitch, the building owner adjacent to the parking lot on the east side. The new owner will be holding this property as parking for his business, Wamco. Surrounding uses are primarily office uses.

### Land Sale Three

This is the sale of a 7,507 square foot parking lot that sold for \$475,000. The parking lot is leased to the adjacent El Pollo Loco. The buyer plans to hold the property for investment, with no specific plans reported. The broker reports that the leased fee and fee simple values were generally equal. Surrounding uses are primarily single-family residential and commercial improvements.



### Land Sale Four

This is the sale an improved mid-block site that sold for land value. The seller's broker confirmed that the transaction was arm's length and that no conditions affected the price. The buyer plans to redevelop the lot with a commercial use, but entitlements were not in place at the time of sale. Surrounding improvements include commercial uses along 1st Street and residential uses on the interior streets.

### Land Sale Five

This is the January 2021 sale of a 16,117-square-foot commercial lot located at 925 North Flower Street in the city Santa Ana. The property was zoned as P, Professional, which allows for office, day care center, drug store, health care, medical, parking lot, and restaurant uses. The site has is a flag (L-Shape) lot. The current owner, Charles Manh, reported that the recent transfer on January 19, 2021, was an off-market transaction between friends, and the purchase price was not reflective of the current market. Mr. Manh reported that the property had approved plans for medical office development, but those plans were abandoned. He reported that he wanted to develop a multi-family project, instead, but City Council denied that request. Since that time, the City advised Mr. Manh that they were seeking to purchase his property for use as a public park. Surrounding uses are office and multi-family residential improvements.

### Land Sale Six

This is the October 2020 sale of a 0.75-acre (32,500 SF) commercial land site located at the corner of 1st Street and Grand Avenue. The site is irregularly shaped and consists of two parcels that are zoned as SD-84, CDR (Specific Development-Transit Zone, Corridor), which allows for various commercial uses, including retail, service, and office uses. The proposed use is fast food/retail. Surrounding uses include commercial uses along the arterials and single-family residential on the interior streets.

## CONDITIONS OF SALE/FINANCING

All sales were indicated to be cash-to-seller transactions or financed by a third party at market terms, and none appeared to occur under duress. As such, no adjustments for cash equivalency were necessary. In addition, the sales reflected arm's length transactions; therefore, no adjustments for conditions of sale were warranted. No other transactional adjustments were required.

## MARKET CONDITIONS

When considering market conditions, we note that the sales took place from October 2020 to July 2022. Market conditions for commercial land have remained stable over this period through the date of value. Therefore, no annual adjustments are made.

## SIZE

The subject property's site area is 27,835 square feet. The comparables range from 7,507 to 32,500 square feet. The majority of comparables are similar in terms of size. Comparable 3 is smaller and considered superior as smaller parcels tend to sell on a higher price per square foot basis due to size regression.

## CORNER

The subject property and Sales 1, 3, 5 and 6 are similar corner locations. Sales 2 and 4 have inferior mid-block locations.

## LOCATION

The subject property has a good location in Downtown Santa Ana. The majority of the comparables are considered similar locations. Sale 2 is located in Irvine which is considered a superior location with higher overall values.

## ZONING

Each site, except Sale 5, is under sufficiently similar land use regulations which command generally similar unit prices. Sale 5 is limited to office development which is considered inferior.

## HIGHEST & BEST USE

The subject property is subject to a parking space agreement, allowing for 60 spaces for the adjacent office building. The highest and best use of the subject as if vacant would be for future redevelopment or joint development including 60 additional parking spaces. Sales 1 and 2 are also utilized for parking purposes for the adjacent buildings. Sales 3, 4 and 6 are considered superior as they do not have any restrictions on development. Sale 5 is restricted to professional office use which is considered inferior.

## SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID							Subject
Comparable Number	1	2	3	4	5	6	
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Jul-22	Mar-22	Feb-22	Dec-21	Jan-21	Oct-20	---
Interest Transferred	Fee	Fee	Leased Fee	Fee	Fee	Fee	
Proposed Use	Parking lot	Parking lot	Parking lot	Commercial	Office	Fast Food	Parking lot
Adjusted Sale Price <sup>1</sup>	\$900,000	\$1,700,000	\$475,000	\$1,175,000	\$685,000	\$2,800,000	---
Size (Acres)	0.40	0.70	0.17	0.40	0.39	0.75	0.64
Size (SF)	17,350	30,579	7,507	17,550	16,776	32,500	27,835
Price Per SF	\$51.87	\$55.59	\$63.27	\$66.95	\$40.83	\$86.15	---
Price (\$ PSF)	\$51.87	\$55.59	\$63.27	\$66.95	\$40.83	\$86.15	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	
Financing Terms <sup>1</sup>	0%	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	0%	0%	
Subtotal	\$51.87	\$55.59	\$63.27	\$66.95	\$40.83	\$86.15	
Size			Superior				
Corner		Inferior		Inferior			
Location		Superior					
Zoning					Inferior		
Highest & Best Use			Superior	Superior	Inferior	Superior	
Overall Comparability	Similar	Superior	Superior	Superior	Inferior	Superior	
<b>Value Indication for Subject</b>	<b>\$51.87</b>	<b>\$55.59</b>	<b>\$63.27</b>	<b>\$66.95</b>	<b>\$40.83</b>	<b>\$86.15</b>	

<sup>1</sup> Adjusted sale price for cash equivalency and/or development costs (where applicable)  
Compiled by CBRE

## Conclusion of Land Value

The comparables reflect a range in values from \$40.83 to \$86.15, with an average of Due to the presence of the parking agreement, a value below the mid-point of the range would be expected.

Sales 1 and 2, with values of \$51.87 and \$55.59 per square foot, are most similar to the subject property in terms of current parking use. Sale 3 is ground leased to El Pollo Loco for parking purposes. The \$63.27 per square foot reflects a capitalized income from a ground lease. Sales 4 and 6 are developable sites and reflect the high end of the values at \$66.95 and \$86.15 per square foot. Sale 5 reflects the low end of the range in values and is given least weight in the analysis. Sale 1 (\$51.87/SF) is most similar to the subject property in most respects. For these reasons, we feel this is the most comparable sale in our analysis:

<b>CONCLUDED LAND VALUE</b>			
\$ PSF		Subject SF	Total
\$50.00	x	27,835	= \$1,391,742
<b>Indicated Value:</b>			<b>\$1,390,000</b>
		(Rounded \$ PSF)	\$49.94
Compiled by CBRE			

## Conclusion of Value

The subject property is subject to a Parking Space Agreement dated May 18, 1993, and the agreement assures the Builders Exchange Associates (BEA) at 200 North Main Street, with future availability of 60 parking spaces exclusively for the use of BEA and successive owners of the property.

The cost to construct or replace these 60 spaces is made to determine the as is value. A review of Marshall & Swift Valuation Services reflects a cost of \$20,000 per space for an average parking garage. The as is value is calculated as follows.

<b>AS IS VALUE</b>			
			Total
Concluded Land Value			\$1,390,000
Less:	\$20,000/space	x 60 spaces	-\$1,200,000
<b>Total As Is Value</b>			<b>\$190,000</b>
Compiled by CBRE			

## Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
  - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
  - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
  - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
  - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
  - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
  - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
  - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
  - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently, nor super-efficiently.
  - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
  - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property, nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report and any conclusions stated therein. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or on behalf of the client, property owner or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report and any conclusions stated therein. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including, without limitation, any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. This Report has been prepared in good faith, based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this Report, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections. Further, other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later change or be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge including, but not limited to, environmental, social, and governance principles ("ESG"), beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.

10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.



**ADDENDA**

Addendum A

**LAND SALE DATA SHEETS**

# Sale

# Land - Retail / Commercial

# No. 1

Property Name APN 398-122-01  
 Address 202 East 17th Street  
 Santa Ana, CA 92706  
 United States

Government Tax Agency Orange  
 Govt./Tax ID 398-122-01

### Site/Government Regulations

	Acres	Square feet
Land Area Net	0.398	17,350
Land Area Gross	0.398	17,350

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	All to Site

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density N/A

Frontage Distance/Street	130 ft East 17th
Frontage Distance/Street	120 ft Bush

General Plan N/A  
 Specific Plan N/A  
 Zoning SP3, Midtown Specific Plan  
 Entitlement Status N/A



### Sale Summary

Recorded Buyer	SAHIHI Inc	Marketing Time	36 Month(s)
True Buyer	Farid Bazarchi	Buyer Type	End User
Recorded Seller	1666 Main Street, LLC	Seller Type	End User
True Seller	Robert & Lila Hanasab	Primary Verification	Sellers broker
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Parking Lot	Date	7/8/2022
Proposed Use	N/A	Sale Price	\$900,000
Listing Broker	F. Crisantos - SVN	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$900,000
Doc #	240618	Capital Adjustment	\$0
		Adjusted Price	\$900,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
07/2022	Sale	SAHIHI Inc	1666 Main Street, LLC	\$900,000	\$2,259,603 / \$51.87
02/2022	Available/Listing	TBD	1666 Main Street LLC	\$949,900	\$2,374,750 / \$54.52

# Sale

# Land - Retail / Commercial

# No. 1

## Units of Comparison

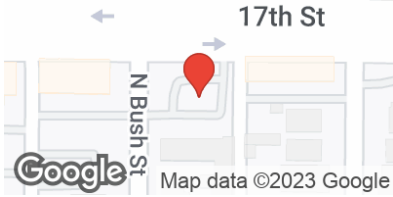
\$51.87 / sf  
\$2,259,603.31 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

## Financial

No information recorded

## Map & Comments



This is the purchase of a 46 space parking lot located at the corner of 17th Street and Bush Street. The buyer has the property available for lease or build to suit, but no prospects have been found. Surrounding improvements include multi-family residential and commercial uses.

Property Name APN 457-253-10  
 Address 17771 Fitch  
 Irvine, CA 92614  
 United States

Government Tax Agency Orange  
 Govt./Tax ID 427-253-10

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	0.702	30,579
Land Area Gross	0.702	30,579

Site Development Status	Finished
Shape	Other(See Comments)
Topography	Level, At Street Grade
Utilities	To the site

Maximum FAR 0.50  
 Min Land to Bldg Ratio 2.00:1  
 Maximum Density N/A

General Plan N/A  
 Specific Plan N/A  
 Zoning 5.1 IBC  
 Entitlement Status None



**Sale Summary**

Recorded Buyer	Rhmatthews Llc	Marketing Time	N/A
True Buyer	Christopher Matthews	Buyer Type	End User
Recorded Seller	Lissoy Family Trust	Seller Type	End User
True Seller	Scott A. Lissoy	Primary Verification	Public Record, CoStar, Seller

Interest Transferred Fee Simple/Freehold  
 Current Use N/A  
 Proposed Use Parking lot  
 Listing Broker N/A  
 Selling Broker N/A  
 Doc # 0083816

Type	Sale
Date	3/2/2022
Sale Price	\$1,700,000
Financing	Market Rate Financing
Cash Equivalent	\$1,700,000
Capital Adjustment	\$0
Adjusted Price	\$1,700,000

**Transaction Summary plus Five-Year CBRE View History**

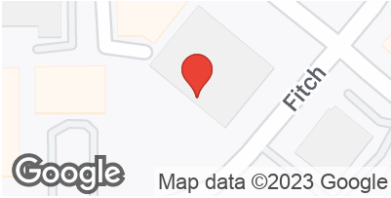
<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Price/ac and /sf</u>
03/2022	Sale	Rhmatthews Llc	Lissoy Family Trust	\$1,700,000	\$2,421,652 / \$55.59

**Units of Comparison**

\$55.59 / sf  
\$2,421,652.42 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
\$111.18 / Building Area

**Map & Comments**



This is a 0.70-acre parking lot that is located along Fitch in the city of Irvine. The property sold for \$1.7 million. It was purchased by the owner of 17752 Fitch, the building owner adjacent to the parking lot on the east side. The new owner will be holding this property as parking for his business Wamco. Surrounding uses are primarily office uses.

# Sale

# Land - Retail / Commercial

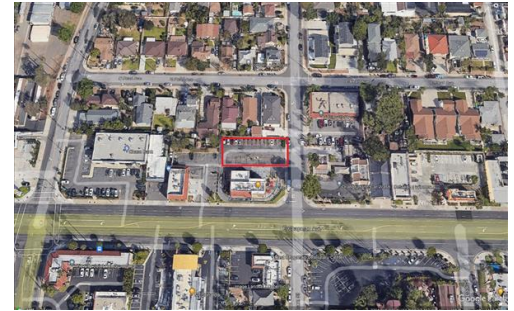
# No. 3

Property Name APN 093-113-10  
 Address 11941 Earlham St  
 Orange, CA 92869  
 United States

Government Tax Agency Orange  
 Govt./Tax ID 093-113-10

### Site/Government Regulations

	Acres	Square feet
Land Area Net	0.172	7,507
Land Area Gross	0.172	7,507



Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All available to site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

General Plan	N/A
Specific Plan	N/A
Zoning	C2
Entitlement Status	N/A

### Sale Summary

Recorded Buyer	Amhaz Real Estate Llc	Marketing Time	3 Month(s)
True Buyer	Amhaz Real Estate Llc	Buyer Type	Private Investor
Recorded Seller	Lozano Family Trust	Seller Type	End User
True Seller	Lozano Family Trust	Primary Verification	Sellers broker
Interest Transferred	Leased Fee	Type	Sale
Current Use	Parking Lot	Date	2/24/2022
Proposed Use	N/A	Sale Price	\$475,000
Listing Broker	G. Martinez - Ashwill Assoc.	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$475,000
Doc #	75035	Capital Adjustment	\$0
		Adjusted Price	\$475,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
02/2022	Sale	Amhaz Real Estate Llc	Lozano Family Trust	\$475,000	\$2,756,820 / \$63.27

## Units of Comparison

\$63.27 / sf  
\$2,756,819.50 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

## Financial

	Vacant at Market
Revenue Type	
Period Ending	N/A
Source	N/A
Price	\$475,000
Potential Gross Income	\$19,500
Economic Occupancy	N/A
Economic Loss	N/A
Effective Gross Income	\$19,500
Expenses	N/A
Net Operating Income	\$19,500
NOI / sf	N/A
NOI / Unit	N/A
EGIM	24.36
OER	N/A
Net Initial Yield/Cap. Rate	4.11%

## Map &amp; Comments



This is the sale of a 7,507 SF parking lot that sold for \$475,000. The parking lot is leased to the adjacent El Pollo Loco. The buyer plans to hold the property for investment, with no specific plans reported. The broker reports that the leased fee and fee simple vales were generally equal. Surrounding uses are primarily single-family residential and commercial improvements.



# Sale

# Land - Retail / Commercial

# No. 4

Property Name APN 108-102-34  
 Address 4518 W. 1st St.  
 Santa Ana, CA 92703-3102  
 United States

Government Tax Agency N/A  
 Govt./Tax ID 108-102-34

### Site/Government Regulations

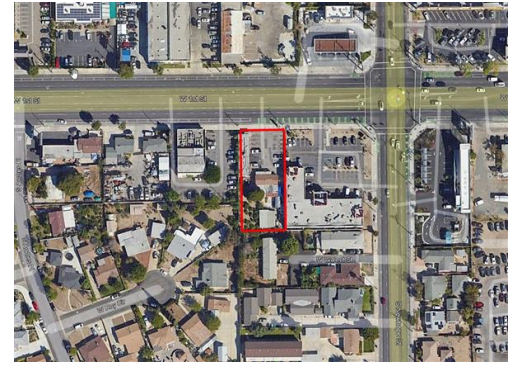
	Acres	Square feet
Land Area Net	0.403	17,550
Land Area Gross	0.403	17,550

Site Development Status	N/A
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All to site

Maximum FAR N/A  
 Min Land to Bldg Ratio 0.20:1  
 Maximum Density N/A

Frontage Distance/Street 90 ft 1st St.

General Plan N/A  
 Specific Plan N/A  
 Zoning C5, Commercial  
 Entitlement Status None



### Sale Summary

Recorded Buyer	Jason Ly	Marketing Time	1 Month(s)
True Buyer	Jason Ly	Buyer Type	End User
Recorded Seller	HIME, LLC	Seller Type	End User
True Seller	Jacquelyn E Alexander	Primary Verification	Listing Broker
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Restaurant	Date	12/14/2021
Proposed Use	N/A	Sale Price	\$1,175,000
Listing Broker	Mark Ehlers - Corcoran Global Living (310) 667-1469	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$1,175,000
Doc #	21-0747918	Capital Adjustment	\$0
		Adjusted Price	\$1,175,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
12/2021	Sale	Jason Ly	HIME, LLC	\$1,175,000	\$2,916,356 / \$66.95

# Sale

# Land - Retail / Commercial

# No. 4

## Units of Comparison

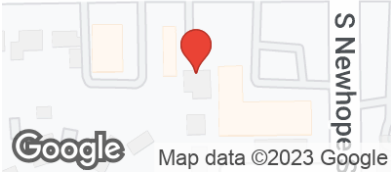
\$66.95 / sf  
\$2,916,356.42 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

## Financial

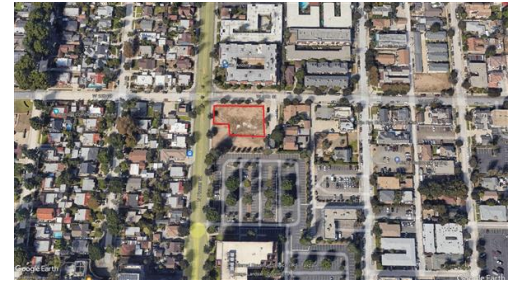
No information recorded

## Map & Comments



This is the sale an improved mid-block site that sold for land value. The seller's broker confirmed that the transaction was arm's length and that no conditions affected the price. The buyer plans to redevelop the lot with a commercial use, but entitlements were not in place at the time of sale. Surrounding improvements include commercial uses along 1st Street and residential uses on the interior streets.

Property Name APN 005-142-34, 005-142-48, 005-142-49  
 Address 925 North Flower Street  
 Santa Ana, CA 92703  
 United States



Government Tax Agency Orange  
 Govt./Tax ID 005-142-34, 005-142-48, 005-142-49

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	0.385	16,776
Land Area Gross	0.385	16,776

Site Development Status	Raw
Shape	Irregular
Topography	Generally Level
Utilities	Available to Site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	70 ft North Flower Street
Frontage Distance/Street	108 ft Garnsey Street

General Plan	N/A
Specific Plan	N/A
Zoning	P, Santa Ana
Entitlement Status	None

**Sale Summary**

Recorded Buyer	Charles and Anh Mahn	Marketing Time	5 Month(s)
True Buyer	Charles and Anh Mahn	Buyer Type	End User
Recorded Seller	Baltech LLC	Seller Type	End User
True Seller	Baltech LLC	Primary Verification	Buyer
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	1/19/2021
Proposed Use	Commercial/Retail	Sale Price	\$685,000
Listing Broker	Steve Jones (714) 813-0752	Financing	Market Rate Financing
Selling Broker	None	Cash Equivalent	\$685,000
Doc #	349567	Capital Adjustment	\$0
		Adjusted Price	\$685,000

**Transaction Summary plus Five-Year CBRE View History**

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Price/ac and /sf</u>
01/2021	Sale	Charles and Anh Mahn	Baltech LLC	\$685,000	\$1,778,759 / \$40.83

**Units of Comparison**

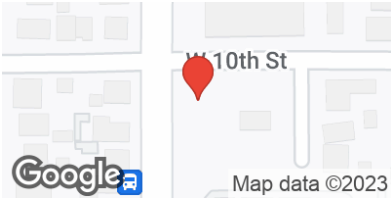
\$40.83 / sf  
\$1,778,758.76 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

**Financial**

**No information recorded**

**Map & Comments**



This represents the January 2021 sale of a 16,117-square-foot of commercial land located at 925 North Flower Street in the city Santa Ana. The property was zoned as P, Professional, which allows for office, day care center, drug store, health care, medical, parking lot, and restaurant uses. The site has is a flag (L-Shape) lot. The current owner, Charles Manh, reported that the recent transfer on January 19, 2021, was an off-market transaction between friends, and the purchase price was not reflective of the current market. Mr. Manh reported that the property had approved plans for medical office development, but those plans were abandoned. He reported that he wanted to develop a multi-family project, instead, but City Council denied that request. Since that time, the City advised Mr. Manh that they were seeking to purchase his property for use as a public park. Surrounding uses are office and multi-family residential improvements.

# Sale

# Land - Retail / Commercial

# No. 6

Property Name APN 398-454-12 & -13  
 Address 1221 E 1st St  
 Santa Ana, CA 92701  
 United States

Government Tax Agency Orange  
 Govt./Tax ID 398-454-12 & -13

### Site/Government Regulations

	Acres	Square feet
Land Area Net	0.746	32,500
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Level, At Street Grade
Utilities	All to site

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density N/A

Frontage Distance/Street	300 ft 1st St
Frontage Distance/Street	100 ft Grand

General Plan N/A  
 Specific Plan N/A  
 Zoning SD-84, Specific Development  
 Entitlement Status N/A



### Sale Summary

Recorded Buyer	First & Grand Partners LLC	Marketing Time	55 Month(s)
True Buyer	First & Grand Partners LLC	Buyer Type	Developer
Recorded Seller	Gallegos Brothers Llc	Seller Type	Private Investor
True Seller	Marcia Ann Gallegos	Primary Verification	Public Records, Broker
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	10/9/2020
Proposed Use	N/A	Sale Price	\$2,800,000
Listing Broker	Arthur Flores, CBRE	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$2,800,000
Doc #	2020000564283	Capital Adjustment	\$0
		Adjusted Price	\$2,800,000

### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
10/2020	Sale	First & Grand Partners LLC	Gallegos Brothers Llc	\$2,800,000	\$3,752,848 / \$86.15

**Units of Comparison**

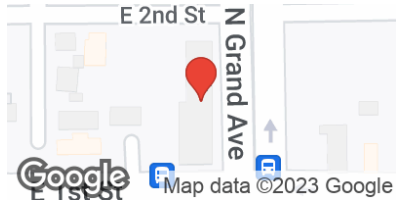
\$86.15 / sf  
\$3,752,848.14 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

**Financial**

**No information recorded**

**Map & Comments**



This is the October 2020 sale of a 0.75-acre (32,500 SF) commercial land site located at the corner of 1st Street and Grand Avenue. The site is irregularly shaped and consists of two parcels that are zoned as SD-84, CDR (Specific Development-Transit Zone, Corridor), which allows for various commercial uses, including retail, service, and office uses. The proposed use is fast food/retail. Surrounding uses include commercial uses along the arterials and single-family residential on the interior streets.

Addendum B

**SUBJECT INFORMATION**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

Community Redevelopment Agency  
of the City of Santa Ana  
20 Civic Center Plaza M-25  
Santa Ana, CA 92701

Recorded in Official Records  
of Orange County, California  
Lee A. Branch, County Recorder  
Page 1 of 5 Fees: \$ 17.00  
Tax: \$ 0.00

PARKING SPACE AGREEMENT

THIS AGREEMENT, made this 18th day of May,  
1993, by and between the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY  
OF SANTA ANA, a public body, corporate and politic (the "Agency")  
and BUILDERS EXCHANGE ASSOCIATES, a California limited partnership  
("BEA")

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WITNESSETH

A. The Agency is the owner of the real property, hereinafter  
referred to as the "Agency Property," which is located in the City  
of Santa Ana, County of Orange, California, and is more particular-  
ly described as follows:

Lots 2, 3, 5, 6, 7, 8, 9 and 10, together with the  
North 0.50 feet of Lot 4, all in Block 6 of the Town  
of Santa Ana, as shown on that certain map recorded  
in Book 2, Page 51 of Miscellaneous Records of Los  
Angeles County, California.

B. BEA is the owner of the real property, hereafter called  
the "BEA Property," which is located in the City of Santa Ana,  
County of Orange, California, and is more particularly described as  
follows:

Lots 1 and 4 in Block 6 of the "Town of Santa Ana,"  
as shown on a map recorded in Book 2, page 51 of  
Miscellaneous Records of Los Angeles County, Cali-  
fornia. Excepting therefrom the North 6 inches of  
said Lot 4.

C. The Agency Property and the BEA Property are located the  
Central City Redevelopment Project Area of the City of Santa Ana.  
The Agency has, as one of its purposes, the redevelopment of the  
said redevelopment project area in accordance with the Community  
Redevelopment Law (California Health and Safety Code sections  
33000 et seq.) and with the redevelopment plan adopted by the City  
of Santa Ana for that project area.

D. The Agency Property is adjacent to the BEA Property and  
is presently undeveloped. The Agency may, at some time in the

This document filed for record as an  
accommodation only. It has not been  
examined as to its execution or as to  
its effect upon the title.

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future, enter into an agreement with a developer for the development of all or part of the Agency Property.

E. The BEA Property is developed with a building, known as the "Builders Exchange Building," which is a building of historical significance to the City of Santa Ana and which has been rehabilitated for use as an office building, but which lacks sufficient off-street parking facilities to allow for its effective economic operation as such.

F. The Agency has determined that the preservation of the Builders Exchange Building as an economically viable office building serves the purpose of redeveloping the Central City Redevelopment Project Area and that the provision on the Agency Property of 60 parking spaces servicing the Builders Exchange Building is an appropriate way to achieve that objective.

G. The parties hereto desire to enter into this Agreement to assure the future availability of 60 parking spaces on the Agency Property servicing the Builders Exchange Building, while at the same time allowing for the development of all or part of the Agency Property by a developer pursuant to agreement with the Agency.

NOW, THEREFORE, in consideration of the foregoing, and subject to the terms and conditions hereinafter set forth, and expressly for the benefit of, and to bind, their successors in interest (except as otherwise provided hereinbelow), the parties hereto do hereby agree as follows:

1. The Agency hereby grants to BEA the right to utilize sixty (60) parking spaces on the Agency Property for the parking of motor vehicles by the tenants of the Builders Exchange Building and their agents, employees and invitees, including all related rights of access and ingress and egress to such parking spaces. The exercise of such right shall be without cost to BEA or to the tenants of the Builders Exchange Building and their agents, employees and invitees. BEA shall have the right to determine how the 60 spaces are to be allocated among the tenants of the Builders Exchange Building and their agents, employees and invitees.

2. It shall be the responsibility of the Agency, and the Agency agrees, to assure that any agreement entered into by the Agency with a developer for the development of all or part of the Agency Property accommodates the rights of BEA under this Agreement. No such agreement shall be approved by the Agency unless, following the completion of development pursuant to such agreement, the Agency Property shall contain parking facilities having at least 60 parking spaces which may be used in accordance with this Agreement.

3. BEA's rights under section 1 of this Agreement shall be suspended during any period of time in which construction activi-

ties on the Agency Property prevent the use of any of the Agency Property as parking spaces pursuant to this Agreement.

4. The successive owners of the Agency Property shall be bound by this Agreement for the benefit of the BEA Property and the successive owners thereof in accordance with section 1468 of the Civil Code of the State of California and the covenants set forth herein are covenants running with the BEA Property; except that in the event that the Agency conveys only part of the Agency Property and the part retained by the Agency includes parking facilities having at least 60 parking spaces and is adjacent to the BEA Property, the successive owners of the part conveyed by the Agency in such circumstances shall not be bound by this Agreement.

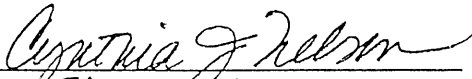
5. The Agency hereby grants to BEA a non-exclusive easement (this "Grant of Easement") appurtenant to BEA's property, for vehicular and pedestrian ingress and egress, over, upon, along and across the eastern-most 20 feet of Lots 2 and 3 of the Agency Property (the "Easement Area") for the benefit of BEA's Property. BEA may use the Easement Area for any reasonable purpose consistent with this Grant of Easement including, but not limited to, ingress and egress by both personal and commercial vehicles. The Agency expressly agrees not to do or permit any act which shall prevent, impede or interfere with use of the Easement Area as a driveway including, but not limited to, the placement, erection, or construction of any buildings, walls, fences or other structures on the Easement Area. This Grant of Easement is a covenant running with and appurtenant to the land, burdening and benefitting each of the respective parties in accordance with the provisions of the California Civil Code and is binding upon and inures to the heirs, assigns and successors of the parties.

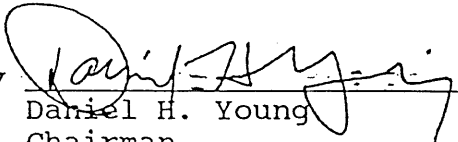
6. The Agency shall record this Agreement in the Official Records of Orange County, California, in the chain of title of the Agency Property, and shall provide BEA with a certified true copy of this Agreement as thus recorded.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

ATTEST:

COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF SANTA ANA

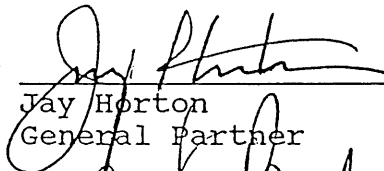
  
\_\_\_\_\_  
Cynthia J. Nelson  
Executive Director

by   
\_\_\_\_\_  
Daniel H. Young  
Chairman


APPROVED AS TO FORM:

  
\_\_\_\_\_  
Edward J. Cooper  
Agency Legal Council

BUILDERS EXCHANGE ASSOCIATES  
A California limited partner-  
ship

by   
\_\_\_\_\_  
Jay Horton  
General Partner

by   
\_\_\_\_\_  
Frank Barbare  
General Partner

by   
\_\_\_\_\_  
Ned Reilly  
General Partner

This is to certify that this document is presented for free recording by the City of Santa Ana under Government Code Section 6103.

22

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Recorded in Official Records, County of Orange  
Gary Granville, Clerk-Recorder

**CITY OF SANTA ANA  
COMMUNITY DEVELOPMENT AGENCY  
20 CIVIC CENTER PLAZA -M25  
PO BOX 1988  
SANTA ANA, CA 92702**

NO FEE  
20010290580 12:35pm 05/08/01  
120 8 A17 3  
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AMENDMENT TO PARKING SPACE AGREEMENT

THIS AMENDMENT is made and entered into this 16<sup>th</sup> day of March, 2001, by and between the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA, a public body, corporate and politic, (the "Agency) and BUILDERS' EXCHANGE ASSOCIATES, a California limited partnership ("BEA"), in reference to that certain PARKING SPACE AGREEMENT between the parties hereto dated May 18, 1993 (the "Agreement") recorded as Document Number 93-0618149 in the Official Records of Orange County, California.

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RECITALS

- A. The Agency and BEA entered into the Agreement for the purposes of providing parking on the Agency Property (as that term is defined in the Agreement) and vehicular and pedestrian access over a portion of the Agency Property to serve BEA's building.
- B. The Agency and BEA seek to amend the Agreement by this Amendment to redefine the Agency Property because the Agency intends to redevelop a portion of the Agency Property as contemplated by the Agreement and therefore seeks to release the burden of the Agreement from part of the Agency Property while still fulfilling the intent of the Agreement to provide the parking and access.

NOW THEREFORE, the Parties agree as follows:

- 1. Recital A of the Agreement is hereby amended to read as follows:

"A. The Agency is the owner of the real property, hereinafter referred to as the "Agency Property" which is located in the City of Santa Ana, County of Orange, California, and is more particularly described as follows:

Lots 5, 8 & 9, together with the Easterly 36 feet of Lots 2, 3, 6,7 & 10, and the North 0.50 feet of Lot 4, all of Block 6 of the Town of Santa Ana, as shown on that certain map recorded in Book 2, Page 51 of Miscellaneous Records of Los Angeles

County, California.”

2. BEA hereby relinquishes any claim to any portions of the Agency Property as originally described in the Agreement. Upon request by the Agency, BEA shall execute and deliver to the Agency a quit claim to any such property.

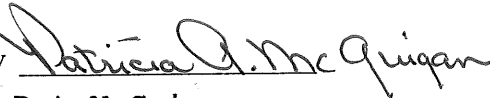
3. Except as necessary to implement the intent of this Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Agency and BEA have executed this Amendment the day and year first above written.

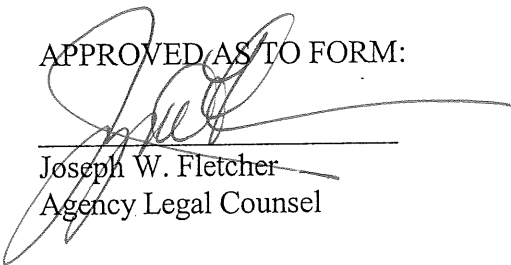
ATTEST:

  
\_\_\_\_\_  
John Reekstin  
Executive Director

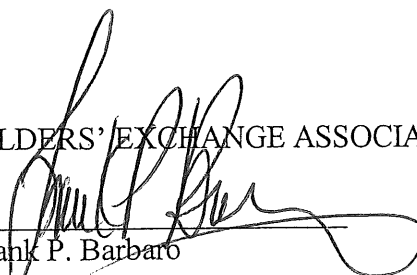
COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF SANTA ANA

by   
\_\_\_\_\_  
Pat McGuigan  
Vice-Chair

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Joseph W. Fletcher  
Agency Legal Counsel

BUILDERS' EXCHANGE ASSOCIATES

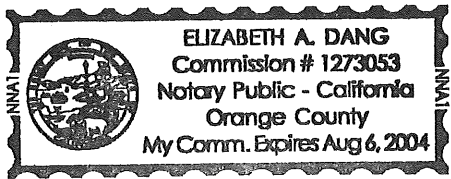
by   
\_\_\_\_\_  
Frank P. Barbaro  
General Partner

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of ORANGE } ss.

On 3-20-2001, before me, ELIZABETH A. DANG, NOTARY PUBLIC,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared PATRICIA A. MCGUIGAN,  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Elizabeth A. Dang  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: AMENDMENT TO APMT.

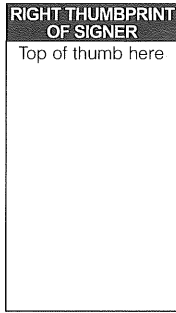
Document Date: 3/15/01 Number of Pages: 2

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

- Signer's Name: \_\_\_\_\_
- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

---

AMENDMENT TO PARKING SPACE AGREEMENT

THIS AMENDMENT is made and entered into this 16<sup>th</sup> day of March, 2001, by and between the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA, a public body, corporate and politic, (the "Agency) and BUILDERS' EXCHANGE ASSOCIATES, a California limited partnership ("BEA"), in reference to that certain PARKING SPACE AGREEMENT between the parties hereto dated May 18, 1993 (the "Agreement") recorded as Document Number 93-0618149 in the Official Records of Orange County, California.

RECITALS

A. The Agency and BEA entered into the Agreement for the purposes of providing parking on the Agency Property (as that term is defined in the Agreement) and vehicular and pedestrian access over a portion of the Agency Property to serve BEA's building.

B. The Agency and BEA seek to amend the Agreement by this Amendment to redefine the Agency Property because the Agency intends to redevelop a portion of the Agency Property as contemplated by the Agreement and therefore seeks to release the burden of the Agreement from part of the Agency Property while still fulfilling the intent of the Agreement to provide the parking and access.

NOW THEREFORE, the Parties agree as follows:

1. Recital A of the Agreement is hereby amended to read as follows:

"A. The Agency is the owner of the real property, hereinafter referred to as the "Agency Property" which is located in the City of Santa Ana, County of Orange, California, and is more particularly described as follows:

Lots 5, 8 & 9, together with the Easterly 36 feet of Lots 2, 3, 6, 7 & 10, and the North 0.50 feet of Lot 4, all of Block 6 of the Town of Santa Ana, as shown on that certain map recorded in Book 2, Page 51 of Miscellaneous Records of Los Angeles

County, California.”

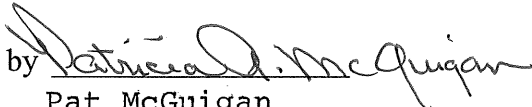
2. BEA hereby relinquishes any claim to any portions of the Agency Property as originally described in the Agreement. Upon request by the Agency, BEA shall execute and deliver to the Agency a quit claim to any such property.

3. Except as necessary to implement the intent of this Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Agency and BEA have executed this Amendment the day and year first above written.

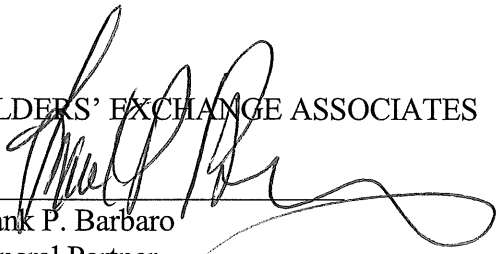
ATTEST:

  
\_\_\_\_\_  
John Reekstin  
Executive Director

COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF SANTA ANA  
by   
Pat McGuigan  
Vice-Chair

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Joseph W. Fletcher  
Agency Legal Counsel

BUILDERS' EXCHANGE ASSOCIATES  
by   
Frank P. Barbaro  
General Partner



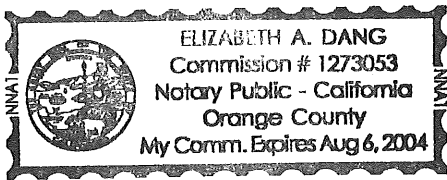
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of ORANGE } ss.

On 3-26-2001, before me, ELIZABETH A. DANG, NOTARY PUBLIC,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared PATRICIA A. MCGUIRAN,  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Elizabeth A. Dang  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: AMENDMENT TO AGMT.

Document Date: 3/15/01 Number of Pages: 2

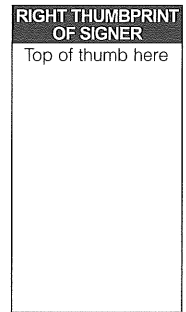
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



Recorded in Official Records, Orange County  
Hugh Nguyen, Clerk-Recorder



NO FEE

2019000404170 1:27 pm 10/16/19

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**RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:**

Successor Agency to the former Community Development Agency of the City of Santa Ana  
20 Civic Center Plaza  
Santa Ana, CA 92702  
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE  
EXEMPT FROM RECORDING FEES PURSUANT TO GOV. CODE § 6403

Handwritten notes: 27383/17, JSP, NF, and a red checkmark.

**PROPERTY MAINTENANCE LICENSE AND REVOCABLE ACCESS EASEMENT AGREEMENT**

This Property Maintenance License and Revocable Access Easement Agreement ("Agreement") is made and entered into as of this 11<sup>th</sup> day of October, 2019, by and between the **SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA** ("Successor Agency"), and SWINERTON ("Licensee").

**RECITALS**

A. The Successor Agency currently provides exclusive access to sixty (60) parking spaces on Successor Agency property located at the southwest corner of Third Street and Main Street, Santa Ana ("Property"), for use by the Builder's Exchange Building located directly south of the Property at 202 North Main Street, Santa Ana, based upon a Parking Space Agreement dated May 18, 1993, entered into between the former Community Redevelopment Agency of the City of Santa Ana ("CRA") and the Builders Exchange Associates ("BEA"), a former owner of the Builder's Exchange Building, and recorded as Document Number 93-0618149 in the Official Records of Orange County, California. A true and correct copy of the Parking Space Agreement is attached herewith as **Exhibit 1**.

B. The CRA and BEA entered into an Amendment to Parking Space Agreement dated March 16, 2001, and recorded as Document Number 20010290580 in the Official Records, County of Orange, to move and specify the exact location of the parking spaces on the Property, which remains the current location of the subject parking spaces, in order to accommodate the development of the adjacent live/work lofts. A true and correct copy of the Amendment to Parking Space Agreement is attached herewith as **Exhibit 2**.

C. Upon dissolution of the CRA, the Property, along with the Parking Space Agreement obligations, were transferred to the Successor Agency.

D. Licensee recently purchased the Builder's Exchange Building, the underlying real property and all rights and privileges attendant thereto ("Building").

E. Licensee approached the Successor Agency regarding proposed improvements to the Property (“Project”). A summary of the Project is attached hereto as **Exhibit 3**. As part of the Project, Licensee agrees to maintain the Property. Accordingly, the Successor Agency wishes to grant Licensee a Property Maintenance License to maintain the Property on a non-exclusive basis upon certain terms and conditions.

F. Licensee will also be making certain improvements to the Builder’s Exchange Building that will require access over the Successor Agency Property. Accordingly, the Successor Agency wishes to grant Licensee a Revocable Access Easement upon certain terms and conditions.

NOW, THEREFORE, for good and valuable consideration, Successor Agency and Licensee do hereby agree as follows:

**1. Consent, License and Access Easement.**

1.1 Consent to Project and Access Easement. Subject to the terms and conditions set forth herein, and in consideration of Licensee agreeing to maintain the Property in accordance with Section 9, Successor Agency consents to the improvements included in the Project and to the construction of a new access point to the Builder’s Exchange Building adjacent to the Property, subject to City’s approval of any and all required permits, as depicted in the Access Easement Legal Description and Plat attached hereto as **Exhibit 4**.

1.2 Property Maintenance License. Provided that all of the terms and conditions of this Agreement are fully satisfied, the Successor Agency hereby grants to Licensee and its employees, agents and contractors the nonexclusive, nonassignable, personal right and license to enter upon the Property to maintain the Property and for no other purposes without the prior written approval of the Successor Agency (“License”).

1.3 Revocable Access Easement. Provided that all of the terms and conditions of this Agreement are fully satisfied, the Successor Agency hereby grants to Licensee a Revocable Access Easement, for use by Licensee and Licensee’s employees and invitees, for ingress and egress to and from the Building to the Property (“Access Easement”).

**2. Limitations on License and Access Easement.** The License and the Access Easement are personal to Licensee and Licensee may not transfer or assign either the License or the Access Easement without the prior written consent of Successor Agency.

**3. Term.**

3.1 Initial Term. This Agreement shall commence on the Effective Date and continue for three (3) years (the “Initial Term”), unless terminated earlier in accordance with Section 12 herein.

3.2 Renewal Term. This Agreement will automatically renew for additional successive one (1) year periods (each a “Renewal Term”), unless earlier terminated as provided in Section 12 and specifically Paragraph 12.3. The Initial Term and the Renewal Terms, if any, shall each be referred to as a “Term.”

**4. Compensation.** In consideration of Licensee's agreement to maintain the Property at Licensee's sole cost and expense, Licensee shall be authorized to use the Property for the purposes set forth herein at no cost and Successor Agency shall not be obligated to pay Licensee any amount for Licensee's maintenance services.

**5. Special Covenants.** By execution of this Agreement, Licensee and Successor Agency agree as follows:

5.1 Licensee, together with its employees, agents, representatives, and all persons entering the Property, by, through, or at the direction or invitation of Licensee, are collectively referred to herein as the "Licensee Parties." Licensee shall be responsible for causing the Licensee Parties to comply with the terms of this Agreement.

5.2 All acts and things done by Licensee on the Property will be done in a careful and reasonable manner, in accordance with all federal, state and local laws, ordinances, and regulations, and permits. Licensee shall obtain any and all governmental permits, approvals, licenses or other authorizations that may be required in connection with the use of the Property as set forth in this Agreement. No approval or consent given under this Agreement by Successor Agency shall affect or limit Licensee's obligations hereunder, nor shall any approvals or consents given by Successor Agency, in its capacity as a party to this Agreement, be deemed to be approval as to compliance or conformance with any applicable governmental codes, laws, orders, rules or regulations.

5.3 Licensee agrees and acknowledges that nothing herein is intended, nor shall it be interpreted, as to bind the City of Santa Ana to issue or grant any permits or entitlements needed to perform the work specified in this Agreement.

5.4 Licensee will not maintain, commit or permit the maintenance or commission of any dangerous condition or waste or any nuisance (as defined in California Civil Code § 3479) to be created on the Property, and Licensee shall not use or permit the use of the Property for any unlawful purpose.

5.5 Licensee shall enter the Property entirely at its own cost, risk and expense. Successor Agency makes no representation or warranty of any kind as to the condition of the Property or any other matter relating to Licensee's use of the Property. Licensee hereby disclaims and waives any and all objections to the physical and other characteristics and conditions of the Property. Licensee acknowledges and agrees that the use of the Property will be on the basis of Licensee's own investigation of the condition of the Property. The license to use the Property shall be granted on an "AS-IS," "WITH ALL FAULTS" basis, without representation or warranty expressed or implied by Successor Agency, or by operation of law. Successor Agency expressly disclaims, which Licensee hereby acknowledges and accepts, any implied warranty of condition or fitness for a particular purpose or use. Licensee's use of the Property shall be subject to the Property being in a usable and safe condition at the time of Licensee's use, and Licensee shall be responsible for determining whether the Property is in such condition. In connection therewith, in the event that the Property or access thereto is damaged or obstructed or the use by Licensee is otherwise impaired, prevented or limited, through no fault of the Successor Agency, then



Successor Agency shall have no obligation or duty to repair the damage or rectify the condition to make the Property usable or safe.

5.6 Licensee shall not permit any mechanics', materialmen's or other liens of any kind or nature ("Liens") to be filed or enforced against the Property in connection with this Agreement. Licensee shall indemnify, defend and hold harmless Successor Agency from all liability for any and all liens, claims and demands, together with costs of defense and reasonable attorneys' fees, arising from any Liens. Successor Agency reserves the right, at its sole cost and expense, at any time and from time to time, to post and maintain on the Property, or any portion thereof, or on the improvements on the Property, any notices of non-responsibility or other notice as may be desirable to protect Successor Agency against liability. In addition to, and not as a limitation of Successor Agency's other rights and remedies under this Agreement, should Licensee fail, within ten (10) days of written request from Successor Agency, either to discharge any Lien or to bond for any Lien, or to defend, indemnify, and hold harmless Successor Agency from and against any loss, damage, injury, liability or claim arising out of a Lien, then Successor Agency, at its option, may elect to pay such Lien, or settle or discharge such Lien and any action or judgment related thereto and all costs, expenses and attorneys' fees incurred in doing so shall be paid to Successor Agency, as applicable, by Licensee upon written demand.

5.7 Except as set forth in the Parking Space Agreement and the Access Easement, Licensee shall not have any interest in the Property. Licensee shall not be entitled to any reimbursement or repayment for any work performed upon the Property pursuant to this Agreement.

5.8 Licensee shall take all necessary precautions to prevent the import and/or release into the environment of any "hazardous material," "hazardous waste" or "hazardous chemicals" as those terms are used in CERCLA (42 U.S.C. § 9601(14)) or SARA (42 U.S.C. § 110211(e)) or any similar Federal, State, or local law, statute, ordinance, regulation or order, which are imported to, in, on or under the Property during this right of entry. If such hazardous materials are imported onto the Property, Licensee shall be solely responsible for removing such imported hazardous materials in conformance with all governmental requirements. Licensee shall report to Successor Agency, as soon as possible after each incident, any unusual or potentially important incidents with respect to the environmental condition of the Property.

5.9 Licensee shall comply with the requirements of Santa Ana's National Pollutant Discharge Elimination System ("NPDES") permit, and shall utilize the Property in such a manner as to prohibit pollutants from entering the storm drain. Licensee shall not construct, maintain, operate and/or utilize any illicit connection on the Property, nor shall Licensee cause or allow any prohibited discharge from the Property.

5.10 Licensee shall be solely responsible for obtaining all utility service to the Property, and for the payment of all utility charges, including, but not limited to, water, electricity, natural gas, and sewer, as necessary for the Project and for maintaining the Property.

5.11 Licensee shall, provide all maintenance services (including but not limited to trash pickup, power washing, landscaping, parking stall striping) at the Property at its own cost and expense.

5.12 Licensee hereby acknowledges the title of Successor Agency in and to the Property, including the real property fixtures and improvements existing or erected thereon, and Licensee hereby covenants and promises never to assail, contest or resist Successor Agency's title to the Property.

5.13 Licensee acknowledges that Successor Agency makes no representation or warranty, express or implied, regarding the security of the Property or the need for or propriety of any security measures at the Property. Licensee further acknowledges that Successor Agency shall have no obligation whatsoever to provide guard service or any other security measures. Licensee expressly assumes all responsibility for the protection and security of the Property, Licensee, Licensee's designees and any personal property from any and all acts of any third party.

5.14 Successor Agency, or its authorized representatives, shall have the right at all reasonable times to enter upon the Property and inspect the general condition of the Property to determine if Licensee is complying with the terms, conditions, requirements and provisions of this Agreement. Successor Agency shall at all times retain the right to raise issues or concerns with Licensee regarding the maintenance of the Property, and to demand action from Licensee, in the Successor Agency's sole discretion, until Licensee has sufficiently addressed the issues or concerns to the Successor Agency's satisfaction, or to take such other actions as deemed reasonably necessary to ensure the safety of any persons entering the Property.

5.15 Licensee agrees to allow the use of the property for special events parking on weekends at the request of the Successor Agency; provided, however, that Successor Agency shall be responsible for any special or unique cleanup as the result of such special events.

5.16 Licensee and Successor Agency agree to comply with all terms and obligations of the Parking Space Agreement and Amendment to Parking Space Agreement, including retaining sixty (60) parking spaces on the Property at all times.

5.17 Licensee agrees to conform to any reasonable requirement set forth by the Successor Agency related to the use of the Property during the term of this Agreement.

**6. Legal Relations and Responsibilities.** Successor Agency and Licensee understand and agree that the only relationship between them created by this Agreement is that of Licenser and Licensee, and that this Agreement does not create, and shall not be construed to create, any agency, partnership, joint venture, landlord-tenant or other relationship between Successor Agency and Licensee.

**7. Insurance.** Prior to undertaking performance of work under this Agreement, Licensee shall maintain and shall require all contractors performing improvement work and/or maintenance at the Property, to obtain and maintain insurance as described below:

7.1 Commercial General Liability Insurance. Licensee shall maintain commercial general liability insurance naming the Successor Agency and their officers, employees, agents, volunteers and representatives as additional insured(s) and shall include, but not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom and damage to property, resulting from any act or occurrence arising out of Licensee's operations in the performance of this Agreement, including, without limitation, acts

involving vehicles. The amounts of insurance shall be not less than the following: single limit coverage applying to bodily and personal injury, including death resulting therefrom, and property damage, in the total amount of \$1,000,000.00 per occurrence. Licensee shall supply Successor Agency with a fully executed additional insured endorsement upon execution of this Agreement and shall be approved in form by the Successor Agency Legal Counsel.

7.2 Worker's Compensation Insurance, as required by California law.

7.3 Comprehensive Automobile Liability Coverage, including as applicable owned, non-owned, and hired autos, in an amount of not less than \$1,000,000 per occurrence, combined single limit, written in an occurrence form.

7.4 The following requirements apply to the insurance to be provided by Licensee pursuant to this section:

i. Following completion of the Project and thereafter during maintenance of the Property, the insurance to be maintained by Licensee pursuant to Paragraph 7.1 shall provide secondary coverage as to Successor Agency, with Successor Agency's separately maintained insurance providing primary coverage as to Successor Agency and as to Licensee Parties as additional named insureds. Licensee shall maintain all insurance required above in full force and effect for the entire period covered by this Agreement.

ii. Certificates of insurance shall be furnished to the Successor Agency and Licensee upon execution of this Agreement and shall be approved in form by Licensee and by the Successor Agency Legal Counsel.

iii. Certificates and policies shall state that the policies shall not be canceled or reduced in coverage or changed in any other material aspect without thirty (30) days' prior written notice to the Successor Agency.

7.5 Successor Agency reserves the right, throughout the Term of this Agreement, to review and change the amount and type of insurance coverage it requires in connection with this Agreement.

7.6 If Licensee fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish Successor Agency with required proof that insurance has been procured and is in force and paid for, Successor Agency shall have the right, at its election, to forthwith terminate this Agreement.

**8. Construction of Project.** Licensee shall provide all necessary construction, maintenance, reconstruction, installation, restoration, alteration, repair, replacement or removal ("Work") for the Project. Prior to commencement of any work, Licensee shall submit plans and specifications for the Work ("Plans") to City for review. Any such Work must be carried out pursuant to Plans approved in writing by City. All construction Work performed or caused to be performed by Licensee on the Property shall be performed: (a) at Licensee's sole cost and expense; (b) in accordance with any and all applicable laws, rules and regulations; and (c) in a manner which: (i) meets or exceeds the then applicable standards of the industry for such Work; and, (ii) is satisfactory to Successor Agency. Licensee shall be responsible for security, maintenance,

and cleanliness of the Property during Work. Successor Agency shall at all times retain the right to stop the Work or order the Licensee to take such actions as deemed reasonably necessary to ensure the safety of workers, equipment and/or the public.

8.1 Completion of Work. Licensee agrees to commence the Work after City issuance of any and all required approvals and permits, and to continue in a due and diligent, workmanlike manner, without interruption. Licensee shall certify to Successor Agency that the Project is complete and in substantial conformity with the Plans as approved by City. Upon Completion, Licensee shall provide Successor Agency with a completed set of as-built drawings.

8.2 Ownership of Improvements. All improvements constructed or placed on or within the Property by Licensee, including, but not limited to, electrical and other utilities, listed or not, shall, upon the completion of Work, installation or placement within the Property, be free and clear of all liens, claims and liability for payment for labor and material and shall be owned by and considered the property of the Successor Agency.

**9. Maintenance of Property.** Licensee, at Licensee's sole expense, shall maintain, repair and renew the Property, and appurtenances, in a condition satisfactory to Successor Agency during the Term of this Agreement and shall perform all maintenance and clean-up of the Property as necessary to keep the Property in good order and condition, subject to Successor Agency's prior approval and satisfaction, and in accordance with applicable City codes.

9.1 Licensee's Obligation to Maintain Property. Licensee shall at all time during the term of this Agreement, at its sole cost and expense, remove all trash and debris from the Property. Licensee shall also keep and maintain in good condition and in substantial repair (all to the satisfaction of Successor Agency, in its sole discretion), the Property and all appurtenances and every part thereof, including improvements of any kind erected, installed or made on or within the Property. Licensee shall at all times in the maintenance and use of the Property and improvements, comply with all laws, ordinances and regulations pertaining thereto, and all conditions and restrictions set forth herein. Licensee expressly agrees to maintain the Property in a safe, clean, wholesome, and sanitary condition and free of trash and debris, and maintain landscaping to the complete satisfaction of Successor Agency and in compliance with all applicable laws.

9.2 Vandalism. Licensee shall repair all vandalism damage to the Property within five (5) days of occurrence of said damage. Licensee shall also remove any graffiti within the Property within twenty-four (24) hours of either observing the graffiti or of being notified by Successor Agency to remove it, whichever occurs first.

9.3 Licensee's Default. In the event that Licensee fails, neglects or refuses to remove trash or debris deposited by Licensee or Licensee's invitees on the Property or to maintain or make repairs or replacements as required by this Agreement, Successor Agency shall notify Licensee in writing of such failure or refusal. In the event Successor Agency determines in its sole discretion that such repairs or replacements are necessary for the health and safety of persons on the Property, any and all use of the Property shall cease until such repairs or replacements are completed to the satisfaction of Successor Agency. Should Licensee fail or refuse to correct such default within ten (10) days of receipt of such written notice from Successor Agency, Successor



Agency may, but shall not be required to, itself or by contract, undertake the necessary maintenance, repair or replacements; and the cost thereof, including but not limited to the cost of labor, materials and equipment and procurement of insurance, plus an administrative fee in the amount of fifteen percent (15%) of the sum of such costs, shall be paid by Licensee to Successor Agency within ten (10) days of Licensee's receipt of a statement of such costs from Successor Agency. Any such maintenance, repair or replacement by or on behalf of Successor Agency shall not be deemed to be a waiver of Licensee's default under this Agreement, and shall not in any way impair, prevent or restrict Successor Agency from exercising any of its rights or remedies set forth in this Agreement or otherwise provided at law.

**10. Validity of Agreement.** In the event that any third party files an action or initiates a proceeding challenging the validity of this Agreement or asserting that the Successor Agency was not authorized to enter into this Agreement (each a "Third Party Challenge"), then the Parties shall meet and confer regarding the Third Party Challenge and the options available to the Parties, including but not limited to the modification or amendment to this Agreement, the termination of this Agreement and contesting/disputing the Third Party Challenge. In the event that the Parties elect to contest the Third Party Challenge, then the Parties shall select mutually acceptable counsel and Licensee shall pay all reasonable fees and cost incurred in connection with such action or proceeding. At all times, the Parties shall cooperate with one another with respect to the defense, and/or resolution of any Third Party Challenge. Notwithstanding the foregoing, Successor Agency may, after consultation with Licensee, make all reasonable decisions with respect to its defense and/or resolution of any such legal proceeding. The provisions of this section shall survive the termination of this Agreement.

**11. Indemnification, Defense, Hold Harmless.**

11.1 Duty to Defend and Indemnify. Licensee agrees to defend, and shall indemnify and hold harmless the Successor Agency, its officers, agents, employees, contractors, special counsel, and representatives from liability: (1) for personal injury, damages, just compensation, restitution, judicial or equitable relief arising out of claims for personal injury, including death, and claims for property damage, which may arise from the negligent operations of the Licensee, its subcontractors, agents, employees, or other persons acting on its behalf which relates to the use of the Property described in this Agreement; (2) from any claim that personal injury, damages, just compensation, restitution, judicial or equitable relief is due by reason of the terms of or effects arising from this Agreement; and (3) any liability or injury arising from the Parties' decision to contest a Third Party Challenge pursuant to Section 10. This indemnity and hold harmless agreement applies to all claims for damages, just compensation, restitution, judicial or equitable relief suffered, or alleged to have been suffered, by reason of the events referred to in this section or by reason of the terms of, or effects, arising from this Agreement. Payment shall not be a condition precedent to recovery under any indemnification in this Agreement, and a finding of liability or an obligation to indemnify shall not be a condition precedent to the duty to defend.

11.2 Indemnification Conditions. The indemnities set forth in Paragraph 11.1 are conditioned, with respect to each claim, on the following: (1) prompt written notice by the Successor Agency of a claim or a proceeding subject to the indemnification; and, (2) cooperation in the defense of such claim by the Successor Agency Party at Licensee's expense.

11.3 Survival. The provisions of this section shall survive the termination of this Agreement.

## **12. Termination.**

12.1 Maintenance License. Notwithstanding any other provision of this Agreement, Successor Agency may terminate the maintenance obligations in this Agreement and the License with or without cause, and for any reason and at any time, by giving Licensee thirty (30) days' written notice of termination at the address provided herein. Upon termination of the Maintenance Agreement or revocation of the License, whether with or without cause, Licensee shall transfer the maintenance obligations to Successor Agency or its designee. At the time of transfer of the maintenance obligations, the Property shall be in a good state of repair. Any improvements constructed by Licensee on the Property shall be the property of the fee title owner of the Property.

12.2 Access Easement. Notwithstanding any other provision of this Agreement, Successor Agency may revoke the Access Easement granted Licensee: (1) should Licensee fail to perform any of its obligations pursuant to this Agreement, and then fail to cure such default within thirty (30) days after notice from the Successor Agency; (2) on one hundred and eighty (180) days' written notice to Licensee if a Third Party Challenge is received by Successor Agency and the Parties: (a) are unable to resolve said Third Party Challenge within sixty (60) days; or (b) elect not to contest such Third Party Challenge; or (3) on thirty (30) days' written notice if Licensee abandons the entrance to the Building through the Access Easement, without any intention to reopen the entrance. Upon revocation of the Access Easement, Licensee shall remove any and all improvements related to the Access Easement, and remove any access points to the Building in the Access Easement area as depicted in **Exhibit 4**. Upon revocation, Licensee shall also complete any and all work necessary to bring the Building back into compliance with any and all laws and code requirements, as required by the City of Santa Ana in its sole discretion. All restoration work shall be at Licensee's sole cost and expense.

12.3 Termination of Agreement at Expiration of Term. Either party may terminate this Agreement, for any reason, effective as of the last day of the Initial Term or at any time during any Renewal Term, on not less than one hundred and twenty (120) days' prior written notice to the other party.

12.4 Waiver of Liability on Termination or Revocation. Licensee hereby waives all damages or claims for damage that may be caused by any action of Successor Agency in the termination of the Maintenance Agreement or the License and/or or the revocation of the Access Easement.

## **13. Miscellaneous.**

13.1 Entire Agreement, Waiver and Amendments. This Agreement incorporates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the parties with respect to the maintenance of the Property and the Access Easement. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the party to be charged. Any amendment or

modification to this Agreement must be in writing and executed by the appropriate authorities of the Successor Agency and Licensee.

13.2 Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless and to the extent the rights and obligations of one or both parties has been materially altered or abridged by such holding.

13.3 No Assignment. Licensee shall not assign or transfer or otherwise convey any interest in this Agreement to any party without the express prior written consent of Successor Agency, which consent may be withheld in Successor Agency's sole and absolute discretion. This section shall not apply to any successor in interest taking legal ownership of either the Builder's Exchange Building from Licensee or the Property from Successor Agency.

13.4 Choice of Law. This Agreement is to be governed by, and construed in accordance with, the laws of the State of California. Venue shall be in the County of Orange.

13.5 Remedies. Either party shall, in addition to all other rights provided herein or as may be provided by law, be entitled to the remedies of specific performance and injunction to enforce its rights hereunder, except to the extent expressly provided to the contrary in this Agreement. All rights and remedies under this Agreement are cumulative and no one of them shall be exclusive of any other, and each party shall have the right to pursue any one or all of such rights and remedies or any other remedy which may be provided by law, whether or not stated in this Agreement, except to the extent expressly provided to the contrary in this Agreement.

13.6 Disputes. In the event that any action is commenced by a party to this Agreement against the other to enforce its rights or obligations arising from this Agreement or seeking to interpret this Agreement, the prevailing party in such action, in addition to any other relief and recovery ordered by the court, shall be entitled to recover all statutory costs, plus reasonable attorneys' fees.

13.7 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.8 Non-Liability of Public Officials. No officer, employee, member, agent or representative of the Successor Agency shall be personally liable to Licensee, or any successor in interest, in the event of any default or breach by the Successor Agency, or for any amount which may become due to Licensee or its successor, or for any breach of any obligation of the terms of this Agreement.

13.9 Effective Date. This Agreement shall become effective on the date of Successor Agency's execution of this Agreement.

13.10 Notices. Any notices, requests, or approvals given under this Agreement from one party to another shall be in writing and shall be personally delivered or deposited with the United States Postal Service for mailing, postage prepaid, by certified mail, return receipt

requested, to the addresses of the other party as stated in this section, and shall be deemed to have been received at the time of personal delivery or three (3) days after the deposit for mailing. Notices shall be sent to:

If to Licensee: Swinerton  
260 Townsend Street, 5th Floor  
San Francisco, CA 94507  
Attn: General Counsel

If to Successor Agency: Clerk of the City Council  
City of Santa Ana  
20 Civic Center Plaza (M-30)  
P.O. Box 1988  
Santa Ana, CA 92702-1988

13.11 Headings. The titles and headings of sections and paragraphs of this Agreement, as herein set forth, have been inserted for the sake of convenience only, and are not to be taken, deemed or construed to be any part of the terms, covenants or conditions of this Agreement, or to control, limit or modify any of the terms, covenants or conditions hereof.

13.12 Time of Essence. Time is of the essence of this Agreement. Failure to comply with any requirement, including, but not limited to, any time requirement, of this Agreement shall constitute a material breach of this Agreement.

13.13 Construction. This Agreement shall be construed, interpreted, governed and enforced in all respects as if drafted by both Successor Agency and Licensee.

13.14 Further Assurances. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of the parties hereto.

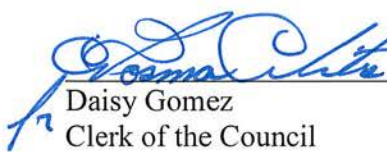
13.15 Authority. The persons executing this Agreement on behalf of the parties hereto represent and warrant to the other party that they are duly authorized to execute and deliver this Agreement on behalf of such party, and by so executing this Agreement, said party is formally bound to the provisions of this Agreement.

13.16 Precedence. In the event of any conflict between the terms of this Agreement and the Parking Space Agreement, the terms of the Parking Space Agreement shall take precedence. Nothing contained in this Agreement shall affect, impair or alter the rights and obligations of the parties hereto under the Parking Space Agreement. The termination of this Agreement, and/or the revocation of the License or the Access Easement, shall not alter any rights or obligations under the Parking Space Agreement.

(THIS SPACE INTENTIONALLY LEFT BLANK-  
SIGNATURES CONTINUED ON NEXT PAGE)


IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

**ATTEST:**

  
Daisy Gomez  
Clerk of the Council

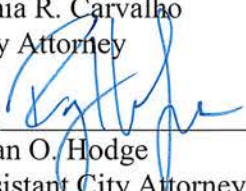


**SUCCESSOR AGENCY**


  
Kristine Ridge  
City Manager

**APPROVED AS TO FORM:**

Sonia R. Carvalho  
City Attorney

By:   
Ryan O. Hodge  
Assistant City Attorney

**SWINERTON** ✓

  
Brian McCartney  
V.P. Division Manager

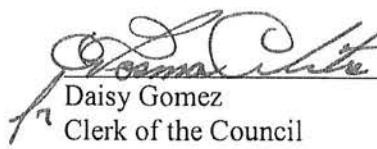
**RECOMMENDED FOR APPROVAL:**

  
Steven A. Mendoza  
Executive Director  
Community Development Agency




IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

**ATTEST:**

  
Daisy Gomez  
Clerk of the Council

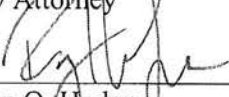


**SUCCESSOR AGENCY**

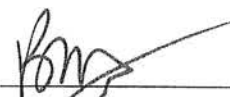
  
Kristine Ridge  
City Manager

**APPROVED AS TO FORM:**

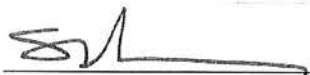
Sonia R. Carvalho  
City Attorney

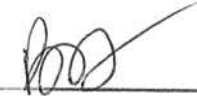
By:   
Ryan O. Hodge  
Assistant City Attorney

**SWINERTON**

  
Brian McCarthy  
V.P. Division Manager

**RECOMMENDED FOR APPROVAL:**

  
Steven A. Mendoza  
Executive Director  
Community Development Agency

  
Brian McCarthy  
V.P. Division Manager

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by \_\_\_\_\_, proved to me on this basis of satisfactory evidence to be the person(s) who appeared before me.  
(Insert name of person(s) appearing before notary)

Notary Signature: \_\_\_\_\_ (Seal)

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Orange

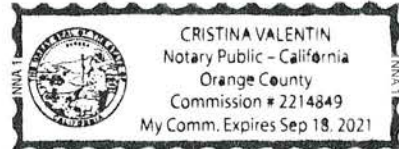
On October 15, 2019 before me, Cristina Valentin, Notary Public personally appeared Brian McCarthy who proved to me  
(date) (insert name and title of the officer) (insert name of person(s) appearing before notary)

on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Signature [Signature] (Seal)



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I certify under penalty of perjury and the laws of the State of California that the illegible portion of this document to which this statement is attached reads as follows:

Place of Execution: \_\_\_\_\_ Date: \_\_\_\_\_ Signature: \_\_\_\_\_

**Government Code 27361.7**

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I certify under penalty of perjury that the Notary Seal on the document to which this statement is attached reads as follows:

Name of the Notary: \_\_\_\_\_ Commission Number: \_\_\_\_\_  
Date Commission Expires: \_\_\_\_\_ Manufacturer/Vendor No: \_\_\_\_\_  
County Where Bond is Filed: \_\_\_\_\_ (4 digit number on the side of the notary stamp)

Place of Execution: \_\_\_\_\_ Date: \_\_\_\_\_ Signature: \_\_\_\_\_

RECORDED AT THE REQUEST OF  
CHICAGO TITLE COMPANY

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

Community Redevelopment Agency  
of the City of Santa Ana  
20 Civic Center Plaza M-25  
Santa Ana, CA 92701

DOC # 93-0618149  
14-SEP-1993 03:59 PM

Recorded in Official Records  
of Orange County, California  
Lee A. Branch, County Recorder  
Page 1 of 5 Fees: \$ 17.00  
Tax: \$ 0.00

PARKING SPACE AGREEMENT

THIS AGREEMENT, made this 18th day of May,  
1993, by and between the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY  
OF SANTA ANA, a public body, corporate and politic (the "Agency")  
and BUILDERS EXCHANGE ASSOCIATES, a California limited partnership  
("BEA")

WITNESSETH

A. The Agency is the owner of the real property, hereinafter  
referred to as the "Agency Property," which is located in the City  
of Santa Ana, County of Orange, California, and is more particular-  
ly described as follows:

Lots 2, 3, 5, 6, 7, 8, 9 and 10, together with the  
North 0.50 feet of Lot 4, all in Block 6 of the Town  
of Santa Ana, as shown on that certain map recorded  
in Book 2, Page 51 of Miscellaneous Records of Los  
Angeles County, California.

B. BEA is the owner of the real property, hereafter called  
the "BEA Property," which is located in the City of Santa Ana,  
County of Orange, California, and is more particularly described as  
follows:

Lots 1 and 4 in Block 6 of the "Town of Santa Ana,"  
as shown on a map recorded in Book 2, page 51 of  
Miscellaneous Records of Los Angeles County, Cali-  
fornia. Excepting therefrom the North 6 inches of  
said Lot 4.

C. The Agency Property and the BEA Property are located the  
Central City Redevelopment Project Area of the City of Santa Ana.  
The Agency has, as one of its purposes, the redevelopment of the  
said redevelopment project area in accordance with the Community  
Redevelopment Law (California Health and Safety Code sections  
33000 et seq.) and with the redevelopment plan adopted by the City  
of Santa Ana for that project area.

D. The Agency Property is adjacent to the BEA Property and  
is presently undeveloped. The Agency may, at some time in the

This document filed for record as an  
accommodation only. It has not been  
examined as to its execution or as to  
its effect upon the title.

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future, enter into an agreement with a developer for the development of all or part of the Agency Property.

E. The BEA Property is developed with a building, known as the "Builders Exchange Building," which is a building of historical significance to the City of Santa Ana and which has been rehabilitated for use as an office building, but which lacks sufficient off-street parking facilities to allow for its effective economic operation as such.

F. The Agency has determined that the preservation of the Builders Exchange Building as an economically viable office building serves the purpose of redeveloping the Central City Redevelopment Project Area and that the provision on the Agency Property of 60 parking spaces servicing the Builders Exchange Building is an appropriate way to achieve that objective.

G. The parties hereto desire to enter into this Agreement to assure the future availability of 60 parking spaces on the Agency Property servicing the Builders Exchange Building, while at the same time allowing for the development of all or part of the Agency Property by a developer pursuant to agreement with the Agency.

NOW, THEREFORE, in consideration of the foregoing, and subject to the terms and conditions hereinafter set forth, and expressly for the benefit of, and to bind, their successors in interest (except as otherwise provided hereinbelow), the parties hereto do hereby agree as follows:

1. The Agency hereby grants to BEA the right to utilize sixty (60) parking spaces on the Agency Property for the parking of motor vehicles by the tenants of the Builders Exchange Building and their agents, employees and invitees, including all related rights of access and ingress and egress to such parking spaces. The exercise of such right shall be without cost to BEA or to the tenants of the Builders Exchange Building and their agents, employees and invitees. BEA shall have the right to determine how the 60 spaces are to be allocated among the tenants of the Builders Exchange Building and their agents, employees and invitees.

2. It shall be the responsibility of the Agency, and the Agency agrees, to assure that any agreement entered into by the Agency with a developer for the development of all or part of the Agency Property accommodates the rights of BEA under this Agreement. No such agreement shall be approved by the Agency unless, following the completion of development pursuant to such agreement, the Agency Property shall contain parking facilities having at least 60 parking spaces which may be used in accordance with this Agreement.

3. BEA's rights under section 1 of this Agreement shall be suspended during any period of time in which construction activi-

ties on the Agency Property prevent the use of any of the Agency Property as parking spaces pursuant to this Agreement.

4. The successive owners of the Agency Property shall be bound by this Agreement for the benefit of the BEA Property and the successive owners thereof in accordance with section 1468 of the Civil Code of the State of California and the covenants set forth herein are covenants running with the BEA Property; except that in the event that the Agency conveys only part of the Agency Property and the part retained by the Agency includes parking facilities having at least 60 parking spaces and is adjacent to the BEA Property, the successive owners of the part conveyed by the Agency in such circumstances shall not be bound by this Agreement.

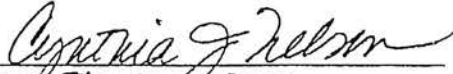
5. The Agency hereby grants to BEA a non-exclusive easement (this "Grant of Easement") appurtenant to BEA's property, for vehicular and pedestrian ingress and egress, over, upon, along and across the eastern-most 20 feet of Lots 2 and 3 of the Agency Property (the "Easement Area") for the benefit of BEA's Property. BEA may use the Easement Area for any reasonable purpose consistent with this Grant of Easement including, but not limited to, ingress and egress by both personal and commercial vehicles. The Agency expressly agrees not to do or permit any act which shall prevent, impede or interfere with use of the Easement Area as a driveway including, but not limited to, the placement, erection, or construction of any buildings, walls, fences or other structures on the Easement Area. This Grant of Easement is a covenant running with and appurtenant to the land, burdening and benefitting each of the respective parties in accordance with the provisions of the California Civil Code and is binding upon and inures to the heirs, assigns and successors of the parties.

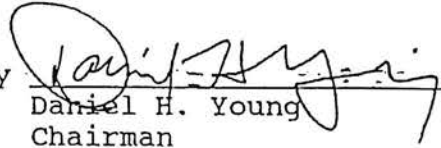
6. The Agency shall record this Agreement in the Official Records of Orange County, California, in the chain of title of the Agency Property, and shall provide BEA with a certified true copy of this Agreement as thus recorded.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

ATTEST:

COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF SANTA ANA

  
\_\_\_\_\_  
Cynthia J. Nelson  
Executive Director

by   
\_\_\_\_\_  
Daniel H. Young  
Chairman

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Edward J. Cooper  
Agency Legal Council

BUILDERS EXCHANGE ASSOCIATES  
A California limited partner-  
ship

by   
\_\_\_\_\_  
Jay Horton  
General Partner

by   
\_\_\_\_\_  
Frank Barbare  
General Partner

by   
\_\_\_\_\_  
Ned Reilly  
General Partner

This is to certify that this document is presented for free recording by the City of Santa Ana under Government Code Section 6103.

773

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Recorded in Official Records, County of Orange  
Gary Granville, Clerk-Recorder

**CITY OF SANTA ANA  
COMMUNITY DEVELOPMENT AGENCY  
20 CIVIC CENTER PLAZA -1426  
PO BOX 1988  
SANTA ANA, CA 92702**

NO FEE  
20010290580 12:35pm 05/08/01  
120 8 A17 3  
0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

AMENDMENT TO PARKING SPACE AGREEMENT

THIS AMENDMENT is made and entered into this 16<sup>th</sup> day of March 2001, by and between the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA, a public body, corporate and politic, (the "Agency) and BUILDERS' EXCHANGE ASSOCIATES, a California limited partnership ("BEA"), in reference to that certain PARKING SPACE AGREEMENT between the parties hereto dated May 18, 1993 (the "Agreement") recorded as Document Number 93-0618149 in the Official Records of Orange County, California.

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RECITALS

A. The Agency and BEA entered into the Agreement for the purposes of providing parking on the Agency Property (as that term is defined in the Agreement) and vehicular and pedestrian access over a portion of the Agency Property to serve BEA's building.

B. The Agency and BEA seek to amend the Agreement by this Amendment to redefine the Agency Property because the Agency intends to redevelop a portion of the Agency Property as contemplated by the Agreement and therefore seeks to release the burden of the Agreement from part of the Agency Property while still fulfilling the intent of the Agreement to provide the parking and access.

NOW THEREFORE, the Parties agree as follows:

1. Recital A of the Agreement is hereby amended to read as follows:

"A. The Agency is the owner of the real property, hereinafter referred to as the "Agency Property" which is located in the City of Santa Ana, County of Orange, California, and is more particularly described as follows:

Lots 5, 8 & 9, together with the Easterly 36 feet of Lots 2, 3, 6,7 & 10, and the North 0.50 feet of Lot 4, all of Block 6 of the Town of Santa Ana, as shown on that certain map recorded in Book 2, Page 51 of Miscellaneous Records of Los Angeles

County, California.”

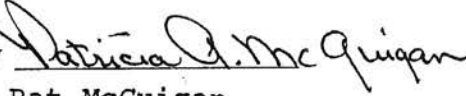
2. BEA hereby relinquishes any claim to any portions of the Agency Property as originally described in the Agreement. Upon request by the Agency, BEA shall execute and deliver to the Agency a quit claim to any such property.

3. Except as necessary to implement the intent of this Amendment, the Agreement shall remain in full force and effect.


IN WITNESS WHEREOF, Agency and BEA have executed this Amendment the day and year first above written.

ATTEST:

  
\_\_\_\_\_  
John Reekstin  
Executive Director

COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF SANTA ANA  
by   
Pat McGuigan  
Vice-Chair

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Joseph W. Fletcher  
Agency Legal Counsel

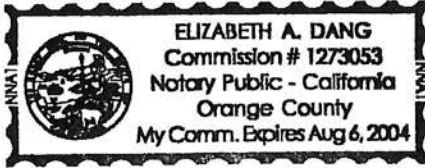
BUILDERS' EXCHANGE ASSOCIATES  
by   
Frank P. Barbaro  
General Partner

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
 County of ORANGE } ss.

On 3-20-2001, before me, ELIZABETH A. DANG, NOTARY PUBLIC,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
 personally appeared PATRICIA A. MCGUIGAN,  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity~~(ies)~~, and that by ~~his/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

Elizabeth A. Dang  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: AMENDMENT TO A/M/T.

Document Date: 3/15/01 Number of Pages: 2

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here



# CREATIVE SPACE®

INFO@CREATIVESPACE.US  
WWW.CREATIVESPACE.US

June 11, 2019

Mr. Pedro Gomez  
Assistant Planner I  
City of Santa Ana  
Planning & Building Agency  
20 Civic Center Plaza  
Santa Ana, CA 92702

RE: PROPERTY IMPROVEMENTS ADJACENT TO THE BUILDERS EXCHANGE BUILDING  
REHABILITATION, 200 NORTH MAIN STREET  
DP NO. 2018-29 (MASTER ID NO. 2018-145526), ER NO. 2018-115

Mr. Gomez,

As a follow up to my conversation with you and Sylvia Vazquez regarding the proposed improvements at the existing City of Santa Ana owned parking lot adjacent to our project at 200 N Main street, here is a bullet point summary of the proposed/desired improvements that Swinerton Builders would complete and fully fund.

- Installation of vehicular control access arms (2 locations) within parking lot on the West side of the property (east of the drive aisle running North-South) with associated planter adjustments at these locations.
- Stencil lettering at parking spaces outside of vehicular control access arms indicating "Visitor" (short term) parking for guests
- Removal of sloped asphalt at South end of property from back of curb to building face of 200 N Main St, replacement with concrete sloped sidewalk. Sidewalk to include curb ramp at existing accessible parking spaces, slope down to connect with Main Street sidewalk. *Note this will provide an accessible route from the ADA parking to the public way which does not currently exist.*
- Removal of (1) parking lot light pole and base adjacent to 200 N Main St. building where sidewalk will be installed. No replacement is deemed necessary due to existing parking lighting currently on site.
- Removal of one (1) CMU pilaster, decorative metal fence section and planting facing Main Street at the South-East corner of the property and replacement with new metal and concrete entry portal with pedestrian gate and slab on grade. Entry portal to wrap around along the North face of the 200 N Main St building as well. *Note this work is within the revocable easement area.*
- Installation of 4-6 electric vehicle charging stations at the South end of the parking lot.

Should you have any questions or concerns related to the proposed improvements please feel free to reach out to Myself or Brian McCarthy at your convenience.



Evan Raabe  
Partner | Design & Development  
Creative Space  
c. 949-439-9747  
e. evan@creativespace.us

**EXHIBIT 'A'**  
REVOCABLE ACCESS EASEMENT  
LEGAL DESCRIPTION

BEING AN EASEMENT WITHIN LOT 4 OF TRACT NO. 16217, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 833, PAGES 48 THROUGH 50, OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE INTERSECTING POINT OF THE SOUTHERLY RIGHT OF WAY LINE OF THIRD STREET AND THE WESTERLY RIGHT OF WAY LINE OF MAIN STREET PER SAID MAP; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE SOUTH 01°01'54" WEST A DISTANCE OF 132.01 FEET TO THE **POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE SOUTH 01°01'54" WEST A DISTANCE OF 18.50 FEET; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE NORTH 89°04'39" WEST A DISTANCE OF 30.00 FEET; THENCE NORTH 01°01'54" EAST A DISTANCE OF 18.50 FEET; THENCE SOUTH 89°04'39" EAST A DISTANCE OF 30.00 FEET TO THE **POINT OF BEGINNING**.

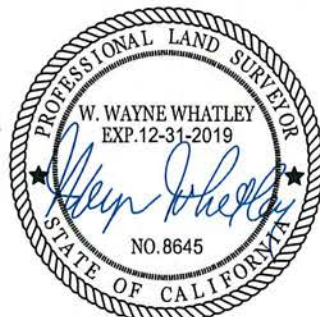
CONTAINING AN AREA OF 555.00 SQUARE FEET.

ATTACHED HERETO IS EXHIBIT 'B' AND BY THIS REFERENCE MADE A PART HEREOF.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND OTHER RIGHTS OF RECORD.

THIS DOCUMENT WAS PREPARED BY ME  
OR UNDER MY DIRECTION ON: 06/14/2019

  
W. WAYNE WHATLEY, LS 8645





# EXHIBIT 'B'

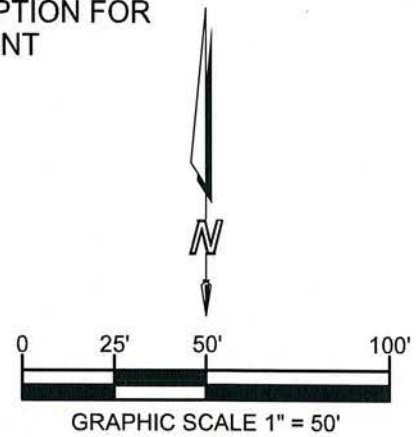
## PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR REVOCABLE ACCESS EASEMENT

### LEGEND

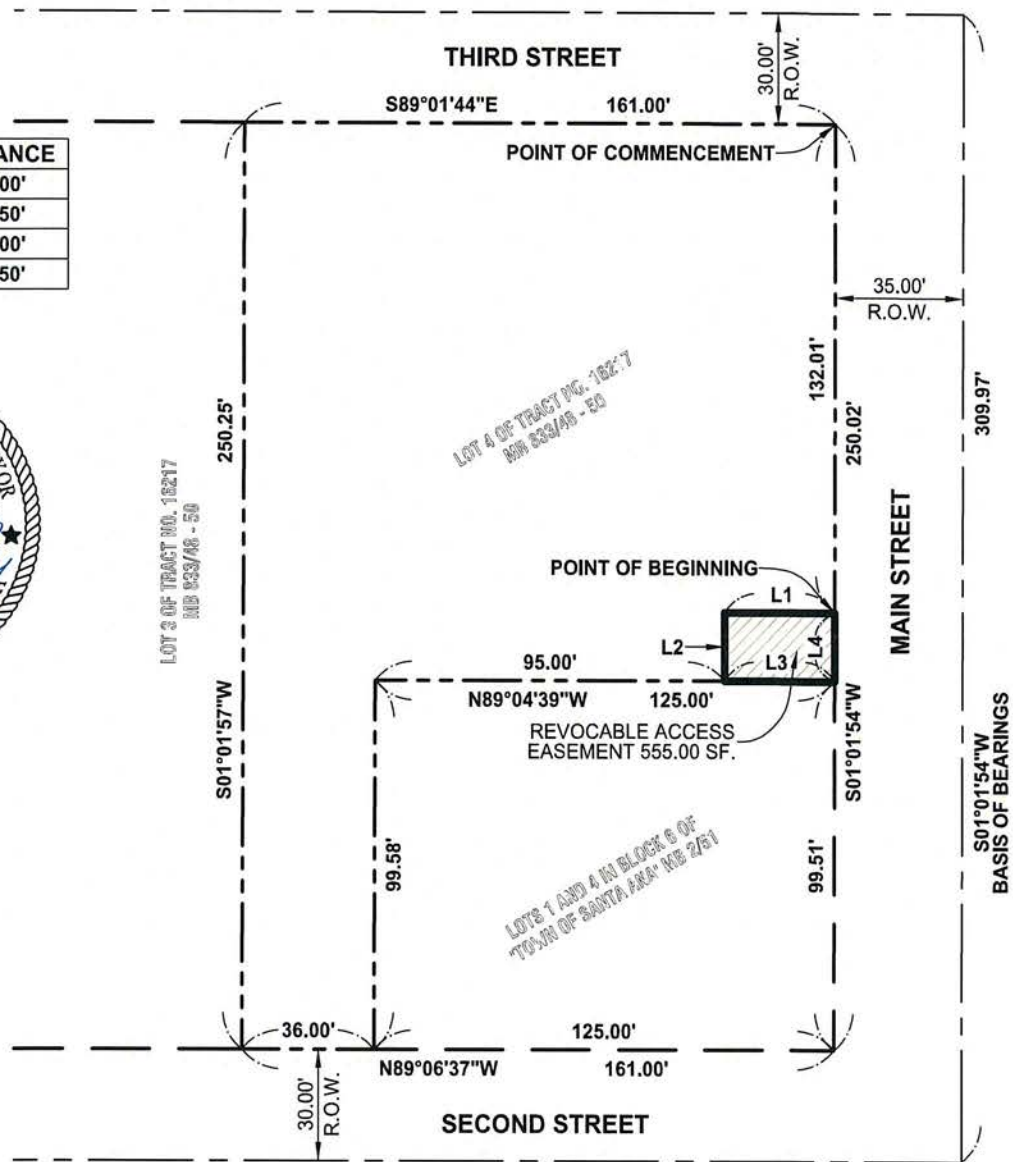
- REVOCABLE ACCESS EASEMENT  
555.00 SQUARE FEET
- PARCEL LINES PER TRACT NO. 16217
- CENTERLINE
- RIGHT OF WAY LINE

### BASIS OF BEARINGS

BEING THE CENTERLINE OF N MAIN STREET PER TRACT NO. 16217, BOOK 833, PAGE 49, CITY OF SANTA ANA, ORANGE COUNTY, A BEARING OF N01°01'54".




LINE	BEARING	DISTANCE
L1	S89°04'39"E	30.00'
L2	N01°01'54"E	18.50'
L3	N89°04'39"W	30.00'
L4	S01°01'54"W	18.50'



**398-601-02, CA, Orange County**

APN: 398-601-02 CLIP: 5823057530

	Beds	Full Baths	Half Baths	Sale Price	Sale Date
	N/A	N/A	N/A	N/A	N/A
	Bldg Sq Ft	Lot Sq Ft	Yr Built	Type	
	N/A	27,787	N/A	TAX EXEMPT	

OWNER INFORMATION			
Owner Name	The City Of Santa Ana	Tax Billing City & State	Santa Ana, CA
Mail Owner Name	The City Of Santa Ana	Tax Billing Zip	92702
Tax Billing Address	Po Box 1988	Tax Billing Zip+4	1988

LOCATION INFORMATION			
Tract Number	16217	Census Tract	750.02
School District	Santa Ana	Within 250 Feet of Multiple Flood Zone	No
Comm College District Code	Rancho Santiago		

TAX INFORMATION			
APN	398-601-02	Lot	4
Exemption(s)	Misc	Water Tax Dist	Southern Calif Jt Re
Tax Area	11005		
Legal Description	N-TRACT: 16217 BLOCK: LOT: 4		

ASSESSMENT & TAX			
Assessment Year	2022	2021	2020
Assessed Value - Total	\$704,919	\$691,098	\$684,012
Assessed Value - Land	\$704,919	\$691,098	\$684,012
YOY Assessed Change (\$)	\$13,821	\$7,086	
YOY Assessed Change (%)	2%	1.04%	

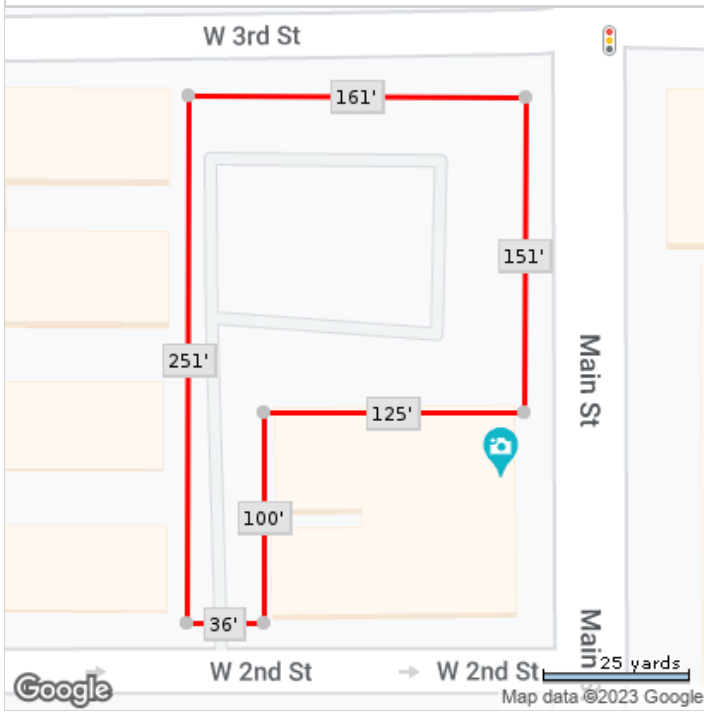
CHARACTERISTICS			
County Land Use	Exempt	Lot Area	27,787
Universal Land Use	Tax Exempt	# of Buildings	1
Lot Acres	0.6379		

SELL SCORE	
Value As Of	2023-08-20 04:32:41

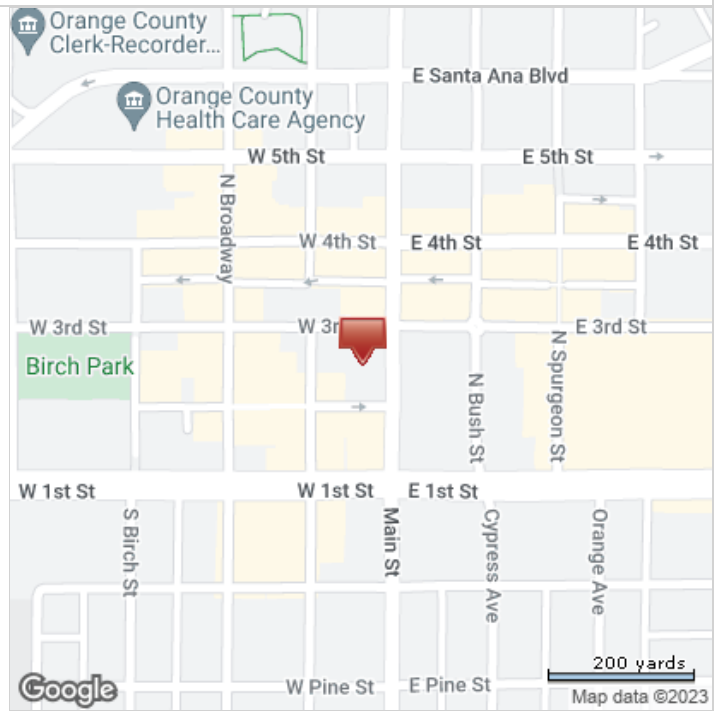
LAST MARKET SALE & SALES HISTORY			
Recording Date	03/19/1986	Deed Type	Deed (Reg)
Multi/Split Sale	Multi	Owner Name	The City Of Santa Ana
Document Number	<a href="#">107541</a>	Seller	Owner Record

Recording Date	07/26/2012	07/03/2012	03/19/1986
Sale Date	07/26/2012	07/03/2012	
Nominal	Y	Y	
Buyer Name	City Of Santa Ana	City Of Santa Ana	Community Redev Agency Of City
Seller Name	City Of Santa Ana	City Of Santa Ana	Owner Record
Document Number	426331	378925	107541
Document Type	Quit Claim Deed	Quit Claim Deed	Deed (Reg)

PROPERTY MAP



\*Lot Dimensions are Estimated



Addendum C

**QUALIFICATIONS**



VALUATION & ADVISORY SERVICES

# J. Richard Donahue, MAI

First Vice President  
Irvine, CA  
E rick.donahue@cbre.com

## Professional Experience

J. Richard Donahue, MAI is a First Vice President for CBRE's Valuation & Advisory Services (VAS). He has been appraising in Southern California since 1977, specializing in valuation and consulting services related to public agency and right-of-way clients and for major, investment grade commercial properties and special purposes properties.

Mr. Donahue is experienced in valuing partial and full acquisitions related to eminent domain actions. These services include fee, easement and temporary easement valuations. Mr. Donahue has specialty experience in the appraisal of conservation easements, air right valuations, sub-surface easements, utility easements and transmission line easements. He also has expertise in valuing an extensive variety of investment grade real estate and special purpose properties for lending, investment consulting and other purposes.

Mr. Donahue's services include a wide range of specialized studies including tax appeals, market demand, feasibility, investment analysis, assessment allocation, reuse analysis, and the valuation of partial interests including leasehold, leased fee and minority interests. He also acts as a review appraiser for multiple public agencies.

Mr. Donahue has been a featured speaker at Appraisal Institute functions, a USPAP Instructor, and previously served on the organization's national Board of Directors as Regional Chair, Member of the Executive Committee and Chair of the National Audit Committee. He is a recipient of the Bert L. Thornton Professional Service Award of the Southern California Chapter of the Appraisal Institute, awarded in recognition of many years of unselfish dedication to the Appraisal Institute and its Professional Goals and for the exemplary conduct displayed during their professional career. Mr. Donahue previously was a Senior Managing Director at Integra Realty Resources – Orange County.

## Professional Activities & Affiliations

- Appraisal Institute: Past Member of the National Board of Directors and Executive Committee
- Appraisal Institute: Past Chair of the Audit Committee
- Appraisal Institute: Past President of Southern California Chapter
- Appraisal Institute: Former Instructor - USPAP and AI Business Ethics courses
- Appraisal Institute: Southern California Chapter Instructor - The Valuation of Religious Properties

## Pro Accreditations

- Licenses: California, Certified Real Estate Appraiser, AG008427, Expires April 2025

## Professional Affiliations / Accreditations

- Member: Appraisal Institute (MAI No. 7470)
- Member: International Right of Way Association

## Education

- B.A., History, California Polytechnic University, Pomona

## Qualified Before Courts & Administrative Bodies

- Appraisal Institute: Past Member of the National Board of Directors and Executive Committee
- Appraisal Institute: Past Chair of the Audit Committee
- Appraisal Institute: Past President of Southern California Chapter
- Appraisal Institute: Former Instructor - USPAP and AI Business Ethics courses
- Appraisal Institute: Southern California Chapter Instructor - The Valuation of Religious Properties



VALUATION & ADVISORY SERVICES

# Stephanie Kavanaugh

Senior Appraiser  
 Newport Beach, CA  
 E stephanie.kavanaugh@cbre.com

## Professional Experience

Stephanie Kavanaugh is a senior appraiser for CBRE's Valuation & Advisory Services (VAS). She has been appraising in Southern California for more than 20 years, specializing in valuation and consulting services related to public agency and right-of-way clients and for major, investment grade commercial properties and special purposes properties.

She has experience in valuing residential, commercial, industrial, open space land, vacant land and other income producing properties for institutional and acquisition purposes, partial acquisition valuation, including determination of severance damages and/or benefits for public projects. Major projects appraised include freeway and street widening, gas pipeline, grade separations, transmission line easements and electrical substations. Special purpose properties appraised include landfills, museums, water tank sites, libraries, fire stations, and correctional institutions.

Her recent appraisal work for right-of-way-related purposes includes assignments for the Marengo Siding Improvement Project, El Monte Siding Extension Project, Chatsworth Station and Signal Improvements Project, Bloomington Avenue Pavement and Sidewalk Project, Blackstone McKinley BNSF Grade Separation Project, San Juan Creek Bridge Replacement Project, I-405 Improvement Project, California High Speed Rail Authority, and Mid County Parkway Project.

## Training / Courses Completed

Completed the following Appraisal Institute courses:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- National Uniform Standards of Professional Appraisal Practice
- Real Estate Finance, Statistics, and Valuation Modeling
- Business Practices and Ethics
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Income Capitalization Approach, Part I
- General Appraiser Income Capitalization Approach, Part II
- Advanced Income Capitalization
- General Appraiser Report Writing and Case Studies

## Pro Accreditations

- Licenses: California, Certified Real Estate Appraiser, AG030565, Expires April 2025

## Education

- Fashion Institute of Design & Merchandising
- University of California, Los Angeles



RESOLUTION NO. 2024-003

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA APPROVING THE PURCHASE AND SALE AGREEMENT FOR THE DISPOSITION OF PROPERTY TO THE CITY OF SANTA ANA LOCATED AT 3RD STREET AND MAIN STREET PARKING LOT

BE IT RESOLVED BY THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1. The Governing Board of the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana hereby finds, determines and declares as follows:

- A. Pursuant to AB X1 26 (enacted in June 2011 and amended from time to time, the "Dissolution Act") and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231 (2011), all redevelopment agencies within the State of California, including the Community Redevelopment Agency of the City of Santa Ana ("Former Agency"), were dissolved.
- B. On January 9, 2012, pursuant to section 34173 of the California Health and Safety Code ("HSC"), the City of Santa Ana ("City") elected to serve as Successor Agency to the dissolved Former Agency ("Successor Agency").
- C. The Successor Agency is tasked with winding down the Former Agency's affairs.
- D. Pursuant to HSC section 34175(b), all assets, including real properties, of the Former Agency transferred to the control of the Successor Agency by operation of law.
- E. The Former Agency acquired that parking lot located at 3<sup>rd</sup> Street and Main Street, APN 398-601-02 ("Property"). The Property is subject to a Parking Space Agreement dated May 18, 1993 (recorded with the County on September 14, 1993), as amended on March 16, 2001 (recorded with the County on May 8, 2001), and the agreement assured the owners of the adjacent property located at 200 North Main Street (Builders Exchange Building) with the future availability of 60 parking spaces exclusively for the use of those owners. The Former Agency and the successive owners of the Property are bound by this Parking Space Agreement.



F. The Property is also subject to a Property Maintenance License and Revocable Access Easement Agreement entered into on October 11, 2019 (recorded with the County on October 16, 2019), for a three-year period, with automatic renewals every one-year period, for ingress and egress to provide entry to the parking lot. The Successor Agency and the successive owners of the Property are bound by this Property Maintenance License and Revocable Access Easement Agreement.

G. Pursuant to the Long Range Property Management Plan attached to Oversight Board Resolution No. 2015-04, the Successor Agency intends to sell the Property to the City for the appraised market value.

H. In furtherance of its wind-down of the Former Agency's affairs, the Successor Agency desires to transfer the Property to the City pursuant to HSC section 34181(a).

I. The City and the Successor Agency have reviewed the fair market value of the Property and have concluded that the value of the Property is consistent with the purchase price as set forth in the draft "Purchase and Sale Agreement" in the form submitted to the City and Successor Agency concurrently herewith (the "Agreement").

J. The fair market value and purchase price was established as \$190,000 by an appraisal conducted on October 3, 2023.

K. A joint public hearing of the Successor Agency and City Council on the proposed Agreement was duly noticed in accordance with HSC section 33431.

L. On September 17, 2024, the governing board of the Successor Agency and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Successor Agency reviewed and evaluated all the information, testimony, and evidence presented during the joint public hearing.

M. All actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner.

N. The Successor Agency has reviewed the staff report in connection with this matter and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder.

O. The Successor Agency has considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Property pursuant to the Agreement complies with the Oversight Board's direction to dispose of all assets and properties of the Former Agency pursuant to HSC section 34181(a), and in accord with the public purposes and provisions of applicable State and local laws and requirements.

Section 2. The Successor Agency hereby finds and determines that the disposition by sale of the Property by the Successor Agency to the City pursuant to the Agreement will further the achievement of the Successor Agency's purpose of winding down the Former Agency's affairs in compliance with the Oversight Board's direction to dispose of all assets and properties of the Former Agency pursuant to HSC section 34181(a).

Section 3. The Successor Agency finds and determines that, based upon substantial evidence provided in the record, the consideration for the Successor Agency's sale of the Property to the City pursuant to the terms and conditions of the Agreement is not less than the fair market value of the Property.

Section 4. The Successor Agency hereby approves the Agreement in substantially the form presented to the Successor Agency, subject to such revisions as may be made by the Executive Director of the Successor Agency, or designee. The Executive Director of the Successor Agency is hereby authorized to execute the Agreement, as so revised (including without limitation all attachments thereto), on behalf of the Successor Agency, together with any instruments necessary or convenient to implement the Agreement. A copy of the Agreement shall, when executed by the Successor Agency, be placed on file in the Office of the Secretary of the Successor Agency.

Section 5. The Executive Director of the Successor Agency, or designee, is hereby authorized, on behalf of the Successor Agency, to make revisions to the Agreement that do not materially or substantially increase the Successor Agency's obligations thereunder or materially or substantially change the uses or development permitted on the Property, to sign all documents to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the Successor Agency's obligations, responsibilities and duties to be performed under the Agreement and related documents.

Section 6. Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the sale of the Property is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) as the Property's existing use as a parking lot will continue, such that the sale is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment as it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. Alternatively, the sale of the Property is exempt from CEQA pursuant to CEQA Guidelines Section 15301 as the Property will continue to be operated as a parking lot, its existing use.


Section 7. This Resolution shall take effect immediately upon its adoption by the Successor Agency, and the Secretary of the Successor Agency shall attest to and certify the vote adopting this Resolution.



Adopted this 23<sup>rd</sup> day of September 2024.

  
Valerie Amezcua  
Mayor

APPROVED AS TO FORM:  
Sonia R. Carvalho, City Attorney

By:   
Andrea Garcia-Miller  
Assistant City Attorney

AYES:	Councilmembers	<u>Amezcua, Bacerra, Hernandez, Lopez,</u> <u>Penaloza, Phan, Vazquez (7)</u>
NOES:	Councilmembers	<u>None (0)</u>
ABSTAIN:	Councilmembers	<u>None (0)</u>
ABSENT:	Councilmembers	<u>None (0)</u>

**CERTIFICATE OF ATTESTATION AND ORIGINALITY**

I, JENNIFER L. HALL, Secretary of the Successor Agency, do hereby attest to and certify the attached Resolution No. 2024-003 to be the original resolution adopted by the Governing Board of the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana on September 23, 2024.

Date: 10/02/2024

  
Jennifer L. Hall  
Successor Agency Secretary



RESOLUTION NO. 2024-052

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA APPROVING THE PURCHASE AND SALE AGREEMENT FOR THE ACQUISITION OF PROPERTY FROM THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA LOCATED AT 3RD STREET AND MAIN STREET PARKING LOT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1. The City Council of the City of Santa Ana hereby finds, determines and declares as follows:

A. Pursuant to AB X1 26 (enacted in June 2011 and amended from time to time, the "Dissolution Act") and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231 (2011), all redevelopment agencies within the State of California, including the Community Redevelopment Agency of the City of Santa Ana ("Former Agency"), were dissolved.

B. On January 9, 2012, pursuant to section 34173 of the California Health and Safety Code ("HSC"), the City of Santa Ana ("City") elected to serve as Successor Agency to the dissolved Former Agency ("Successor Agency").

C. The Successor Agency is tasked with winding down the Former Agency's affairs.

D. Pursuant to HSC section 34175(b), all assets, including real properties, of the Former Agency transferred to the control of the Successor Agency by operation of law.

E. The Former Agency acquired that parking lot located at 3<sup>rd</sup> Street and Main Street, APN 398-601-02 ("Property"). The Property is subject to a Parking Space Agreement dated May 18, 1993 (recorded with the County on September 14, 1993), as amended on March 16, 2001 (recorded with the County on May 8, 2001), and the agreement assured the owners of the adjacent property located at 200 North Main Street (Builders Exchange Building) with the future availability of 60 parking spaces exclusively for the use of those owners. The Former Agency and the successive owners of the Property are bound by this Parking Space Agreement.

F. The Property is also subject to a Property Maintenance License and Revocable Access Easement Agreement entered into on October 11, 2019 (recorded with the County on October 16, 2019), for a three-year period, with automatic renewals every one-year period, for ingress and egress to provide entry to the parking lot. The Successor Agency and the successive owners of the Property are bound by this Property Maintenance License and Revocable Access Easement Agreement.

G. Pursuant to the Long Range Property Management Plan attached to Oversight Board Resolution No. 2015-04, the Successor Agency intends to sell the Property to the City for the appraised market value.

H. In furtherance of its wind-down of the Former Agency's affairs, the Successor Agency desires to transfer the Property to the City pursuant to HSC section 34181(a).

I. The City and the Successor Agency have reviewed the fair market value of the Property and have concluded that the value of the Property is consistent with the purchase price as set forth in the draft "Purchase and Sale Agreement" in the form submitted to the City and Successor Agency concurrently herewith (the "Agreement").

J. The fair market value and purchase price was established as \$190,000 by an appraisal conducted on October 3, 2023.

K. A joint public hearing of the Successor Agency and City Council on the proposed Agreement was duly noticed in accordance with HSC section 33431.

L. On September 17, 2024, the governing board of the Successor Agency and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Successor Agency reviewed and evaluated all the information, testimony, and evidence presented during the joint public hearing.

M. All actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner.

N. The City Council has reviewed the staff report in connection with this matter and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder.

O. The City Council has considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Property pursuant to the Agreement is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local laws and requirements.



Section 2. The City Council hereby finds and determines that the disposition by sale of the Property by the Successor Agency to the City pursuant to the Agreement will further the achievement of the City's public purposes of providing parking in the City of Santa Ana pursuant to the Parking Space Agreement and Property Maintenance License and Revocable Access Easement Agreement.

Section 3. The City Council finds and determines that, based upon substantial evidence provided in the record, the consideration for the Successor Agency's sale of the Property to the City pursuant to the terms and conditions of the Agreement is not less than the fair market value of the Property.

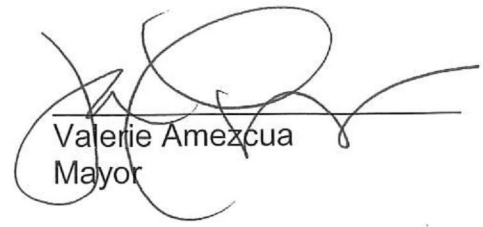
Section 4. The City Council hereby approves the Agreement in substantially the form presented to the City Council, subject to such revisions as may be made by the City Manager, or designee. The City Manager is hereby authorized to execute the Agreement, as so revised (including without limitation all attachments thereto), on behalf of the City, together with any instruments necessary or convenient to implement the Agreement. A copy of the Agreement shall, when executed by the City, be placed on file in the Office of the City Clerk.

Section 5. The City Manager, or designee, is hereby authorized, on behalf of the City, to make revisions to the Agreement that do not materially or substantially increase the City's obligations thereunder or materially or substantially change the uses or development permitted on the Property, to sign all documents to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the City's obligations, responsibilities and duties to be performed under the Agreement and related documents.


Section 6. Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the sale of the Property is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) as the Property's existing use as a parking lot will continue, such that the sale is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment as it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. Alternatively, the sale of the Property is exempt from CEQA pursuant to CEQA Guidelines Section 15301 as the Property will continue to be operated as a parking lot, its existing use.

Section 7. This Resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall attest to and certify the vote adopting this Resolution.

Adopted this 23<sup>rd</sup> day of September, 2024.

  
Valerie Amezcua  
Mayor

APPROVED AS TO FORM:  
Sonia R. Carvalho, City Attorney

By:   
Andrea Garcia-Miller  
Assistant City Attorney

AYES: Councilmembers Amezcua, Bacerra, Hernandez, Lopez,  
Penaloza, Phan, Vazquez (7)

NOES: Councilmembers None (0)

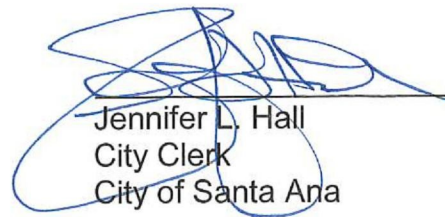
ABSTAIN: Councilmembers None (0)


ABSENT: Councilmembers None (0)

**CERTIFICATE OF ATTESTATION AND ORIGINALITY**

I, JENNIFER L. HALL, City Clerk, do hereby attest to and certify the attached Resolution No. 2024-052 to be the original Resolution adopted by the City Council of the City of Santa Ana on September 23, 2024.

Date: 10/02/2024

  
Jennifer L. Hall  
City Clerk  
City of Santa Ana



# **PURCHASE AND SALE AGREEMENT**

**SELLER:** Successor Agency to the Former Community  
Redevelopment Agency of the City of Santa  
Ana

**BUYER:** City of Santa Ana

**DATED:** January 30, 2025

**(3<sup>rd</sup> Street and Main Street, parking lot, APN 398-601-02)**



## BASIC TERMS

Buyer: City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California

Buyer's Address: City of Santa Ana  
Attention: City Clerk  
20 Civic Center Plaza  
Santa Ana, CA 92701  
Tel. (714) 647-6520

Closing Date (or Closing) Estimated to occur by March 13, 2025, but not later than the Outside Date

Contingency Date: Sixty (60) days after the Effective Date

Deed: A grant deed in the form of Exhibit B hereto

Effective Date: January 30, 2025

Outside Date: 60 days after Oversight Board and Department of Finance Approval

Oversight Board: The Oversight Board to the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana approval is a condition of closing, Health and Safety Code §34181(a)(1).

Purchase Price: One-Hundred and Ninety Thousand Dollars (\$190,000)

Real Property: That property described in Exhibit A hereto; the parking lot at 3<sup>rd</sup> Street and Main Street, Santa Ana, California, APN 398-601-02

Seller: City as Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana

Seller's Address: 20 Civic Center Plaza  
Santa Ana, California 92701  
Attention: Director of Community Development Agency  
Tel. (714) 647-5360

Title Company: First American Title Insurance Company  
5 First American Way  
Santa Ana, CA 92707  
Tel: (714) \_\_\_ - \_\_\_\_  
Attention: \_\_\_\_\_, \_\_\_\_\_  
(direct: (714) \_\_\_ - \_\_\_\_; email: \_\_\_\_\_@firstam.com)  
(or another title insurer mutually acceptable to Buyer and Seller)

## PURCHASE AND SALE AGREEMENT

This **PURCHASE AND SALE AGREEMENT** (“Agreement”) is made and entered into as of the Effective Date by and between Seller and Buyer.

### **RECITALS**

**A.** Seller is the fee owner of that real property which is legally described on Exhibit A attached hereto and made a part hereof (the “Real Property”). The Real Property is the improved parking lot located at 3<sup>rd</sup> Street and Main Street, APN 398-601-02.

**B.** Seller has offered to sell to Buyer the Real Property described herein for the price and subject to the terms set forth below. Buyer has considered the offer by Seller and agrees to buy from Seller the Real Property, as more specifically described below.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

**1. Purchase and Sale.** Seller hereby agrees to sell the Real Property to Buyer, and Buyer hereby agrees to purchase the Real Property from Seller, on the terms and conditions set forth in this Agreement. The term Real Property is defined collectively as the following:

(a) The fee interest in the Real Property to be conveyed by the Deed (defined in Section 8(a) below);

(b) All rights, privileges, easements, licenses and interests appurtenant to the Real Property. Such rights shall be deemed to include, without limitation, all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Seller; and

(c) All personal property, equipment, supplies, and fixtures owned by Seller and located at the Real Property; and

(d) All of Seller’s interest under contracts, leases, licenses, easements and other agreements associated with the Real Property, subject to a power of termination as set forth in the Deed.

**2. Payment of Consideration.** As consideration for the sale of the Real Property from Seller to Buyer, Buyer shall, at the Closing (as defined below), pay to Seller the Purchase Price of One-Hundred and Ninety Thousand Dollars (\$190,000) for the Real Property.

**3. Closing without Escrow.**

(a) Closing without use of Escrow. At the election of Seller, the parties will effect the conveyance of the Property and payment of the Purchase Price without use of an escrow holder provided that: (i) Seller confirms to Buyer that Seller agrees that the Deed may be recorded among the official records of the County Recorder of the County of Orange after Buyer confirms to Seller that Buyer holds moneys equal to the Purchase Price and will transfer such moneys to City within one (1) business day after the Deed is recorded, and (ii) Seller confirms to Buyer that the Title Company

has committed to issue the “Buyer’s Title Policy” (as described in Section 6 hereof) in a form and subject only to exceptions that are acceptable to Buyer.

(b) Closing. For purposes of this Agreement, the “Closing” or “Closing Date” shall be the date the Deed (as defined below) is recorded pursuant to applicable law in the county in which the Real Property is located. Unless changed in writing by Buyer and Seller, the Closing shall occur on the Closing Date, or as soon thereafter as the conditions precedent to closing are satisfied pursuant to Sections 6 and 7 of this Agreement. If the Closing has not, for any reason, occurred by the Closing Date, then either Buyer or Seller may terminate this Agreement by delivering written notice to the other at any time after the outside Closing Date; provided, however, that if either party is in default under this Agreement at the time of such termination, then such termination shall not affect the rights and remedies of the non-defaulting party against the defaulting party.

**4. Seller’s Delivery of Real Property and Formation Documents.** Within ten (10) days after the Effective Date, Seller shall deliver to Buyer the following items (collectively, the Property Documents”):

(a) Copies of tax bills.

(b) Such proof of Sellers’ authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company consistent with the terms of this Agreement.

**5. Buyer’s Right of Entry.** From and after the Effective Date through the earlier to occur of the termination of this Agreement or the Closing, Buyer and Buyer’s employees, agents, consultants and contractors shall have the right to enter upon the Real Property during normal business hours, provided reasonable prior notice has been given to Seller.

(a) Investigation of the Real Property. In addition to the foregoing, the Buyer shall have the right, at its sole cost and expense, prior to the Contingency Date, to engage its own environmental consultant (the “Environmental Consultant”) to make such investigations as Buyer deems necessary or appropriate, including any “Phase 1” or “Phase 2” investigations of the Real Property. If, based upon such evaluation, inspections, tests or investigation, Buyer determines that it, in its discretion, does not wish to proceed with purchase of the Real Property based upon the condition of the Real Property, Buyer may cancel this Agreement by giving written notice of termination to Seller on or before the Contingency Date which specifically references this Section 5. If Buyer does not cancel this Agreement by the time allowed under this Section 5, Buyer shall be deemed to have approved the evaluation, inspections and tests as provided herein and to have elected to proceed with this transaction on the terms and conditions of this Agreement. Buyer shall be provided a copy of all reports and test results provided by Buyer’s Environmental Consultant promptly after receipt by the Buyer of any such reports and test results.

Buyer shall bear all costs, if any, associated with restoring the Real Property to the condition prior to its testing by or on behalf of Buyer if requested to so do by Seller.

(b) No Warranties as To the Real Property. The physical condition and possession of the Real Property, is and shall be delivered from Seller to Buyer in an “as is” condition, with no warranty expressed or implied by Seller, including without limitation, the presence of

Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, or the suitability of the Real Property for development purposes.

(c) Buyer Precautions after Closing. Upon and after the Closing, Buyer shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Real Property. Such precautions shall include compliance with all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, the City, or any other political subdivision in which the Real Property is located, and of any other political subdivision, agency, or instrumentality exercising jurisdiction over the Real Property (“Governmental Requirements”) with respect to “Hazardous Materials”, as defined below.

“Hazardous Materials” means any substance, material, or waste which is or becomes regulated by any local governmental authority, the County, the State of California, regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 78075 of the California Health and Safety Code, Division 45, Part 2, Chapter 1 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4.5, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903) or (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §6901 et seq.

## **6. Buyer’s Conditions Precedent and Termination Right.**

(a) Conditions Precedent. The Closing and Buyer’s obligation to consummate the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, “Buyer’s Contingencies”), which are for Buyer’s benefit only.

(i) Title Review. Within ten (10) calendar days after the Date of Agreement, Seller shall cause the Title Company to deliver to Buyer a preliminary title report (the “Report”) describing the title to the Real Property, together with copies of the plotted easements and the exceptions (the “Exceptions”) set forth in the Report; provided that the cost of the Report shall be borne by Seller. Seller acknowledges that the Report shall include an endorsement against the effect of any mechanics’ liens; Seller will provide such indemnity or other assurances as necessary to induce the Title Company to provide such endorsement. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer’s sole discretion, any matters of title disclosed by the following (collectively, the “Title Documents”): (i) the Report; (ii) the Exceptions; (iii) the legal description of the Real Property and (iv) any survey Buyer desires to obtain at Buyer’s sole cost and expense. Buyer shall have the same rights to approve or disapprove any exceptions to title that are not created by

Buyer and that come into existence after issuance of the Report but prior to Closing. Seller shall, on or before the Closing, remove all deeds of trust, mortgages and delinquent taxes (but not the lien for any real property taxes or assessments not yet delinquent).

(ii) Buyer's Title Policy. On or before the Closing, the Title Company shall, upon payment (by Buyer) of the Title Company's premium, have agreed to issue to Buyer, a CLTA owner's policy of title insurance ("Buyer's Title Policy") in the amount of the Purchase Price showing fee title to the Real Property vested solely in Buyer and subject only to the (i) the standard, preprinted exceptions to Buyer's Title Policy; (ii) liens to secure payment of real estate taxes or assessments not yet delinquent; (iii) matters affecting the Real Property created by or with the written consent of Buyer; and (iv) those matters specifically approved in writing by Buyer. Buyer shall have the right, at its sole cost and expense, to obtain coverage beyond that offered by a CLTA policy; provided, however, that Buyer's ability to obtain such extended coverage shall not be a Buyer's Contingency and Buyer's obligations hereunder shall in no way be conditioned or contingent upon obtaining such extended coverage. Buyer shall have sole responsibility for obtaining, and bearing the cost of, any endorsements and for any survey or other matters required by the Title Company for such extended coverage.

(iii) Physical and Legal Inspections and Studies. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's sole and absolute discretion, the results of any physical and legal (but not feasibility or economic) inspections, investigations, tests and studies Buyer elects to make or obtain, including, but not limited to, investigations with regard to zoning, building codes and other governmental regulations; engineering tests; soils, seismic and geologic reports; environmental audits, inspections and studies; environmental investigation or other invasive or subsurface testing; and any other physical or legal inspections and/or investigations as Buyer may elect to make or obtain.

(iv) Property and Formation Documents. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the terms, conditions and status of all of the Property Documents.

(v) Delivery of Documents. Seller's delivery of all documents described in Section 8, below.

(vi) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be materially true and correct as of the date made and as of the Closing.

(vii) Title Company Confirmation. The Title Company shall have confirmed that it is prepared to issue the Buyer's Title Policy consistent with the provisions of this Agreement.

(viii) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(ix) Oversight Board and Department of Finance ("DOF") Approval. The Oversight Board and, if required as a condition of the issuance of title insurance or by either party hereto, approval by DOF, shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement.

(b) **Termination Right.** Should any of Buyer's Contingencies not be met by the Outside Date, and Buyer so informs Seller, Buyer may, by written notice to Seller, terminate this Agreement. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If Buyer has neither terminated this Agreement in writing ("Termination Notice") on or before 5:00 p.m. on the Contingency Date as to the items set forth in Sections 6(a)(i)-(v) inclusive, nor provided a written satisfaction or waiver notice to Seller of each Buyer's Contingency to be satisfied as of the Contingency Date, then all such Buyer's Contingencies shall be deemed to have been satisfied and this Agreement shall continue pursuant to its terms. If Buyer has not delivered a Termination Notice as to the items set forth in Sections 6(a)(vi)-(viii) inclusive, prior to the Closing, such Buyer's Contingencies shall be deemed to have been satisfied.

(c) **Seller's Cure Right.** Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (i) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within five (5) business days after Seller's receipt of Buyer's Termination Notice, or (ii) provide assurances reasonably satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such five (5) business day period, Buyer shall have three (3) business days after the expiration of such five (5) business day period to give Seller written notice that Buyer elects to proceed with the purchase of the Real Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s).

**7. Seller's Conditions Precedent and Termination Right.** The Closing and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent ("Seller's Contingencies"), which are for Seller's benefit only:

(a) **Completion of Title Review.** Seller shall have received written confirmation from Buyer that Buyer has completed its review of title and that the condition of title is satisfactory.

(b) **Confirmation Concerning Site.** Seller shall have received written confirmation from Buyer that Buyer has reviewed the condition of the Real Property, including without limitation concerning Hazardous Materials, zoning and suitability, and approves the condition of the Real Property.

(c) **Oversight Board and, if applicable, DOF Approval.** The approval by the Oversight Board and DOF shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement, and, if required as a matter of law or as a condition by the Title Company as a condition of the Title Company issuing its policy of title insurance, DOF approval.

(d) Confirmation Regarding Buyer's Title Policy. Seller shall have received written confirmation from Buyer that Buyer has approved a pro forma title policy.

(e) Delivery of Documents. Buyer's delivery of all documents described in Section 9, below.

Should any of Buyer's Contingencies not be met by the Outside Date and Buyer has so informed Seller, Seller may, by written notice to Buyer, terminate this Agreement. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any title or other cancellation fees shall be paid by Buyer.

**8. Seller's Deliveries to Buyer.**

(a) Seller's Delivered Documents. At least one (1) business day prior to the Closing Date, Seller shall deposit or cause to be deposited with Buyer the following items, duly executed and, where appropriate, acknowledged ("Seller's Delivered Items"):

(i) Deed. The Grant Deed in the form attached hereto as Exhibit B (the "Deed").

(ii) Possession of Real Property. Possession of the Real Property free of any tenancies or occupancy.

(iii) Authority. Such proof of Seller's authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company.

(iv) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

(b) Failure to Deliver. Should any of Seller's Delivered Items not be timely delivered to Buyer, Buyer may, by written notice to Seller, terminate this Agreement; provided, however, that Buyer may (but shall not be obligated to) in such notice provide Seller with five (5) business days to deliver all of Seller's Delivered Items. If Buyer's notice provides Seller such five (5) business days to deliver Seller's Delivered Items, and if Seller's Delivered Items are not delivered within such period, then this Agreement shall automatically terminate without further action or notice. In the event of any such termination, any cash deposited by Buyer shall immediately be returned to Buyer. Under no circumstances shall Buyer have any responsibility to or duty to pay consultants or real estate brokers retained by Seller, Seller being solely responsible in connection with any such contractual arrangements of Seller.

**9. Buyer's Deliveries to Seller.** At least one (1) business day prior to the Closing Date, Buyer shall deposit or cause to be deposited with Seller the following, each duly executed and acknowledged by Buyer, as appropriate ("Buyer's Delivered Items"):

(a) Purchase Price. The Purchase Price, together with additional funds necessary to pay Buyer's closing costs set forth in Section 10(b) herein.

(b) Authority. Such proof of Buyer's authority and authorization to enter into this Agreement and to consummate the transaction contemplated hereby as may be reasonably requested by Seller or the Title Company.

(c) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

#### **10. Costs and Expenses**

(a) Seller's Costs. If the transaction contemplated by this Agreement is consummated, then Seller shall be debited for and bear the following costs: (i) costs and charges associated with the removal of encumbrances; (ii) Seller's share of prorations; and (iii) costs, if any, allocable to Seller under this Agreement (which foregoing items collectively constitute "Seller's Costs and Debited Amounts").

(b) Buyer's Costs. If the transaction contemplated by this Agreement is consummated, then Buyer shall bear the following costs and expenses: (i) Buyer's share of prorations, (ii) the premium for an owner's policy of title insurance which, at the election of Buyer, will be an ALTA owner's extended coverage policy of title insurance and the cost for any survey required in connection with the delivery of an ALTA owner's extended coverage policy of title insurance; (iii) documentary recording fees, if any; (iv) documentary transfer tax, if any; and (v) any costs associated with Buyer borrowing money in order to pay to Seller the Purchase Price (collectively, "Buyer's Costs and Debited Amounts"). Since Buyer and Seller elected to close without use of escrow pursuant to Section 3(b) hereof, Buyer and Seller shall make the prorations described in this subsection (b).

Generally. Each party shall bear the costs of its own attorneys, consultants, and real estate brokers in connection with the negotiation and preparation of this Agreement and the consummation of the transaction contemplated hereby. Buyer represents to Seller that Buyer has not engaged the services of any consultants, finders or real estate brokers in connection with the purchase of the Real Property from the Seller. Seller represents to Buyer that Seller has not engaged the services of any consultants, finders or real estate brokers in connection with the sale of the Real Property to the Buyer.

#### **11. Prorations; Withholding**

(a) All revenues (if any) and expenses relating to the Real Property (including, but not limited to, property taxes, utility costs and expenses, water charges and sewer rents and refuse collection charges) shall be prorated as of the Closing Date; provided that all delinquent taxes shall be satisfied at the expense of Seller. Not less than five (5) business days prior to the Closing, Seller shall deliver to Buyer a tentative schedule of prorations for Buyer's approval (the "Proration and Expense Schedule"). If any prorations made under this Section shall require final adjustment after the Closing, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and either party hereto shall be entitled to an adjustment to correct the same. Any corrected or adjustment proration shall be paid promptly in cash to the party entitled thereto.

(b) In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code (the "Tax Code") as evidenced by the delivery to Buyer at Closing of the California Exemption Certificate duly executed



by Seller, (i) Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer at Closing for payment to the California Franchise Tax Board in accordance with the Tax Code, (ii) Buyer shall deliver three (3) duly executed copies of California Form 593 to Title Company at or immediately after Closing, (iii) two (2) copies of California Form 593 shall be delivered by Title Company to Seller, and (iv) on or before the 20<sup>th</sup> day of the month following the month title to the Real Property is transferred to Buyer (as evidenced by the recording of the Deed), Title Company shall remit such funds withheld from the Purchase Price, together with one (1) copy of California Form 593 to the California Franchise Tax Board on behalf of Buyer. Buyer and Seller hereby appoint Title Company as a reporting entity under the Tax Code, authorized to withhold and remit the withholding tax contemplated under the Tax Code, together with such other documents required by the Tax Code (including, without limitation, California Form 593), to the California Franchise Tax Board.

**12. Closing Procedure.** When the Title Company is ready to issue the Buyer's Title Policy and all required documents and funds have been deposited with Seller, Seller shall immediately close Escrow in the manner and order provided below.

(a) Recording. Seller shall cause the Deed to be recorded pursuant to applicable law in the county in which the Real Property is located and obtain conformed copies thereof for distribution to Buyer and Seller.

(b) Disburse Funds. Seller shall debit or credit (as provided herein) all Buyer's Costs and Debited Amounts, Seller's Costs and Debited Amounts and General Expenses, prorate matters and withhold funds as provided herein. The Purchase Price, less any applicable debits or credits (as provided herein) shall be distributed via account transfers to Seller. Seller shall request demands for payment and to make such payments from the Purchase Price (or such other funds, if any, as are advanced by Seller) to defray the cost of removing deeds of trust, liens and other encumbrances.

(c) Documents to Seller. Seller shall receive a conformed copy of the Deed, and documents, if any, recorded on behalf of any lender, as duly recorded among the official land records of the County of Orange, and a copy of each other document (or copies thereof) provided by Buyer pursuant hereto.

(d) Documents to Buyer. Seller shall deliver to Buyer the original California Exemption Certificate (as applicable), and a conformed copy of each of the Deed as duly recorded among the official land records of the County of Orange, and each other document (or copies thereof) deposited by Seller pursuant hereto, including, without limitation, those documents referenced in Section 8.

(e) Title Company. Seller shall cause the Title Company to issue the Buyer's Title Policy to Buyer.

(f) Informational Reports. Seller shall file any information reports required by Internal Revenue Code Section 6045(e), as amended.

(g) Possession. Possession of the Real Property shall be delivered to Buyer at the Closing.

**13. Representations and Warranties.**

(a) Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Real Property, Seller makes the following representations and warranties as of the Effective Date and as of the Closing, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder), and all of which are material inducements to Buyer to enter into this Agreement (and but for which Buyer would not have entered into this Agreement) and shall survive Closing; provided that each of the representations and warranties of Seller is based upon the information and belief of the Executive Director of the Seller:

(i) Seller believes that it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated, subject to the approval of the Oversight Board and, as may be applicable, DOF.

(ii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, Seller believes that all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, the individual executing this Agreement and the instruments referenced herein on behalf of Seller has the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

(iv) Seller believes that neither the execution or delivery of this Agreement or the documents or instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement or the documents or instruments referenced herein or therein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreement or instrument to which Seller is a party or that affect the Real Property, including, but not limited to, any of the Title Documents or the Property Documents.

(v) There is no pending litigation nor, to the best of Seller's knowledge, threatened litigation, which does or will adversely affect the right of Seller to convey the Real Property. There are no claims which have been received by Seller that have not been disclosed to Buyer.

(vi) Seller has made no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Real Property, or any part hereof, or any interest therein, which will survive the Closing.

(vii) There are no leases or rental agreements in effect as to the Real Property.

(viii) Seller is not in default of its obligations under any contract, agreement or instrument to which Seller is a party pertaining to the Real Property.

(ix) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Real Property for work performed or commenced for Seller or on Seller's behalf prior to the date of this Agreement.

(x) There are no undisclosed contracts, licenses, commitments, undertakings or other written or oral agreements for services, supplies or materials concerning the use, operation, maintenance, or management of the Real Property that will be binding upon Buyer or the Real Property after the Closing, except those already disclosed to Buyer pursuant to the Long Range Property Management Plan via Oversight Board Resolution No. 2015-04 dated September 29, 2015 and the CBRE Appraisal Report dated October 3, 2023. There are no oral contracts or other oral agreements for services, supplies or materials, affecting the use, operation, maintenance or management of the Real Property.

(xi) There are not as of the Effective Date, nor will there be as of the Closing, any written or oral leases or contractual right or option to lease, purchase, or otherwise enjoy possession, rights or interest of any nature in and to the Real Property or any part thereof, and no person other than Buyer shall have any right of possession to the Real Property or any part thereof as of the Closing.

(xii) No person, excepting Seller, has possession or any rights to possession of the Real Property or portion thereof.

(b) Subsequent Changes to Seller's Representations and Warranties. If, prior to the Closing, Buyer or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any respect (collectively, the "Seller Representation Matter"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. Buyer shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Seller if Buyer reasonably disapproves any such change. If Buyer does not elect to terminate this Agreement, Seller's representation shall be qualified by such Seller Representation Matter and Seller shall have no obligation to Buyer for such Seller Representation Matter.

(c) Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Real Property, Buyer makes the following representations and warranties as of the date hereof and at and as of the Closing, each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder), and all of which shall survive Closing:

(i) Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) All requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

(iv) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party or by which any of Buyer's properties are bound.

(d) Subsequent Changes to Buyer's Representations and Warranties. If, prior to the Closing, Seller or Buyer should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Buyer set forth herein incorrect or untrue in any respect (collectively, the "Buyer's Representation Matter"), then the party who has learned, discovered or become aware of such Buyer's Representation Matter shall promptly give written notice thereof to the other party and Buyer's representations and warranties shall be automatically limited to account for the Buyer's Representation Matter. Seller shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Buyer if Seller reasonably disapproves any such change. If Seller does not elect to terminate this Agreement, Buyer's representation shall be qualified by such Buyer's Representation Matter and Buyer shall have no obligation to Seller for such Buyer's Representation Matter.

**14. Fair Value Price.** Each of Buyer and Seller believe that the Purchase Price represents a fair value price for the Real Property.

**15. Surplus Lands Act.** The Real Property is considered exempt surplus land under the Surplus Lands Act, pursuant to Government Code Section 54221(f)(1)(D) and Resolution No 2024-\_\_\_\_\_, as it is surplus land that a local agency is transferring to another local agency for the receiving agency's use.

**16. General Provisions.**

(a) Condemnation. If any material portion of the Real Property shall be taken or appropriated by a public or quasi-public authority exercising the power of eminent domain, Buyer shall have the right, at its option, to (i) terminate this Agreement or (ii) proceed with the purchase of the Real Property and receive all of the award or payment made in connection with such taking.

(b) Notices. All notices, demands, requests or other communications required or permitted hereunder (collectively, "Notices") shall be in writing, shall be addressed to the receiving party as provided in the Basic Terms section above, and shall be personally delivered, sent by overnight mail (Federal Express or another carrier that provides receipts for all deliveries), sent by certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission (provided that a successful transmission report is received). All Notices shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice in accordance with this Section was given shall be deemed to constitute receipt of such Notice. The providing of copies of Notices to the parties' respective

counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder.

(c) Waiver, Consent and Remedies. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

(d) Cooperation. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use all reasonable efforts to accomplish the Closing in accordance with the provisions hereof and, following Closing.

(e) Time. Time is of the essence of every provision herein contained. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, City closure, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. of the next day that is not a Saturday, Sunday, City closure, or legal holiday. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. on such specified date or period.

(f) Counterparts; Electronic Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. An electronic signature shall be deemed an original signature.

(g) Captions. Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(h) No Obligations to Third Parties. The execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

(i) Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(j) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(k) Applicable Law. This Agreement shall be governed by and construed in accordance with the local law of the State of California, with venue in Orange County.

(l) Exhibits and Schedules. The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes.

(m) Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Agreement. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(n) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

(o) Assignment. This Agreement may not be assigned without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

[signatures begin on the following page]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first written above.

**ATTEST:**

**“SELLER”**

**CITY AS SUCCESSOR AGENCY TO THE  
FORMER COMMUNITY  
REDEVELOPMENT AGENCY OF THE  
CITY OF SANTA ANA**

By: \_\_\_\_\_  
Jennifer L. Hall  
Successor Agency Secretary

By: \_\_\_\_\_  
Alvaro Nuñez  
City Manager

**ATTEST:**

**“BUYER”**

**CITY OF SANTA ANA**, a charter city and  
municipal corporation organized under the  
Constitution and laws of the State of California

By: \_\_\_\_\_  
Jennifer L. Hall  
City Clerk


By: \_\_\_\_\_  
Alvaro Nuñez  
City Manager

**RECOMMENDED FOR APPROVAL:**

**APPROVED AS TO FORM:**

Sonia R. Carvalho  
City Attorney

\_\_\_\_\_  
Michael L. Garcia  
Executive Director  
Community Development Agency

By:   
\_\_\_\_\_  
Andrea Garcia-Miller  
Assistant City Attorney

**EXHIBIT A**

**LEGAL DESCRIPTION**

The land referred to herein is situated in the State of California, County of Orange, described as follows:

Lot 4 of Tract Map 16217, in the City of Santa Ana, County of Orange, State of California, filed in Book 833, Pages 48 through 50, inclusive of Maps, in the Office of the County Recorder of Orange County, California.

APN: 398-601-02



**EXHIBIT B**

**DEED**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

City of Santa Ana  
20 Civic Center Plaza  
Santa Ana, CA 92701  
Attn: \_\_\_\_\_

APN: 398-601-02

[Space above for recorder.]

EXEMPT FROM PAYMENT OF DOCUMENTARY  
TRANSFER TAX (TRANSFER BETWEEN PUBLIC  
AGENCIES)

**GRANT DEED**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana (“Grantor”), hereby grants to the City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California, that certain real property located in the County of Orange, State of California, more particularly described on **Attachment No. 1** attached hereto and incorporated herein by this reference (the “Property”), subject to existing easements, restrictions and covenants of record.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of \_\_\_\_\_, 2024.

**SUCCESSOR AGENCY TO THE FORMER  
COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF SANTA ANA**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Executive Director

**ATTACHMENT NO. 1 TO GRANT DEED**

**LEGAL DESCRIPTION**

The land referred to herein is situated in the State of California, County of Orange, described as follows:

Lot 4 of Tract Map 16217, in the City of Santa Ana, County of Orange, State of California, filed in Book 833, Pages 48 through 50, inclusive of Maps, in the Office of the County Recorder of Orange County, California.

APN: 398-601-02

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed under the foregoing Grant Deed by the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana to the City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California (“City”) as to the following property:

Real property in the City of Santa Ana, County of Orange, State of California, described as follows:

Lot 4 of Tract Map 16217, in the City of Santa Ana, County of Orange, State of California, filed in Book 833, Pages 48 through 50, inclusive of Maps, in the Office of the County Recorder of Orange County, California.

APN: 398-601-02

is hereby accepted by the City Manager of the City on behalf of the City pursuant to authority conferred by action of the City Council of the City by Resolution No. \_\_\_\_\_ of the City Council, and the City as grantee consents to recordation thereof by its duly authorized officer.

CITY OF SANTA ANA

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Alvaro Nuñez  
City Manager

ATTEST:

---

City Clerk

APPROVED AS TO FORM:  
Sonia R. Carvalho  
City Attorney

By: \_\_\_\_\_  
Andrea Garcia-Miller  
Assistant City Attorney

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public,  
(Print Name of Notary Public)

personally appeared \_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

### OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

#### CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

- Partner(s)       Limited       General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_

\_\_\_\_\_

#### DESCRIPTION OF ATTACHED DOCUMENT

\_\_\_\_\_  
Title Or Type Of Document

\_\_\_\_\_  
Number Of Pages

\_\_\_\_\_  
Date Of Documents

\_\_\_\_\_  
Signer(s) Other Than Named Above

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) ss.  
 COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public,  
 (Print Name of Notary Public)

personally appeared \_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
 Signature of Notary Public

**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

**CAPACITY CLAIMED BY SIGNER**

**DESCRIPTION OF ATTACHED DOCUMENT**

- Individual
- Corporate Officer

\_\_\_\_\_  
 Title(s)

\_\_\_\_\_  
 Title Or Type Of Document

- Partner(s)       Limited       General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

\_\_\_\_\_  
 Number Of Pages

Signer is representing:  
 Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
 Date Of Documents

\_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Signer(s) Other Than Named Above



# Orange Countywide Oversight Board

Agenda Item No. 6a

Date: 1/21/2025

From: Successor Agency to the Anaheim Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving License/Right-of-Entry Agreement between the City of Anaheim as Successor to the Anaheim Redevelopment Agency and the City of Anaheim

Recommended Action:

Approve resolution approving License/Right-of-Entry Agreement between the City of Anaheim as Successor to the Anaheim Redevelopment Agency and the City of Anaheim to reduce liabilities and increase net revenues to the taxing entities pursuant to Health and Safety Code §34181(e)

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The Anaheim Successor Agency ("Successor Agency") requests Countywide Oversight Board ("Oversight Board") approval of a License/Right-of-Entry Agreement ("License Agreement") between the City of Anaheim as Successor to the Anaheim Redevelopment Agency ("Agency") and the City of Anaheim ("City").

The License Agreement was previously approved by the Countywide Oversight Board during the meeting of September 17, 2024. On October 24, 2024, the California Department of Finance (DOF) notified the Successor Agency that it objected to the Oversight Board Resolution, as drafted. Pursuant to Health and Safety Code §34181(e), the Oversight Board is authorized to approve amendments to agreements if it finds that the amendments are in the best interest of taxing entities. The original Resolution approved by the Oversight Board on September 17, 2024 did not declare that the License Agreement is in the best interest of taxing entities. The Successor Agency met with the DOF to identify specific modifications to the Resolution that would be required to receive approval from the DOF. This updated Resolution incorporates the revisions identified by the DOF, including a finding of best interest as required by the Health and Safety Code §34181(e).

Southern California Edison Company ("Edison") entered into an Option Agreement with Katella Operating Properties, LLC ("KOP") on March 5, 1999, for property located at 1604 South Anaheim Boulevard (the "Property"). KOP then entered into a Sublicense/Sublease Agreement with the Agency (now the Successor Agency) on April 30, 2001 (the "KOP Sublease Agreement"). The Agency then entered into a Sub-Sublease Agreement with American Sports Center ("ASC"), which was terminated on March 31, 2023, after an ASC default.

The Successor Agency is seeking approval for a new License Agreement with the City for use by the Anaheim Convention Center ("ACC") for truck marshaling whereby freight trucks will store truck trailers related to convention center events. The ACC Sub-Sublease will not require physical improvements to the Property by ACC.

The KOP Sublease Agreement is an approved enforceable obligation and is identified on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS") under Line-Item No. 70. The current monthly payment to KOP is \$50,400.81 (\$604,809.72 per fiscal year), which is paid through the Redevelopment Property Tax Trust Fund ("RPTTF").

Under the License Agreement, ACC (through the City) would pay \$20,000 per month (\$240,000 per fiscal year) to the Successor Agency, and assume all Property maintenance, security, and management duties. The initial License Agreement term is five (5) years with two (2) five-year options to extend, which would expire on May 21, 2029. The License Agreement also includes scheduled monthly rent increases of 3% per

year after the initial five-year term as shown in the monthly payment schedule in Attachment 3.

Both Edison and KOP have reviewed and approved the Successor Agency's request to enter into a license agreement with ACC. Further, the License Agreement was approved by the City, serving as the Successor Agency Board, at its meeting on May 21, 2024. It should be noted that due to restrictions contained in the KOP Sublease Agreement, most of the Property is not suitable for uses requiring improvements.

If the License Agreement is approved by the Oversight Board, the new payment amount requested from the RPTTF for Line-Item No. 70, starting with the ROPS 2025-26, will be \$30,400.81 per month (\$364,809.72 per fiscal year), which is a reduction of \$20,000 per month (\$240,000 per fiscal year) from the ROPS 24-25. The amount of future RPTTF payment requests for Line-Item No. 70 will be calculated in accordance with the monthly rent schedule in Attachment 3.

#### Impact on Taxing Entities

Approval of the License Agreement will reduce the amount of RPTTF requested by approximately \$20,000 per month (\$240,000 per fiscal year) for ROPS 2025-26, which would increase the residual RPTTF to the taxing entities.

#### Staff Contact(s)

Sergio Ramirez  
Economic Development Director  
[SRamirez@anaheim.net](mailto:SRamirez@anaheim.net)  
(714)765-4627

Ajay Kolluri  
Acting Property Development Manager  
[AKolluri@anaheim.net](mailto:AKolluri@anaheim.net)  
(714)765-4317

#### Attachments

1. Resolution
2. License/Right-of-Entry Agreement
3. City Council Minutes
4. DOF Objection to Oversight Board Action – October 24, 2024



**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
RESOLUTION NO. 25-006**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING  
LICENSE/RIGHT-OF-ENTRY AGREEMENT BY AND BETWEEN THE SUCCESSOR  
AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY AND THE CITY OF  
ANAHEIM TO REDUCE LIABILITIES AND INCREASE NET REVENUES TO THE  
TAXING ENTITIES PURSUANT TO HEALTH AND SAFETY CODE §34181(e)

**WHEREAS**, the former Anaheim Redevelopment Agency ("**Former Agency**") previously was a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Anaheim ("**City**"); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation ("**Dissolution Law**"); and

**WHEREAS**, as of February 1, 2012, the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Successor Agency to the Anaheim Redevelopment Agency ("**Successor Agency**") administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency's affairs; and

**WHEREAS**, prior to July 1, 2018, under the Dissolution Law, in particular Sections 34179 and 34180, all actions of the Successor Agency were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Successor Agency's activities during the period from dissolution until June 30, 2018; and

**WHEREAS**, as of, on and after July 1, 2018, under the Dissolution Law, in particular Section 34179(j), in every California county there shall be only one oversight board that is staffed by the county auditor-controller, with certain exceptions that do not apply in the County of Orange; and

**WHEREAS**, as of, on and after July 1, 2018, the Orange Countywide Oversight Board ("**Oversight Board**") was established through the Orange County Auditor-Controller in compliance with Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including Successor Agency and all other successor agencies in Orange County; and

**WHEREAS**, Southern California Edison Company ("**Edison**") entered into an Option Agreement with Katella Operating Properties, LLC ("**KOP**") on March 5, 1999, for property located at 1604 South Anaheim Boulevard (the "**Property**"). KOP then entered into a Sublicense/Sublease Agreement with the Agency (now the Successor Agency) on April 30, 2001 (the "**KOP Sublease Agreement**"); and

**WHEREAS**, on March 1, 2011 the Successor Agency then entered into a Sub-Sublease Agreement with American Sports Center ("**ASC**"), which was subsequently terminated on March 31, 2023, after an ASC default; and

**WHEREAS**, the KOP Sublease Agreement is an approved enforceable obligation and is identified

on the Successor Agency's Recognized Obligation Payment Schedule ("**ROPS**") under Line-Item No. 70. The current monthly payment to KOP is \$50,400.81 (\$604,809.72 per fiscal year), which is paid through the Redevelopment Property Tax Trust Fund ("**RPTTF**"); and

**WHEREAS**, the Successor Agency is seeking approval of a new license/right of entry agreement with the City (the "**License Agreement**") for use by the Anaheim Convention Center ("ACC") for the purpose, among others, of truck marshaling whereby freight trucks will store truck trailers related to convention center events; and

**WHEREAS**, under the License Agreement, ACC (through the City) would pay \$20,000 per month (\$240,000 per fiscal year) to the Successor Agency, and assume all Property maintenance, security, and management duties. The initial License Agreement term is five (5) years with two (2) five-year options to extend and includes scheduled monthly rent increases of 3% per year after the initial five-year term; and

**WHEREAS**, if the License Agreement is approved by the Oversight Board, the new payment amount requested from the RPTTF for Line-Item No. 70 starting in ROPS 2025-26 will be \$30,400.81 per month (\$364,809.72 per fiscal year), during the initial five-year term of the License Agreement, which is a reduction of \$20,000 per month (\$240,000 per fiscal year) from the ROPS 2024-25, thereby reducing liabilities and increasing net revenues to the taxing agencies pursuant to Health and Safety Code § 34181(e).

**NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:**

**SECTION 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**SECTION 2.** In accordance with Health and Safety Code section 34181(e), the Orange Countywide Oversight Board hereby approves the License Agreement, finds that the License Agreement is in the best interest of the taxing entities, and directs the Successor Agency to execute the License Agreement.

**SECTION 3.** Under Section 34179(h) written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. The Orange Countywide Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

**SECTION 4.** This Resolution shall take effect immediately upon its adoption.

## LICENSE AGREEMENT

THIS LICENSE AGREEMENT (“Agreement”), dated for purposes of identification only as of May 21, 2024 (the “Date of Agreement”) is entered into by and between the City of Anaheim acting as Successor Agency to the Anaheim Redevelopment Agency, a public body, corporate and politic (the “Successor Agency”) and the City of Anaheim, a charter city and municipal corporation duly organized and existing under the laws of the State of California (the “City”) (individually referred to herein as “Party” and collectively referred to as “Parties”) and is made with reference to the following facts:

### RECITALS

A. On March 5, 1999, Katella Operating Properties, LLC (“KOP I”), as Optionee, entered into an “Option Agreement” with Southern California Edison Company (“Edison”), as Optionor, with reference to an approximately nine (9) acre parcel located at Claudina Way (both east and west side) north of Interstate 5 and east of South Anaheim Boulevard in the City of Anaheim (the “Property”). KOP I assigned its rights and interest in the Option Agreement to Katella Operating Properties II, a California limited liability company (“KOP II”), which assignment was consented to by Edison on November 8, 2000. A redacted form of the Option Agreement is attached hereto as Exhibit “A” and incorporated herein by reference. The legal description of the Property is attached to the Option Agreement as Exhibit “B” and incorporated herein by reference.

B. On April 30, 2001, KOP II, as sublicensor/sublessor, and the Agency, as sublicensee/sublessee, entered into that certain Sublicense/Sublease Agreement (the “Sublicense/Sublease”) pursuant to which the Agency licensed the Property from KOP II subject to the terms and conditions of the Option Agreement and the Sublicense/Sublease. Edison consented to the Sublicense/Sublease pursuant to that certain letter dated February 20, 2001, a copy of which is attached hereto as Exhibit “C”.

C. On March 1, 2003, the Anaheim Redevelopment Agency (“Agency”) entered into a Sublicense/Sub-Sublease Agreement with G.D. Heil, Inc. with respect to a portion of the Property consisting of approximately 1.51 acres (the “G.D. Heil Lease Site”).

D. Successor Agency, as successor in interest to the Agency’s rights under the sublicense/sublease, is willing to permit the City to use the remainder of the Property, as shown on Exhibit B attached hereto and incorporated by reference (the “Site”) for the purpose of marshalling trucks in connection with the City’s operation of the Anaheim Convention Center (the “Permitted Activity”), subject to the Option Agreement.

### AGREEMENT

1. The Parties acknowledge the following with respect to the Option Agreement.
  - a. KOP II had previously licensed the Property from Edison pursuant to (1) the Option Agreement and (2) the authority and upon and subject to the conditions prescribed by General Order No. 69-C of the California Public Utility Commission (“CPUC”) dated and effective July 10, 1985, a copy of which is attached hereto as Exhibit “E” and incorporated herein by reference.
  - b. CPUC General Order No. 69-C required that all licenses in effect on Edison’s operating property be made conditional upon the right of Edison either upon order of the CPUC or



upon Edison's own motion, to commence and resume the use of the property in question, whenever, in the interest of its service to its patrons or consumers, it shall appear necessary or desirable to do so. Alternatively, Edison might obtain authorization to lease such operating property, through order of the CPUC, by filing an application thereof in accordance with Section 851 of the California Public Utilities Code. Edison filed such application and received the required authorization pursuant to CPUC Decision D-03-01-040, dated and effective January 16, 2003, a copy of which is attached hereto as Exhibit "F" and incorporated herein by reference ("CPUC Decision"). Pursuant to Article II and Section 3.1 of the Option Agreement, KOP II's license from Edison was thus converted to a forty (40) year lease, deemed to commence on March 1, 2003, and to end on February 28, 2043. Pursuant to Section 1(d) of the Sublicense/Sublease, Agency's sublicense from KOP II, was then converted into a sublease. KOP II and Agency subsequently entered into a First Amendment to Sublicense/Sublease Agreement, dated October 15, 2003, which acknowledged the conversion of the license under the Option Agreement into a lease and extended the term of the Sublicense/Sublease to February 28, 2043.

c. As of the date of the Option Agreement, March 5, 1999, Edison intended to add a transmission line at the Site which may have required one or more additional tower(s) or pole(s) or a modification to the existing tower(s) or pole(s) collectively described as "Transmission Modifications". If Edison were to determine to add a Transmission Line it would develop a detailed plan depicting the transmission modifications plan ("Transmission Modifications Plan") and thereafter construct the Transmission Modifications which were originally expected to be completed on or about December 31, 2000 ("Transmission Modification Completion Date"). Edison and KOP II agreed that the Transmission Modification Completion Date was an estimate only and might be extended at Edison's sole discretion. Edison has not as of the date hereof submitted a Transmission Modifications Plan to KOP II.

d. Except as set forth in Article 2 below, with respect to the Site, the terms of the Option Agreement and the Sublicense/Sublease shall be applicable as between the Successor Agency as licensor, and City as licensee, as though the Successor Agency were the "Optionor" or "Sublessee" (as the case may be) and the City the "Optionee" or "Sublessee" (as the case may be) thereunder.

e. ARTICLE I and ARTICLE II are hereby made inapplicable.

(1) The "Term" of this Agreement shall commence on May 21, 2024.

(2) The initial Term shall expire five (5) years from the commencement of the Term (unless earlier terminated due to the termination or expiration of the Option Agreement, the Sublicense/Sublease, or as otherwise provided herein).

(3) Provided the City is not otherwise in default of any provisions of this Agreement at the time of the exercise of the option provided herein, or at any time prior to the commencement of the option term, the City shall have two (2) consecutive five (5) year options to extend the Term hereof only by providing prior written notice to the Successor Agency no more than six (6) months nor less than three (3) months prior to the expiration of the Term or any properly extended term. Failure of the City to exercise any option provided herein shall cause such option, together with any remaining options to extend, to immediately cease and terminate.

f. The City accepts the Site in an "AS IS" condition. The Successor Agency expressly disclaims any warranty or representation with regard to the condition (including, without limitation, the environmental condition of the Site), safety or security of the Site, or the suitability of

the Site for the City's intended use. All references in the Option Agreement to the Property are deemed "Site" herein.

g. Section 3.1 is inapplicable. The rent shall be determined and payable as follows:

(1) During the initial Term of five (5) years:

(i) The initial monthly Rent for the Property, commencing in the first year of the Term, shall be Twenty Thousand Dollars (\$20,000),

(ii) The monthly Rent shall increase thereafter, in each subsequent year, at the rate of three percent (3%) annually.

(2) Should the City opt to extend the lease term pursuant to Section 2 above, during either of the two (2) optional extended terms, the monthly Rent shall as show in Exhibit H, Monthly Rent Schedule.

(3) All Rent payable hereunder shall be net to the Successor Agency and the City shall be responsible for all taxes, assessments and other costs associated with the Property, including, without limitation, all property taxes, assessments, license fees, public charges levied, assessed or imposed on the City's business operation, fixtures or other personal property on the Site, utilities and all other operating costs.

(4) Rent shall be payable by the City to a trustee (the "Trustee") selected by the Successor Agency in accordance with the Sublicense/Sublease, to which Trustee will be instructed by the Successor Agency to remit funds in the following order: (i) first amounts due Edison under the Option Agreement, (ii) second to discharge any other financial obligation of KOP II to third parties, if any, under the Option Agreement relating to the Site, (iii) third, to discharge any other financial obligation of the Successor Agency to KOP II, if any, under the Sublicense/Sublease, and (iv) fourth, any balance to the Successor Agency.

h. Section 5.1 is inapplicable. The City shall use the Site for the purpose of marshalling trucks in connection with the City operation of the Convention Center.

i. Section 6.1 is inapplicable.

j. Section 9.9 is inapplicable.

k. Section 10.4 is inapplicable. The City may not assign, license or otherwise transfer its interest in or to the Site without the prior written consent of the Successor Agency, which consent shall not be unreasonably withheld.

l. In the event the City is entitled to compensation under the terms of the Option Agreement pursuant to Section 13.2(f) thereof, or otherwise, any such compensation shall be divided seventy-five (75%) percent to the Successor Agency (but not to exceed the actual "hard" construction costs incurred by Agency) and the balance to KOP II.

m. In all places in the Option Agreement where consent of the Optionor is required or where Optionor requires access of any kind (specifically Article XII), this shall apply to Edison unless the context expressly dictates otherwise.



- n. The City has heretofore completed any and all investigations of the Site.
- o. As a condition precedent to the commencement of the Term, the Parties must obtain consent from Edison pursuant to Article X of the Option Agreement.

2. Successor Agency hereby grants to City and its agents, contractors, subcontractors and their invitees a license to enter the Site for the purpose of conducting the Permitted Activity (the "License") and for no other purposes without the prior written approval of Successor Agency. The License shall include such rights of ingress and egress over and through the Site as are reasonably necessary to implement the Permitted Activity. This Agreement shall run for a term commencing on the Effective Date and terminating upon the 5<sup>th</sup> Anniversary of the Effective Date with two (2) options to extend for addition five (5) year periods (the "License Term").

3. The Parties shall diligently seek the Consent from Edison. In the event the Parties are unable to receive executed Consent from Edison within six (6) months from the Date of Agreement, then this Agreement shall automatically terminate and City shall vacate the Site within thirty (30) days. In the event this Agreement terminates pursuant to the provisions described in the immediately preceding sentence, the Successor Agency shall have no liability to City for any costs or expenses incurred by City hereunder.

4. The City will utilize the Site for the Permitted Activity.

5. Prior to commencing any activities under this Agreement, City shall secure all permits needed to carry out the actions to be performed on the Site pursuant to this Agreement.

6. With regard to actions performed on the Site under this Agreement, City shall not permit to be placed against the Site, or any part thereof, any design professional's, mechanic's, materialmen's, contractor's, or subcontractor's liens (collectively, "Liens"). City shall indemnify, defend and hold harmless Successor Agency from all liability for any and all liens, claims and demands, together with costs of defense and reasonable attorneys' fees, arising from any Liens. Successor Agency reserve the right, at its sole cost and expense, at any time and from time to time, to post and maintain on the Site, or any portion thereof, or on the improvements on the Site, any notices of non-responsibility or other notice as may be desirable to protect Successor Agency against liability. In addition to, and not as a limitation of Successor Agency's other rights and remedies under this Agreement, should City fail, within ten (10) days of written request from Successor Agency, either to discharge any Lien or to bond for any Lien, or to defend, indemnify, and hold harmless Successor Agency from and against any loss, damage, injury, liability or claim arising out of a Lien, then Successor Agency, at its option, may elect to pay such Lien, or settle or discharge such Lien and any action or judgment related thereto and all costs, expenses and attorneys' fees incurred in doing so shall be paid to Successor Agency by City upon written demand.

7. City shall, in all activities undertaken pursuant to this Agreement, comply and cause its contractors, agents and employees to comply with all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees. Without limiting the generality of the foregoing, City, at its sole cost and expense, shall obtain any and all permits which may be required by any law for any activities City desires to conduct or have conducted pursuant to this Agreement. Successor Agency shall provide reasonable assistance to City in obtaining such permits.

8. This License Agreement is not assignable.

9. It is expressly understood that this Agreement does not in any way whatsoever grant or convey any permanent easement, lease, fee or other interest in the Site to City.

10. Any notices, requests or approvals given under this Agreement from one party to another shall be in writing and shall be personally delivered or deposited with the United States Postal Service for mailing, postage prepaid, by certified mail, return receipt requested, to the addresses of the other party as stated in this Section, and shall be deemed to have been received at the time of personal delivery or three (3) days after the date of deposit for mailing. Notices shall be sent to:

To City: City of Anaheim  
200 South Anaheim Boulevard  
Anaheim, California 92805  
Attention: Executive Director  
Copy to: City Attorney

with a copy to: Tom Morton, Executive Director  
800 W. Katella Avenue, MS 13  
Anaheim, California 92805

with a copy to: Stradling Yocca Carlson & Rauth  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92660  
Attention: Thomas P. Clark, Jr.  
Tel: 949-725-4140

To Successor Agency: Sergio M. Ramirez, Economic Development Director  
200 South Anaheim Boulevard, 7th Floor  
Anaheim, California 92805  
Attention: Director  
Copy to: City Attorney

With copies to: Stradling Yocca Carlson & Rauth  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92660  
Attention: Thomas P. Clark, Jr.  
Tel: 949-725-4140

11. This Agreement shall be governed by the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of Orange County, State of California, in an appropriate court in that county, or in the Federal District Court in the Central District of California.

12. This Agreement shall be interpreted as a whole and in accordance with its fair meaning and as if each party participated in its drafting. Captions are for reference only and are not to be used in construing meaning.

13. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by Successor Agency and City.

14. Successor Agency represent and warrant that Successor Agency has the authority to enter into this Agreement, but otherwise make no representations and warranties with respect to the Site.

15. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument.

16. This Agreement shall take effect immediately upon the execution of this Agreement by City and approval by Edison and all required governmental entities (the "Effective Date").

17. This License may be terminated by either party upon sixty (60) days written notice.

[SIGNATURES ON FOLLOWING PAGE]



IN WITNESS WHEREOF, the Parties have hereto executed this Agreement as of the respective dates set forth below.

**SUCCESSOR AGENCY:**

**CITY OF ANAHEIM**, a public body, corporate and politic

Dated: 5/27/24

By: [Signature]  
CM

**ATTEST:**

[Signature]

Theresa Bass, Agency Secretary



**APPROVED AS TO FORM:**  
**OFFICE OF THE CITY ATTORNEY**

By: [Signature]  
Ryan O. Hodge, Deputy City Attorney

**APPROVED AS TO FORM:**

**STRADLING YOCCA CARLSON & RAUTH**

By: [Signature]  
Thomas P. Clark, Jr.

**CITY:**

**CITY OF ANAHEIM**, a charter city and municipal corporation

Dated: 5/24/24

By: [Signature]  
Its: CM

**ATTEST:**

[Signature]

Theresa Bass, Agency Secretary



**APPROVED AS TO FORM:**  
**OFFICE OF THE CITY ATTORNEY**

By: [Signature]  
Ryan O. Hodge, Deputy City Attorney

## EXHIBIT A

Property No. POBVP799A12  
Account No. 2863

### OPTION AGREEMENT

This Option Agreement (this "Agreement") is entered into this 5<sup>TH</sup> day of MARCH 1996 by and between Southern California Edison Company, a California corporation, ("Option"), and Katella Operating Properties, LLC, ("Optionee") (individually referred to herein as "Party" and collectively referred to as "Parties") and is made with reference to the following facts:

#### RECITALS

- A. Optionor is a public utility company regulated by the California Public Utilities Commission ("CPUC") and is in the business of generating, transmitting and distributing electrical power to its customers throughout the Southern California area.
- B. Optionee is a developer/operator of Industrial, Commercial and Storage facilities in Southern California.
- C. Optionor is the owner of that certain real property located in the County of Orange State of California, consisting of approximately nine acres of land as more particularly described in Exhibit A attached hereto and incorporated herein (the "Property").
- D. Optionor's System Planning Department ("S/P") intends to add a transmission line at the Property which may require one or more additional tower(s) or pole(s) or a modification to the existing tower(s) or pole(s), collectively described as ("Transmission Modifications"). S/P will develop a detailed plan depicting the Transmission Modifications ("Transmission Modifications Plan") and thereafter construct the Transmission Modifications which are expected to be completed on or about December 31, 2000 ("Transmission Modifications Completion Date"). Optionor and Optionee agree that the Transmission Modifications Completion Date

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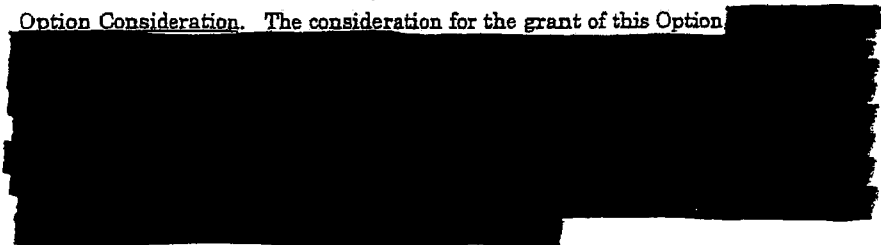
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is an estimate only and may be extended at Optionor's sole discretion. Optionee acknowledges the foregoing and agrees to cooperate in all respects with Optionor regarding the Transmission Modifications. Optionor shall provide Optionee with a minimum of ninety (90) days notice to vacate those areas required by Optionor during construction of said Transmission Modifications. Optionee agrees to clear said areas within said ninety (90) day period.

- E. Optionee desires to obtain from Optionor, and Optionor desires to grant to Optionee, an option to license the Property upon the terms and conditions set forth in this Agreement.

## ARTICLE I

### OPTION TO LICENSE

- 1.1 Grant of Option. Optionor hereby grants to Optionee the exclusive right and sole option to license the Property for the development and operation of a R. V. /Vehicle/Truck/Industrial Uses (the "Option"), on the terms and conditions set forth in this Agreement.
- 1.2 Term of Option. The term of the Option shall commence on the date first written above (the "Execution Date") and shall expire at 5:00 p.m. California time on the latter of (i) thirty (30) days following Optionee's receipt of the CPUC's order referenced in Section 2.3, or (ii) nine months from the Execution Date (the "Option Term") unless prior thereto, Optionee has validly exercised the Option pursuant to and in compliance with Section 1.4. In the event the CPUC's order is not received at least thirty (30) days prior to the first anniversary of the Execution Date, the Option Term shall automatically extend with no additional Option Consideration (hereinafter defined) until thirty (30) days following Optionee's receipt of the CPUC's order.
- 1.3 Option Consideration. The consideration for the grant of this Option 
- 1.4 Exercise of Option. The Option may be exercised only by delivery of an unconditional written notice of exercise to Optionor not later than 5:00 p.m.

California time on the last day of the Option Term and upon Optionee's satisfaction of all of the following conditions:

- (a) Optionee has obtained Optionor's approval of all plans and working drawings pursuant to Section 6.2.
- (b) Optionee has obtained all permits and approvals required by any governmental agency having jurisdiction for Optionee's use of the Property pursuant to Section 6.2. Optionee shall attach copies of such permits and approvals to the notice of exercise of Option.
- (c) Optionee has submitted to Optionor satisfactory evidence of Optionee's ability to finance the cost of development of the Property in accordance with Section 6.2 and the financial viability of Optionee's proposed operations on the Property.
- (e) Optionee has submitted to Optionor evidence of insurance coverage pursuant to Article XI.
- (f) Optionee has furnished to Optionor a performance bond pursuant to Section 6.2.

Upon receipt of Optionee's notice of exercising the Option, Optionor shall have ten (10) days to determine if Optionee has satisfied the foregoing conditions. If Optionor reasonably determines that Optionee has not satisfactorily fulfilled all of the foregoing conditions, Optionor shall notify Optionee in writing of the specific unsatisfied conditions. If the Option Term has expired or will expire within ten (10) days of Optionee's receipt of such notification, Optionee may within five (5) days of receipt of Optionor's notification elect to (a) arbitrate the issue of whether Optionee has satisfied the conditions, or (b) extend the Option Term pursuant to Section 1.5 below and satisfy the conditions. In the event Optionee elects to arbitrate the issue \*\*\*of whether Optionee has satisfied the conditions, Optionee shall simultaneously tender the payment for extension of the Option Term, to take effect or be refunded as appropriate upon completion of the arbitration.

In the event the Option is duly exercised prior to its expiration, and Optionor determines that Optionee has satisfied the foregoing conditions, this Agreement shall be construed as a binding contract for the licensing of the Property on the terms and conditions set forth herein (the "License").

- 1.5 Extension of Option Term. Optionee may extend the Option Term prior to the expiration of the then current Option Term by delivering a written notice of such extension to Optionor and a cashier's check [REDACTED]

1.6 Property Investigation and Document Review. Commencing on the date first written above and continuing until the earlier of the termination of this Agreement or the expiration of the Option Term, Optionee and its representatives, employees, contractors and agents shall have the right, at Optionee's sole expense and risk, and in accordance with the following terms and conditions: (i) to physically inspect and investigate the Property and to conduct any and all tests, inspections and studies thereof as Optionee may consider appropriate, and (ii) to review and to make copies of all documents in Optionor's possession pertaining to the Property, at Optionor's offices during normal business hours. Optionee acknowledges and agrees that the Option Term shall not be extended except in accordance with Section 1.5 as a result of Optionee's obtaining, failure to obtain, or delay in obtaining any document or material, provided that Optionor has not committed a material default of its obligations set forth in this Section 1.6. If Optionee exercises the Option, Optionee shall be deemed conclusively and irrevocably to have fully approved the condition of the Property and the findings of all tests, inspections, studies and reviews thereof.

Optionee shall conduct such investigation and document review in accordance with the following terms and conditions:

- (a) Optionee shall obtain a temporary entry permit from Optionor and shall abide by the terms and conditions thereof.
- (b) Optionee shall provide Optionor with copies of all surveys, reports and findings regarding the Property upon expiration of the Option Term.
- (c) Optionee agrees to repair any damage or disturbance it shall cause to the Property and to restore the Property to its original condition.
- (d) Optionee agrees to indemnify, defend and hold harmless Optionor from any and all liabilities for injury to persons and/or damage to property arising out of any act or omission of Optionee, its agents or invitees.
- (e) Optionee shall, at its expense, obtain and deliver to Optionor for Optionor's approval, certificates and certified copies of all policies and endorsements as evidence that the following types and amounts of insurance are in effect during any entry onto the Property pursuant to this Agreement:
  - (i) Comprehensive general liability insurance endorsed for contractual liability, with a combined single limit of not less than one million Dollars (\$1,000,000.00) per occurrence for bodily injury and/or property damage.
  - (ii) Comprehensive auto liability insurance endorsed for all owned and non-owned vehicles with a combined single limit of at least one million Dollars (\$1,000,000.00) per occurrence.
  - (iii) A program of workers' compensation insurance, or a state approved self-insurance program, in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including

Employers' Liability, with Two Hundred Fifty Thousand Dollars (\$250,000.00) limits.

Such policy/ies shall protect Optionor and certified copies of all policies and endorsements evidencing such insurance as being in effect are to be delivered to Optionor prior to entry. Optionee shall obtain a written obligation on the part of all insurance carriers to notify Optionor in writing, thirty (30) days prior to any cancellation of such policies. Optionor shall be included as an additional named insured on such policy/ies except for any Workers' Compensation policy. All such policies shall contain language to the effect that (1) the insurer waives the right of subrogation against Optionor and against any and all of Optionor's officers, employees, agents and representatives; and (2) the policies are primary and non-contributing with any insurance that may be carried by Optionor (except with respect to any Workers' Compensation Policy).

## ARTICLE II

### LICENSE

- 2.1 General Order 69-C. The License is given pursuant to the authority of and upon and subject to the conditions prescribed by CPUC General Order No. 69-C dated and effective July 10, 1985, which by this reference is incorporated herein and made a part hereof.
- 2.2 License Term. The License shall be for an initial term of FORTY (40) years (the "License Term") commencing on the date Optionee exercises the Option (the "License Commencement Date").
- 2.3 Lease Approval. CPUC General Order No. 69-C required that all licenses in effect on Optionor's operating property be made conditional upon the right of Optionor, either upon order of the CPUC or upon Optionor's own motion, to commence and resume the use of the property in question, whenever, in the interest of its service to its ~~patrons or consumers,~~ it shall appear necessary or desirable to do so. Alternatively, Optionor may obtain authorization to lease such operating property, through order of the CPUC, by filing an application thereof in accordance with Section 851 of the California Public Utilities Code. Optionor agrees to file an application with the CPUC following execution of this Agreement and upon the Transmission Modifications Completion Date (or such earlier date after delivery of the Transmission Modifications Plan to Optionee as Optionor may desire) and to use its best efforts to secure approval to lease the Property to Optionee. In the event the CPUC issues an order authorizing Optionor to lease the Property, a Lease will be created upon Optionee's exercise of the Option, the terms of which shall be subject to the terms of this Agreement, with the exception of Sections 2.1, 2.4 and 2.5 and subject to any conditions imposed by the CPUC (the "Lease"). Optionor shall deliver to Optionee a copy of any such order by the CPUC, and Optionee shall have thirty (30) days to elect either to (a) abide by any conditions imposed by the

order; or (b) decline to abide by such conditions. If Optionee and Optionor do not mutually agree to abide by such conditions, then this Agreement will constitute a License effective upon Optionee's exercise of the Option. In the event the CPUC imposes conditions which would also be applicable to a License and Optionee and Optionor do not mutually agree to abide by such terms, then this Agreement shall automatically terminate, and Optionee shall vacate the Property within (30) days. If Optionee agrees to abide by such conditions, then this Agreement shall constitute a Lease, effective upon exercise of the Option by Optionee. Optionor makes no representation or warranty to Optionee regarding the outcome or the length of the Section 851 application process. In the event the CPUC prohibits Optionor from licensing the Property in accordance with this Agreement, then this Agreement shall automatically terminate, and Optionee shall vacate the property within (30) days. In the event this Agreement terminates pursuant to this Section 2.3, Optionor shall have no liability to Optionee for any costs and expense incurred by Optionee hereunder.

- 2.4 License Termination. The License may be canceled by Optionor upon twelve (12) months prior written notice to Optionee that the Property is required by Optionor to service its patrons or consumers. No such termination or cancellation hereof shall release Optionee from any liability or obligation (whether of indemnity or otherwise) which may have attached or accrued previous to or which may be accruing at the time of, or by reason of such termination. Optionee shall have the right to terminate the License within 60 days of receipt of the Transmission Modifications Plan in the event the Transmission Modifications Plan indicates that Optionee's use of the Property will be materially and adversely impacted and Optionor and Optionee are unable to agree upon an equitable adjustment in the Base License Fee. For the purpose of this Section 2.4, "material and adverse impact" shall mean (a) a reduction in usable area of 25% or more, or (b) a physical impact which precludes Optionee from obtaining City approval to use the Property for its Initial Use. In the event Optionee terminates the License in accordance with this Section, Optionor shall not be liable to Optionee for costs and expenses incurred by Optionee or any claims or damages resulting from the termination of the License.
- 2.5 Nonpossessory Interest. Neither License nor Optionee's exercise of the rights given hereunder shall confer upon Optionee any property interest or possessory interest in the Property and Optionee shall not claim any such interest.

### ARTICLE III

#### RENT

- 3.1 Base and Additional Rent and Adjustments. Optionee agrees to pay in lawful money of the United States as rent ("Rent") for the use of the Property during the term of this Agreement, without deduction, abatement, prior demand or offset, at the times and in the manner as hereinafter provided, the following sums:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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3.2 Late Payment Charges. Optionee acknowledges that late payment by Optionee to Optionor of the Rent will cause Optionor to incur costs not contemplated by this Agreement, the exact amount of such costs being extremely difficult and impractical to fix. Such costs include, without limitation, processing, accounting and interest charges. Therefore, if any installment of the Rent is not received by the 30th day after the due date, Optionee will be charged a ten percent (10%) "late fee" on all amounts outstanding up to the maximum rate allowed by law. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Optionor will incur by reason of late payment by Optionee. Acceptance of any late charge shall not constitute a waiver of Optionee's default with respect to the overdue amount, or prevent Optionor from exercising any of the other rights and remedies available to Optionor.

Checks for Rent payments shall be made payable to: Southern California Edison.

#### ARTICLE IV

##### TAXES; ASSESSMENTS

4.1 On Real and Personal Property. Optionor shall pay all real property tax assessed against the Property by the State Board of Equalization and Optionee shall pay without abatement, offset or deduction all other personal property taxes, general and special assessments, and other charges of every description levied or assessed against the Property, improvements located on the Property constructed by Optionee, personal property of Optionee located on or in the land or improvements, the leasehold estate, or any subleasehold estate, to the full extent of installments falling due during the License Term. Nothing herein shall require Optionee to pay

any taxes assessed against any equipment or improvements belonging to Optionor. Optionee shall make all payments direct to the charging authority at least five (5) days before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for their nonpayment. If, however, the law expressly permits the payment of any or all of the above items in installments (whether or not interest accrues on the unpaid balance), Optionee may, at Optionee's election, utilize the permitted installment method, but shall pay each installment with any interest before delinquency.

- 4.2 Prorations. All payments of taxes or assessments or both, except permitted installment payments, shall be prorated for the initial License Term year and for the year in which the License terminates. For permitted installment payments of which at least the first installment fell due before the commencement of the License Term, Optionee shall pay all installments falling due after commencement of the License Term. For permitted installment payments of which the first installment falls due during final years of the License Term, Optionee shall pay only the installment(s) falling due before expiration of the License Term.
- 4.3 For Other Property of Optionor. If the Property is assessed with other property of Optionor for purposes of property taxes, assessments, or other ad valorem or improvement levies (collectively referred to in this paragraph as taxes), all taxes imposed on the entire parcel of which the Property is a part shall, until the Property is separately assessed, be prorated and Optionee shall pay that fraction of the entire tax equal to the fraction that the value of the Property (excluding Optionor's improvements and equipment) bears to the value of the total property included in the assessment.
- 4.4 Optionee's Right to Contest. Optionee may contest the legal validity or amount of any taxes, assessments, or charges for which Optionee is responsible under this Agreement, and may institute such proceedings as Optionee considers necessary. If Optionee contests any tax, assessment, or charge, Optionee may withhold or defer payment under protest but shall protect Optionor and the Property from any lien by adequate surety bond or other appropriate security.
- ~~Optionor appoints Optionee as Optionor's attorney-in-fact for the purpose of making all payments to any taxing authorities and for the purpose of contesting any taxes, assessments, or charges, conditioned on Optionee's preventing any liens from being levied on the Property or on Optionor (other than the statutory lien of Revenue and Taxation Code Section 2187).~~
- 4.5 Proof of Compliance. Optionee shall furnish to Optionor, at least three (3) days before the date when any tax, assessment, or charge would become delinquent, receipts or other appropriate evidence establishing their payment. Optionee may comply with this requirement by retaining a tax service to notify Optionor whether the taxes have been paid.

ARTICLE V

USES: PURPOSES

- 5.1 Uses. Optionee shall use and permit the use of the Property for construction and operation of a R. V. /Vehicle/Truck/Industrial Uses, Storage facility ("Initial Use") and for any other purposes permitted by law, consistent with Optionor's use of the site for its power lines and equipment for which Optionee has obtained Optionor's prior written consent, which consent shall not be unreasonably withheld. During the Interim License Period, use of the Property shall be limited to those improvements for open storage, vehicle and equipment parking, fencing and other uses depicted on Exhibit "A" except that no structures shall be constructed on the Property during the Interim License Period. Upon completion of the Transmission Modifications, Optionee shall commence construction and use of the Property for its Initial Use, based upon those uses depicted on the site plan attached hereto as Exhibit "A", as modified by mutual agreement of Optionor and Optionee to reflect the Transmission Modifications, if any. It is understood and agreed that the proposed improvements shown on the attached Exhibit "A" are conceptual in nature. All final improvements will require written approval by Optionor prior to construction.
- 5.2 Land Use Restrictions. Optionee may obtain zoning changes or conditional use permits, required for the Initial Use. Any zoning changes or conditional use permits for any use other than the Initial Use shall require Optionor's consent. Optionor shall, at Optionee's notice or request, join with Optionee in applications and proceedings to obtain necessary use or zoning changes, but without cost or expense to Optionor.
- 5.3 Condition of Property. Optionee hereby accepts the Property in its condition existing as of the date of the execution hereof, subject to all applicable zoning, municipal, county, state and federal laws, ordinances and regulations governing and regulating the use of the Property. Optionee acknowledges that neither Optionor nor any agent of Optionor has made any representation or warranty with respect to the condition of the Property or the suitability thereof for the conduct of Optionee's business, nor has Optionor agreed to undertake any modification, alteration or improvement to the Property except as provided in this Agreement.
- 5.4 Acceptance of the Property. Except as may be otherwise expressly provided in this Agreement, the taking of possession of the Property by Optionee shall in and of itself constitute acknowledgment that the Property is in good and licensable condition, and Optionee agrees to accept the Property in its presently existing "as is" condition. Optionor shall not be obligated to make any improvements or modification thereto except to the extent otherwise expressly provided for in this Agreement.

- 5.5 Property Investigation. Optionee represents to Optionor that it will have made a sufficient investigation of the condition of the Property existing immediately prior to exercising the Option (including investigation of the surface, subsurface and groundwater for contamination and hazardous substances) and will be satisfied (a) that the Property will safely support the type of improvements to be constructed and maintained by Optionee upon the Property, (b) that the Property is otherwise fully fit physically and lawfully for the uses required and permitted by this Agreement, and (c) that the Optionee accepts all risks associated therewith.
- 5.6 Optionor's Representations. Optionor does not know and has no reasonable cause to believe that any release of any hazardous substance has come to be located on or beneath the Property. Prior to the commencement of the License Term, Optionor will make available to Optionee, for review and inspection, records in the possession or control of the Optionor which might reflect the potential existence of hazardous substances on or beneath the Property and Optionor will provide Optionee access to the Property for a reasonable time and upon reasonable terms and conditions for purposes of providing to Optionee the opportunity to investigate, sample and analyze the soil and groundwater on the Property for the presence of hazardous substances. The phrase "hazardous substance", as used herein, has the same meaning as that phrase has under Section 25359.7 of the California Health and Safety Code.
- 5.7 Compliance with Laws. Optionee shall, except as otherwise expressly provided in this Agreement, be solely responsible, without any cost or expense to Optionor, to take all actions necessary to improve and continuously use the Property as required by this Agreement and in compliance with all applicable laws, statutes, zoning requirements, ordinances, governmental rules or regulations or requirements of any duly constituted public authority now or later in force, or with the requirements of the State Fire Marshall or other similar body now or hereafter constituted, relating to or affecting the condition, use or occupancy of the Property. The judgment of any court of competent jurisdiction or the admission of Optionee in any action against Optionee, whether Optionor is a party thereto or not, that Optionee has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Optionor and Optionee. Optionee shall not allow the ~~Property to be used~~ for any unlawful purpose, nor shall Optionee cause, maintain or permit any nuisance in, on or about the Property. Optionee shall not commit or suffer to be committed any waste in or upon the Property.
- 5.8 Petroleum Products. Except as otherwise expressly permitted by Optionor, Optionee shall not install facilities for, or operate on the Property, a gasoline or petroleum supply station, nor shall the transportation or storage of gasoline or petroleum products be permitted except those products stored within an operable vehicle for exclusive use by that vehicle. Breach of any of these covenants, terms and conditions shall give Optionor authority to immediately terminate this Agreement. Optionor shall not exercise its right to immediately terminate this Agreement in the event of a breach of any of the covenants, terms and conditions of this Section by virtue of the placement of any such material on the Property by any sublicensee, subtenant or other user, provided that Optionee includes in all

sublicenses, sublease or other use agreements, a prohibition on such activities and Optionee uses commercially reasonable efforts to enforce such provisions. Notwithstanding the foregoing, in the event Optionee fails to cure such breach within forty-eight (48) hours after discovery of same, or such other reasonable time period as Optionor may grant to Optionee, Optionor shall have the authority to immediately terminate this Agreement.

5.9 Explosives And Flammable Materials. The Property shall not be used for the manufacture of flammable materials or explosives, or for any storage of flammable materials or explosives. Further, the Property shall not be used by Optionee for any other purposes deemed by Optionor to be a potential fire or other hazard. The operation and maintenance of the Property shall be subject to regulations issued by Optionor so as to protect against fire or other hazard impairing the use, safety and appearance of the Property. The occupancy and use of the Property shall not be such as will permit hazardous or objectionable smoke, fumes, vapors or odors to rise above the surface of the Property. Breach of any of these covenants, terms and conditions shall give Optionor authority to immediately terminate this Agreement. Optionor shall not exercise its right to immediately terminate this Agreement in the event of a breach of any of the covenants, terms and conditions of this Section by virtue of the placement of any such material on the Property by any sublicensee, subtenant or other user, provided that Optionee includes in all sublicenses, subleases, or other use agreements, a prohibition on such activities and Optionee uses commercially reasonable efforts to enforce such provisions. Notwithstanding the foregoing, in the event Optionee fails to cure such breach within forty-eight (48) hours after discovery of same, or such other reasonable time period as Optionor may grant to Optionee, Optionor shall have the authority to immediately terminate this Agreement.

5.10 Hazardous Substances. Except as otherwise expressly permitted in this Agreement, Optionee shall not use, create, store or allow any hazardous substances on the Property. Fuel stored in a motor vehicle for the exclusive use in such vehicle is excepted. In no case shall Optionee cause or allow the deposit or disposal of any hazardous substances on the Property without Optionor's prior written approval. Optionor, or its agents or contractors, shall at all times have the right to go upon and inspect the Property and the operations thereon to assure compliance with the requirements herein stated. This inspection may include taking samples of substances and materials present for testing, and/or the testing of soils. Breach of any of these covenants, terms and conditions shall give Optionor authority to immediately terminate this Agreement. Optionor shall not exercise its right to immediately terminate this Agreement in the event of a breach of any of the covenants, terms and conditions of this Section by virtue of the placement of any such material on the Property by any sublicensee, subtenant or other user, provided that Optionee includes in all sublicenses, subleases or other use agreements, a prohibition on such activities and Optionee uses commercially reasonable efforts to enforce such provisions. Notwithstanding the foregoing, in the event Optionee fails to cure such breach within forty-eight (48) hours after discovery of same, or such other reasonable time period as Optionor may grant to Optionee, Optionor shall have the authority to immediately terminate this Agreement. Optionee shall be

responsible for and bear the entire cost of removal and disposal of hazardous substances introduced to the Property during Optionee's period of use of the Property. Optionee shall also be responsible for any clean-up and decontamination on or off the Property necessitated by the introduction of such hazardous substances on the Property. Optionee shall not be responsible for or bear the cost of removal or disposal of hazardous substances introduced to the Property during any period prior to commencement of Optionee's period of use of the Property. Optionee shall hold Optionor, and its officers and employees harmless from all responsibility, liability and claim for damages resulting from the presence or use of hazardous substances on the Property during Optionee's period of use of the Property to the extent that such presence or use results from any action of Optionee or any sublicensee, subtenant, assignee or other user.

- 5.11 Height Limitations. Any equipment used by Optionee or its agents, employees or contractors, on and/or adjacent to the Property, will be used and operated so as to maintain a minimum clearance of seventeen (17) feet from all overhead electrical conductors.
- 5.12 Access and Clearances. Optionee will provide Optionor with adequate access to all of Optionor's facilities on the Property and at no time will there be any interference with the free movement of Optionor's equipment and materials over the Property. Optionor may require Optionee to provide and maintain access roads within the Property, at a minimum of sixteen (16) feet in width, together with commercial driveway aprons and curb depressions capable of supporting a gross load of forty (40) tons on a three-axle vehicle. Unless otherwise specified in writing by Optionor, Optionee will make no use of the area directly underneath Optionor's towers and will maintain the following minimum clearances at all times:
- a. 50 feet from all tower legs.
  - b. 10 feet from all steel poles, wood poles and anchors.

NOTE: Additional clearance shall be required for structures and other material improvement.

- 5.13 Parkways and Landscaping. Optionee will keep parkway and sidewalk areas adjacent to the Property free of weeds and trash. Optionee will maintain parkways and provide landscaping that is compatible with adjoining properties and that is satisfactory to Optionor.
- 5.14 Fencing. Optionee may install fencing on the Property with prior written approval from Optionor. Such fencing will include double drive gates, a minimum of sixteen (16) feet in width, designed to accommodate Optionor's locks, in locations specified by Optionor. Optionee will ground and maintain all fencing.
- 5.15 Wrecked Vehicles. Optionee shall not park or store wrecked or inoperable vehicles of any kind on the Property.

- 5.16 Reservations for Billboards. Optionor reserves the right to license a portion of the Property to third parties for construction and maintenance of billboards. The location of the billboards will be mutually agreed upon by Optionee and Optionor.
- 5.17 Cell Sites. Optionor reserves the right to license a portion of the site to third parties for construction and maintenance of cell sites. The location of the cell sites will be mutually agreed upon by Optionee and Optionor. Optionee shall not unreasonably withhold its concurrence.
- 5.18 Signs. Optionee may construct, erect, maintain or permit upon the Property signs, advertising placards, names, insignia, trademarks and descriptive words or materials (collectively, the "signs") as shall have first received the written approval of Optionor as to size and location. No signs readily visible from the exterior of the Property shall be permitted on or within the Property other than those:
- (a) Identifying the name, business or products of the person or entity using or occupying the Property; or
  - (b) Offering all or part of any portion the property or of Optionee's operations on the Property for sale or lease.
- 5.19 Electric and Magnetic Fields. There have been numerous scientific studies about the potential effects of power frequency electric and magnetic fields ("EMF"). There are several sources of EMF, including household appliances and electric power facilities. After many years of research, scientists have not found that exposure to power-frequency EMF causes disease in humans. Research on this topic is continuing. Whenever anyone plans to lease Optionor's property that is in close proximity to Optionor's electric facilities, Optionor wants to share with those involved in the development, information or literature it has about EMF. Optionor has attached as Exhibit "D" to this lease a brochure that explains some basic facts about EMF. Please let Optionor know if you have questions or wish to have additional information.
- 5.20 Induced Voltage. Licensee hereby acknowledges that any structures (including, but not limited to buildings, fences, light poles), it may construct or erect under the terms of this License will be in close proximity to one or more high voltage (66 kilovolt or above) electric transmission lines and/or substation facilities. Such structures ("Structures") may be susceptible to induced voltages, static voltages and/or related electric fault conditions (hereinafter collectively referred to as "Induced Voltages") unless appropriate grounding or other mitigation measures are incorporated into the Structures. If not properly mitigated, Induced Voltages can result in a variety of safety and/or nuisance conditions, including, but not limited to, electric shocks or other injury to individuals contacting the Structures or other utilities connected to the Structures (including, but not limited to, natural gas lines, water lines or cable television lines), or interference with or damage to sensitive electronic equipment located in or around the Structures. Appropriate measures to mitigate Induced Voltages, if required, will vary from case to case because of factors such as electric facility configuration and voltage, other utilities involved, or sensitivity of electronic equipment. Licensee will be responsible to determine what,

if any, Induced Voltages mitigation measures should be undertaken regarding the Structures, and to implement such mitigation measures at its sole cost and expense.

Licensee agrees for itself and for its contractors, agents, licensees, invitees and employees, to save harmless and indemnify Edison, its parent, subsidiaries, and affiliated entities and their respective officers and employees from and against any and all claims, loss, damage, actions, causes of action, expenses and/or liability arising from or growing out of loss or damage to property, including Edison's own personal property, or injury to or death of persons, including employees of Edison caused by or resulting from or connected to Induced Voltages on or related to the Structures.

## ARTICLE VI

### IMPROVEMENTS

- 6.1 Construction. Within thirty (30) days after the License Commencement Date, Optionee shall comply with the Conditions of Major Construction below and shall commence the construction of a R. V. /Vehicle/Truck/Industrial Uses, Storage Facility.
- 6.2 Conditions of Major Construction. Before any major work of construction, alteration, or repair (except for that work described in Section 7.2) is commenced on the Property, and before any building materials have been delivered to the Property by Optionee or under Optionee's authority, Optionee shall comply with the conditions or procure Optionor's written waiver of the condition or conditions specified in the waiver:
- (a) Plans, Specifications. Optionee shall deliver to Optionor for Optionor's approval four (4) sets of preliminary construction plans and specifications prepared by an architect or engineer licensed to practice as such in the State of California, including but not limited to preliminary grading and drainage plans, soil tests, utilities, sewer and service connections, locations of ingress and egress to and from public thoroughfares, curbs, gutters, parkways, street lighting, designs and locations for outdoor signs, storage areas, and landscaping, all sufficient to enable potential contractors and subcontractors to make reasonably accurate bid estimates and to enable Optionor to make informed judgment about the design and quality of construction and about any effect on the reversion. All improvements shall be constructed within the exterior property lines of the Property; provided that required work beyond the Property on utilities, access, and conditional use requirements do not violate this provision.
- (b) Optionor's Approval. Optionor shall not unreasonably disapprove preliminary plans and specifications. Approval or disapproval shall be communicated in the manner provided for notices; and disapproval shall be accompanied by specification of the grounds for disapproval; provided that Optionor's failure to disapprove within thirty (30) days after delivery to Optionor



shall be conclusively considered to be approval. Optionee shall not deliver working drawings to any government body for a building permit until preliminary plans are approved as in this paragraph. Disapproval and election to submit revised plans and specifications shall not extend the time for commencing or completing constructing.

(c) Final Plans: Specifications. Optionee shall prepare final working plans and specifications substantially conforming to preliminary plans previously approved by Optionor, submit them to the appropriate governmental agencies for approval, and deliver to Optionor four (4) complete sets as approved by the governmental agencies. Changes from preliminary plans shall be considered to be within the scope of the preliminary plans if they are not substantial or if they are made to comply with suggestions, requests or requirements of a governmental agency or official in connection with the application for permit or approval, and if they do not depart substantially in size, utility, or value from the minimum requirements of Section 6.2(a).

(d) Notice of Intent to Construct. Optionee shall notify Optionor of Optionee's intention to commence a work of improvement at least ten (10) days before commencement of any such work or delivery of any materials. The notice shall specify the approximate location and nature of the intended improvements. Optionor shall have the right to post and maintain on the Property any notices of nonresponsibility provided for under applicable law, and to inspect the Property in relation to the construction at all reasonable times.

(e) Optionor's Approval of General Contractor. Optionee shall furnish Optionor with a true copy of Optionee's contract with the general contractor and with evidence of the general contractor's financial condition for Optionor's approval.

Optionor may disapprove by notice given within ten (10) days following delivery of the copy of the contract. The notice shall specify the grounds for disapproval. Optionor shall not unreasonably disapprove and shall be considered to have approved in the absence of notice of disapproval given within ten (10) days after Optionee furnishes the contract and evidence specified above. If Optionee elects to act ~~as general contractor~~, reference above to contract and evidence shall be considered to apply to the subcontractor of each subcontract in excess of Fifty Thousand Dollars (\$50,000).

(f) Approval of Construction (Interim) Financing.

(i) Documentation. Optionee shall deliver to Optionor true copies of all documents to evidence the commitment of financing for any new construction. "Financing" includes both the construction (or interim) and take-out (also called permanent or long-term) loan. Optionor may require by notice that no construction commence until the take-out loan is firmly committed but may disapprove the financing only if it violates an express provision of this Agreement.

(ii) Optionor's Right to Assume Optionee's Financing. Optionor shall have the right but not the obligation to assume Optionee's financing for any improvements on the Property. Optionee shall cause the lender to execute all documentation facilitative of this right. Optionor's exercise of this right shall not constitute a waiver of any other right Optionor may have against Optionee, any surety or guarantor or anyone else.

(g) Assurance of Completion. Optionee shall furnish Optionor a bond as described below if, and promptly after, Optionor gives notice of demand within 15 days after Optionee has complied with all the foregoing conditions of major construction. The bond shall be that of a responsible surety company, licensed to do business in California, in an amount not less than Eight Hundred Fifty Thousand Dollars (\$850,000) and shall remain in effect until the entire cost of the work shall have been paid in full and the new improvements shall have been insured as provided in this Agreement. The bond shall state the following:

(i) That it is conditioned to secure the completion of the proposed construction, free from all liens and claims of contractors, subcontractors, mechanics, laborers and materialmen for twenty months following commencement of construction;

(ii) That the construction work shall be effected by Optionee, the general contractor or on their default, the surety;

(iii) That in default of such completion and payment, such part of the amount of the bond as shall be required to complete the work shall be paid to Optionor as liquidated and agreed damages for the nonperformance of Optionee's agreements, it being agreed that the exact amount of Optionee's damages is difficult and impractical to ascertain; and

(iv) That the surety will defend and indemnify Optionor against all loss, cost, damage, expense and liability arising out of or connected with the work of improvement.

Optionor ~~may, but shall not~~ unreasonably, disapprove the bond. The bond shall be deemed approved unless notice of disapproval is given within 15 working days after receipt of the proposed bond.

(h) Required Governmental Permits. Optionee shall procure and deliver to Optionor at Optionee's expense evidence of compliance with all then applicable codes, ordinances, regulations, and requirements for permits and approvals, including but not restricted to grading permits, building permits, zoning and planning requirements, and approvals from various governmental agencies and bodies having jurisdiction.

(i) Builder's Risk and Other Insurance. Optionee shall deliver to Optionor (i) certificates of insurance (naming Optionor as an Additional Insured/Loss Payee) evidencing coverage for "builder's risk", (ii) evidence of workers' compensation

insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Optionor or the Property, and (iii) evidence that Optionee has paid or caused to be paid all premiums for the coverage described above in this paragraph and any increase in premiums on insurance provided for in the Section on insurance, sufficient to assure maintenance of all insurance above during the anticipated course of work. Optionee shall maintain, keep in force and pay all premiums required to maintain and keep in force all insurance above at all times during which work is in progress.

(j) Diligent Prosecution to Completion. Once work is begun, Optionee shall with reasonable diligence prosecute to completion all construction of improvements, additions, or alterations. Construction required at the inception of the License shall be completed and ready for use within six (6) months after commencement of construction, provided that the time for completion shall be extended for as long as Optionee shall be prevented from completing the construction by delays beyond Optionee's reasonable control; but failure, regardless of cause, to complete construction within eight (8) months following the License Commencement Date shall, at Optionor's election exercised by notice, terminate this Agreement subject, however, to Section 9.3. All work shall be performed in a good and workmanlike manner, shall substantially comply with plans and specifications submitted to Optionor as required by this Agreement, and shall comply with all applicable governmental permits, laws, ordinances, and regulations.

(k) Protection of Optionor Against Cost or Claim. Optionee shall pay or cause to be paid the total cost and expense of all works of improvement, as that phrase is defined in the Mechanics' Lien Law in effect when the work begins. No such payment shall be construed as Rent. Optionee shall not suffer or permit to be enforced against the Property or any part of it any mechanic's, materialmen's contractor's or subcontractor's lien arising from any work of improvement, however it may arise. However, Optionee may in good faith and at Optionee's own expense contest the validity of any such asserted lien, claim, or demand, provided Optionee has furnished the bond required in California Civil Code Section 3143 (or any comparable statute hereafter enacted for providing a bond freeing the Property from the effect of such a lien claim).

Optionee shall defend and indemnify Optionor against any liability and loss of any type arising out of work performed on the Property by Optionee, together with reasonable attorneys' fees and all costs and expenses incurred by Optionor in negotiating, settling, defending, or otherwise protecting against such claims.

(l) Optionor's Right to Discharge Lien. If Optionee does not cause to be recorded the bond described in California Civil Code Section 3143 or otherwise protect the Property under any alternative or successor statute, and a final judgment has been rendered against Optionee by a court of competent jurisdiction for the foreclosure of a mechanic's, materialmen's, contractor's, or subcontractor's lien claim, and if Optionee fails to stay the execution of the judgment by lawful means or to pay the judgment, Optionor shall have the right, but not the duty, to pay or otherwise discharge, stay, or prevent the execution of any such judgment or

lien or both. Optionee shall reimburse Optionor for all sums paid by Optionor under this paragraph, together with all Optionor's reasonable attorneys' fees and costs, plus interest on those sums, fees, and costs at the rate of ten percent (10%) per year from the date of payment until the date of reimbursement.

(m) Notice of Completion. On completion of any substantial work of improvement during the License Term, Optionee shall file a notice of completion.

(n) Notice of Changes in Plans. On completion of any work of improvement, Optionee shall give Optionor notice of all changes in plans or specifications made during the course of the work and shall, at the same time and in the same manner, supply Optionor with "stamped" drawings accurately reflecting all such changes. Optionor acknowledges that it is common construction industry practice to make numerous changes during the course of construction on substantial projects.

(o) Notice of Take-Out (Permanent Financing). Optionee shall promptly deliver to Optionor (i) evidence that the supplier of any construction financing has accepted or approved of the completed improvements; and (ii) evidence that the take-out (permanent) financing has been recorded and the funds properly disbursed, together with copies of the note and the encumbrance securing it.

## ARTICLE VII

### MAINTENANCE AND REPAIRS

7.1 Optionee Required to Maintain Property. Throughout the License Term, Optionee shall, at Optionee's sole cost and expense, maintain the Property and all improvements in good condition and repair, ordinary wear and tear excepted, and in accordance with all applicable laws, rules, ordinances, orders and regulations of (i) federal, state, county, municipal, and other governmental agencies and bodies having jurisdiction and all their respective departments, bureaus, and officials; (ii) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; and (iii) all insurance companies insuring all or any part of the Property or improvements or both.

Except as provided below, Optionee shall promptly and diligently repair, restore, and replace as required to maintain or comply as above, or to remedy all damage to or destruction of all or any part of the improvements. The completed work of maintenance, compliance, repair, restoration, or replacement shall be equal in value, quality, and use to the condition of the improvements before the event giving rise to the work, except as expressly provided to the contrary in this Agreement. Optionor shall not be required to furnish any services or facilities or to make any repairs or alterations of any kind in or on the Property. Optionor's election to perform any obligation of Optionee under this provision on Optionee's failure or refusal to do so shall not constitute a waiver of any right or remedy for Optionee's

default, and Optionee shall promptly reimburse, defend, and indemnify Optionor against all liability, loss, cost, and expense arising from it.

Nothing in this provision defining the duty of maintenance shall be construed as limiting any right given elsewhere in this Agreement to alter, modify, demolish, remove, or replace any improvement, or as limiting provisions relating to condemnation or to damage or destruction during the final years of the License Term. No deprivation, impairment, or limitation of use resulting from any event or work contemplated by this paragraph shall entitle Optionee to any offset, abatement, or reduction in Rent or to any termination or extension of the License Term.

7.2 Damage or Destruction During Final Years of License Term. Optionee is relieved of the obligation to, but may, repair, restore, or reconstruct improvements damaged or destroyed during the final three (3) years of the License Term if (i) the work of repairing, restoring, or reconstructing would require construction costs in excess of eighty percent (80%) of the replacement value of all of the improvements; and (ii) Optionee complies with all of the following conditions:

(a) Optionee gives Optionor notice of the damage or destruction promptly but not later than ten (10) days after the event, detailing facts that qualify the casualty under this provision.

(b) Optionee is not in default under any provision or condition of this Agreement.

(c) Optionee pays in full, or has paid in full any outstanding indebtedness incurred by Optionee and secured by an encumbrance or encumbrances on the License.

(d) Optionee delivers possession of the Property to Optionor and quitclaims all right, title and interest in the land and improvements if, and promptly after, ceasing to do business on the Property.

(e) ~~Optionee causes to be discharged all liens and encumbrances~~ Optionee causes to be discharged all liens and encumbrances resulting from any act or omission of Optionee.

(f) Optionee relinquishes all remaining options to extend the License Term, provided that the giving of notice of damages or destruction as a condition of relief from the obligations to repair, restore, or reconstruct shall be conclusively construed as such a relinquishment.

(g) Optionee relinquishes and transfers to Optionor all insurance proceeds resulting from the casualty.

7.3 Change of Use. Nothing herein shall be deemed to restrict Optionee from demolishing all or any portion of the improvements in connection with (a) any change of use of the Property, or (b) any demolition and reconstruction of the

improvements for the same use, provided Optionor has approved the new use and Optionee complies with the Conditions of Major Construction.

## ARTICLE VIII

### OWNERSHIP OF IMPROVEMENTS

- 8.1 Exclusion of Existing Improvements. Title to improvements on the Property at the License Commencement Date is retained by Optionor and this Agreement is subject to any rights of ownership in the improvements. The parties covenant for themselves and all persons claiming under them that the improvements are real property.
- 8.2 Ownership of New Improvements During License Term. All improvements constructed on the Property by Optionee as permitted by this Agreement shall be owned by Optionee until expiration of the License Term or sooner termination of this Agreement. Optionee shall not, however, remove any improvements from the Property nor waste, destroy, or modify any improvements on the Property, except as permitted by this Agreement. The parties covenant for themselves and all persons claiming under them that the improvements are real property.
- 8.3 Ownership at Termination. All improvements constructed on the Property by Optionee as permitted or required by this Agreement shall, during the term of this Agreement, be and remain the property of Optionee; provided, however, that Optionee's rights and powers with respect to the improvements are subject to the terms and limitations of this Agreement and Optionee's interest in such improvements shall terminate upon the expiration or earlier termination of this Agreement.

Notwithstanding the foregoing, at the expiration or earlier termination of this Agreement (except in the case of a condemnation pursuant to Section 13.1), Optionor may, at Optionor's election, demand the removal from the Property of all fixtures and improvements or of certain fixtures or improvements or both, as specified in the notice provided for below. A demand to take effect at the normal expiration of the License Term shall be effected by notice given at any time within six (6) months before the expiration date. A demand to take effect on any other termination of this Agreement shall be effected by notice given in or concurrently with notice of such termination or within ten (10) days after such termination. Optionee shall comply with the notice before the expiration date, for normal termination, and within sixty (60) days after the notice for other termination. The duty imposed by this provision includes but is not limited to the duty to demolish and remove all foundations, fill all excavations, return the surface to grade, and leave the Property safe and free from debris and hazards; provided that, after compliance with a demand for removal of less than all fixtures and improvements,

Optionee shall be required to remedy only willful and negligent injuries to the Property or remaining improvements or fixtures.

- 8.4 New Lease to Lender. If this Agreement is terminated but Optionor enters into a new lease with a lender pursuant to the provisions of Article IX, then the provisions of Sections 8.2 and 8.3 shall apply only upon termination of such subsequent lease.

#### ARTICLE IX

##### ENCUMBRANCE; SUBORDINATION; ASSIGNMENT; SUBLICENSING

- 9.1 Optionee's Right to Mortgage Lease. Optionee shall have the right at any time and from time to time to subject the License and any or all improvements to one or more mortgages or deeds of trust as security for a loan or loans or other obligations of Optionee (any such instruments being herein referred to as a "mortgage" and the lender as a "mortgagee"), provided that:
- (a) The mortgage and all rights acquired under it shall be subject to each and all of the covenants, conditions, and restrictions stated in this Agreement and to all rights and interests of Optionor except as otherwise provided in this Agreement.
- (b) Optionee shall give Optionor prior notice of any such mortgage, and shall accompany the notice with a true copy of the note and mortgage.
- 9.2 Request for Notice of Default. On the recording of the mortgage, Optionee shall, at Optionee's expense, record in the office of the county recorder where the Property is located a written request, executed and acknowledged by Optionor, for a copy of all notices of default and all notices of sale under the mortgage as provided by the statutes of the State of California. Inclusion in the body of the recorded mortgage itself of a request for notice having the effect described above shall constitute compliance with this provision.
- 9.3 Termination of Agreement. Optionor agrees that it will not terminate this Agreement because of any default or breach hereunder on the part of Optionee if the mortgagee within sixty (60) days after service of written notice on the mortgagee by Optionor of its intention to terminate said Agreement for such default or breach, shall:
- (a) Cure such default or breach if the same can be cured by the payment or expenditure of money provided to be paid under the terms of this Agreement, or if such default or breach is not so curable, commence and thereafter to diligently pursue to completion steps and proceedings for the exercise of the power of sale under and pursuant to the mortgage in the manner provided by law; and
- (b) Keep and perform all of the covenants and conditions of this Agreement requiring the payment or expenditure of money by Optionee until such time as the License shall be sold upon foreclosure pursuant to the mortgage, or shall be released or reconveyed thereunder, or shall be transferred upon judicial foreclosure;

provided, however, that if the mortgagee shall fail or refuse to comply with any and all of the conditions of this section, then and thereupon Optionor shall be released from the covenants of forbearance herein contained, and all rights of Optionee and/or mortgagee and those who claim under Optionee, under this Agreement, shall terminate.

(c) In the event of a judicial foreclosure sale or trustee's sale of mortgagee's security interest pursuant to the laws of the State of California, or an assignment in lieu of foreclosure, the transferee, be it mortgagee or others, shall succeed to all of the right, title and interest of Optionee.

(d) The prior written consent of Optionor shall not be required:

(i) to a transfer of the License at foreclosure sale under the mortgage, under judicial foreclosure, or by an assignment in lieu of foreclosure; or

(ii) to any subsequent transfer by the mortgagee if the mortgagee is the purchaser at such foreclosure sale; provided that in either such event the mortgagee forthwith gives notice to the Optionor in writing of any such transfer, setting forth the name and address of the transferee, the effective date of such transfer and the express agreement of the transferee assuming and agreeing to perform all of the obligations of this mortgage, together with a copy of the document of which such transfer was made and the payment to Optionor of the processing fee provided in Section 10.2. Any subsequent transfer of the License shall be subject to the conditions relating to consent by Optionor as set forth in this Agreement.

(e) The mortgage and all rights acquired thereunder shall be subject to each and all of the covenants, conditions, and restrictions set forth in this License and to all rights and interests of Optionor hereunder, except as otherwise provided therein. In the event of any conflict between the provisions of this Agreement and the provisions of any mortgage, the provisions of this Agreement shall control.

(f) No mortgage which Optionee may execute or create at any time shall include the Optionor's right, title and interest in and to the Property, nor shall any such mortgage subordinate or be deemed to subordinate the fee title to the Property or Optionor's interest in the License to the security interest created by such mortgage. It is the intention and agreement of the parties hereto that during the entire term of this Agreement, Optionor's right, title and interest in and to the Property shall not be subject to any liens or encumbrances of any kind or nature created by Optionee. Nothing contained in any such mortgage, and no such mortgage, shall release or be deemed to release Optionee from the full and faithful observance and performance of any covenants and conditions in this Agreement and on the part of Optionee to be observed and performed, nor be deemed to constitute a waiver of any rights of Optionor hereunder.

(g) On the commencement of the License Term, the Property shall be free and clear of all mortgage liens except the lien of a trust indenture dated October 1, 1923



by and between Optionor and Harris Trust and Savings Bank, and D. G. Donovan as amended and supplemented.

- 9.4 No Amendment. This Agreement shall not be amended without the written consent of any existing mortgagee.
- 9.5 Liability of Mortgagee. Notwithstanding anything to the contrary in this Agreement, no mortgagee shall be liable for any of the obligations of Optionee hereunder except for any period during which such mortgagee is the owner of the Lease hereunder.
- 9.6 Estoppel Certificate. Upon request of a mortgagee or prospective mortgagee, Optionor shall from time to time execute and deliver to such mortgagee an estoppel certificate certifying (subject to such exceptions as may then exist) that this Agreement is in full force and effect, the Optionee is not then in default hereunder, and any such other matters as such Mortgagee may reasonably request.
- 9.7. New License. In case of the termination of this Agreement because of any event of default or in the event of rejection or disaffirmance of this Agreement, pursuant to bankruptcy law or other law affecting creditors' rights, Optionor shall give prompt notice thereof to the mortgagee, Optionor shall, on written request of the mortgagee, made at any time within thirty (30) business-days after the giving of such notice by Optionor, enter into a new license on the Property with the mortgagee within thirty (30) business days after receipt of such request, which new license shall be effective as of the date of such termination of this Agreement for the remainder of the term of this Agreement, at the rent provided for herein, and upon the same terms, covenants, conditions and agreements as are herein contained, and the licensee under such new license shall have the same right, title and interest in and to the property and the improvements thereon as Optionee had under this Agreement.
- 9.8 Participation by Mortgagee. Any mortgagee shall have the right to receive notice from Optionee of any threatened or pending taking, or any contest of real property taxes affecting the Property, and to participate therein.
- 9.9 Exercise of Option. ~~If any renewal option is not exercised in a timely manner,~~ Optionor shall give written notice to any mortgagee, which shall have the right to exercise such option on behalf of Optionee within twenty (20) days of receipt of such notice.
- 9.10 Modification of Mortgagee. Optionor shall agree to reasonable modifications of this Agreement requested by any prospective mortgagee, so long as such modifications do not materially adversely affect Optionor's rights hereunder as determined by Optionor in its sole discretion.

ARTICLE X

ASSIGNMENT: SUBLETTING

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License

10.1 Optionee's Right to Assign. Optionee shall have the absolute right to ~~assign or~~ otherwise transfer Optionee's interest in the License to a permitted assignee, defined as follows:

(a) An assignee whose net worth on the date of the assignment is reasonably adequate to permit such assignee to perform all its obligations hereunder, in light of standard industry practice. Net worth shall mean the amount by which the total of all assets shall exceed the total of all liabilities as determined by an independent certified public accountant in accordance with generally accepted accounting principles. For purposes of this paragraph, the sale, assignment, transfer, or other disposition of any of the issued and outstanding capital stock of Optionee, or of the interest of any general partner or joint venture or syndicate member if Optionee is a partnership or joint venture or syndicate, which shall result in changing the control of Optionee, shall be construed as an assignment of the License. The term "control" in provisions of this Agreement relating to assignment, means fifty percent (50%) or more of the voting power of the corporation.

(b) A successor, which for these purposes is defined as:

(i) Any corporation that controls or is controlled by Optionee.

(ii) Another corporation in connection with a corporate reorganization, or the merger of Optionee into, or the consolidation of Optionee with, another corporation or corporations.

(iii) Any successor of all or substantially all of Optionee's business or assets unless the assignment would otherwise be prohibited by provisions of this Agreement pertaining to bankruptcy.

10.2 Conditions Precedent to Assignment. The following are conditions precedent to Optionee's right of assignment:

(a) Optionee shall give Optionor reasonable notice of the proposed assignment with appropriate documentation as evidence that the proposed assignee qualifies as a permitted assignee.

(b) Except as otherwise provided in this Agreement for a permitted mortgagee, the proposed assignee shall, in recordable form, expressly assume all the covenants and conditions of this Agreement.

(c) Optionee shall pay Optionor the sum of Five Hundred Dollars (\$500.00) to enable Optionor adequately to investigate the proposed assignee's qualifications as a permitted assignee.

10.3 Optionor's Approval of Assignee. The effective date of the assignment shall be thirty (30) days after Optionee's notice of the proposed assignment unless, within that time, Optionor gives notice of a valid objection that the proposed assignee is not a permitted assignee. Optionor's failure to give notice during that time shall constitute a waiver of objection to the assignment.

10.4 Optionee's Nonliability After Assignment. On any assignment made in accordance with the provisions and conditions of this Agreement, but not until completion of improvements, lien free, as required of Optionee under this Agreement, Optionee shall have no further obligation under this Agreement and, as between Optionor and Optionee, shall be considered to have assigned to assignee all claims against Optionor arising under this Agreement. Nothing herein contained shall be construed to release Optionee from any liability or obligation arising before the effective date of the assignment.

10.5 Optionor's Right to First Offer.

(a) During the term of this Agreement, before Optionee may sell or otherwise transfer its interest in the License or the improvements constructed on the Property (collectively, "Optionee's Property"), Optionee agrees to first offer Optionee's Property to Optionor by giving written notice ("Optionee's Offer") of the terms and conditions upon which Optionee is willing to sell Optionee's Property. Optionee's Offer shall include the price as well as the amount of cash payable as a deposit and upon the close of sale and the estimated closing date. Optionor will have thirty (30) days following receipt of Optionee's Offer within which to notify Optionee that Optionor accepts Optionee's Offer on the terms and conditions therein contained. If Optionor accepts Optionee's Offer, the closing of such sale will be governed by the terms of Optionee's Offer. If Optionor does not accept Optionee's Offer in writing within thirty (30) days after the date of Optionor's receipt thereof, Optionee may sell Optionee's Property to any other person at the price and on the terms and conditions not materially more favorable to the buyer than those stated in Optionee's Offer subject, however, to the foregoing provisions of this Article.

(b) If Optionee does not complete a transfer of Optionee's Property within one hundred eighty (180) days of the expiration of the aforementioned thirty (30) day period, or if Optionee intends to transfer Optionee's Property, or a portion thereof, on terms and conditions which are materially more favorable to the buyer than those stated in Optionee's Offer, then the transaction or any further transaction shall be deemed a new determination by Optionee to sell Optionee's Property, and the prior provisions of this Agreement to provide Optionor with a first right of offer shall again be applicable.

(c) A counteroffer by Optionor shall not be deemed a rejection of Optionee's Offer of the right to purchase if Optionor subsequently exercises the right to purchase on the terms set forth in Optionee's Offer within the specified thirty (30) day period or any extension thereof as may be agreed upon by the parties.

(d) Optionor's right of first offer as provided herein shall be extinguished if Optionor fails to exercise its right to purchase Optionee's Property within the thirty (30) day period provided above and Optionee thereafter transfers Optionee's Property to a third party and on the terms set forth in Optionee's Offer within the one hundred eighty (180) day period specified above.

10.6 Right to Sublicense. Optionee shall have no right to sublicense all or any part of the Property or the improvements or both; For the purpose of this agreement, the term Sublicense shall not include the letting of (individual spaces) all or any portion of the property to their ultimate user.

## ARTICLE XI

### INSURANCE

11.1 Property Insurance. Throughout the License Term, at Optionee's sole cost and expense, Optionee shall, for the mutual benefit of Optionor and Optionee, insure the Property and the improvements against loss or damage by fire and such risks pursuant to the terms of an extended coverage casualty insurance policy, including without limitation vandalism and malicious mischief. The amount of the insurance shall be sufficient to prevent either Optionor or Optionee from becoming a coinsurer under the provisions of the policies but in no event shall the amount be less than (i) ninety-five percent (95%) of the then actual replacement cost, excluding costs of replacing excavations and foundations, but without deduction for depreciation (the "Full Insurable Value"); (ii) the amount of insurance Optionee is required to maintain pursuant to any encumbrance of the License interest; and (iii) Optionor to be endorsed Loss Payee. Optionor may, not more than once every twenty-four (24) months, request the carrier of the insurance then in force to determine the Full Insurable Value. The determination shall be conclusive.

11.2 Comprehensive General Liability Insurance. Throughout the License Term, at Optionee's sole cost and expense, Optionee shall, for the mutual benefit of Optionor and Optionee, obtain and keep in force Comprehensive General Liability insurance against claims and liability for personal injury, death or property damage arising from the use, occupancy, or condition of the Property and improvements, providing protection of at least a combined single limit of Two Million Dollars (\$2,000,000.00). Optionor shall be named as an Additional Insured.

11.3 Policy Form, Content and Insurer. All insurance shall be carried only by responsible insurance companies admitted to do business in California. All such policies shall be nonassessable and shall contain language that (i) any loss shall be payable notwithstanding any act or negligence of Optionor that might otherwise

result in a forfeiture of the insurance, (ii) the insurer waives the right of subrogation against Optionor and against Optionor's agents and representatives, (iii) the policies are primary and noncontributing with any insurance that may be carried by Optionor, and (iv) the policies cannot be canceled or materially changed except after thirty (30) days' notice by the insurer to Optionor or Optionor's designated representative. Optionee shall furnish Optionor with copies of all such policies promptly on receipt of them or with certificates evidencing the insurance. Concurrently with the execution of this Agreement, Optionee shall furnish Optionor with binders representing all insurance required by this Agreement.

- 11.4 Failure to Insure. Optionee shall deliver to Optionor evidence satisfactory to Optionor of Optionee's payment of insurance premiums. Optionee is required to maintain pursuant to the terms of this Agreement. If Optionee fails to obtain or maintain the insurance required by this Agreement or fails to deliver to Optionor the copies of policies and evidence of payment required by this Agreement, Optionor may, at Optionor's election and without notice to Optionee, obtain and maintain the insurance at Optionee's expense.
- 11.5 Optionor's Nonliability. Optionor shall not be liable, and Optionee shall defend and indemnify Optionor against all liability and claims of liability for damage or injury to persons or property on or about the Property from any cause except to the extent caused by Optionor's negligence or willful misconduct. Optionee waives all claims against Optionor for damage or injury to persons or property arising, or asserted to have arisen, from any cause whatsoever except to the extent caused by Optionor's negligence or willful misconduct.

## ARTICLE XII

### RIGHT OF ENTRY

- 12.1 Inspection, Maintenance, Construction and Operation of Electrical Transmission Facilities. Optionor, through its employees, agents or representatives, and other city, county, state and federal agencies, through their agents or representatives, shall have full right and authority to enter in and upon the Property at any and all reasonable times during the term of the License for the purpose of inspecting the same without interference or hindrance by Optionee, its agents or representatives. At any time after Industrial, Commercial, and Storage Facility are constructed on the Property, Optionee shall provide a contact person, name and phone number, available during normal business hours as well as a contact person, available 24 hours, or otherwise available at Optionee's office. All agreements between Optionee and users of Industrial, Commercial, and Storage Facility shall contain provisions which (a) prohibit the storage of hazardous substances in those units, and (b) require the user to comply with all applicable terms of this Agreement. Optionor reserves the right of entry for the purpose of inspecting the Property, or the doing of any and all acts necessary or proper on said Property in connection with the protection, maintenance, reconstruction, and operation of the electrical structures and their appurtenances; provided, further, that Optionor reserves the further

right, at its discretion, to immediate possession of the same in case of any national or other emergency, or for the purpose of preventing sabotage, and for the protection of said electrical facilities, in which event the term of this License shall be extended for a period equal to the emergency occupancy by Optionor, and during said period Optionee shall be relieved, to the degree of interference, from the performance of conditions or covenants specified herein. All agreements which Optionee enters into for the sublicense or use of all or any part of the Property shall contain a provision, approved by Optionor, which describes Optionor's right of entry as set forth in this Article.

- 12.2 Modification And Emergency Situations. Optionee agrees that Optionor may be required to perform work on all or a part of the electrical facilities which are situated on and above the Property. Optionor shall have the right to impose temporary restrictions on Optionee's right to enter, occupy, and use the Property and to construct improvements thereon as Optionor deems are reasonably necessary without interference from Optionee. In the event Optionor determines that it needs to obtain temporary possession of all or a portion of the Property, or needs to place restrictions on Optionee's use of the Property, Optionor shall, at least thirty (30) days prior to the effective date of the commencement of such possession or restriction notify Optionee in writing describing the extent of the possession or restrictions and the effective date of their commencement. Upon the effective date of said notice, Optionee shall peaceably surrender possession of the Property and comply with the restriction as stated therein. The Base Rent shall be reduced for the period of repossession by an amount equal to the proportion which the area of the portion of the Property which Optionee is restricted from using or which has been surrendered to Optionor to the total area of the Property. This reduction in Base Rent shall be Optionee's sole remedy against Optionor for Optionee's inability to possess or use the entire area of the Property. Optionee shall conduct its operations on the Property in such a manner so as not to unreasonably interfere with Optionor's or its contractor's performance of any work done on or above the Property. Optionee acknowledges that the performance of the work may cause damage to paving or other improvements constructed by Optionee on the Property. Optionee expressly agrees to hold Optionor harmless from all such damage to its improvements, except that at the conclusion of the work, Optionor shall restore the Property to its preexisting condition at no cost to Optionee.
- 12.3 Insulator Washing. Optionee acknowledges that from time to time, Optionor, its employees, agents and/or contractors will enter the Property to wash insulators located on Optionor's overhead electrical facilities with distilled water. Optionee agrees to indemnify and hold harmless Optionor from any and all claims and/or damage resulting from said operation except to the extent such damage or claim results from Optionor's negligence or willful misconduct.
- 12.4 Optionor's Use. Optionor's access to and use of the Property shall be limited to such access and use as provided for in this Agreement, as may be reasonably necessary to operate and service its equipment and access billboards, cell sites, or for such other reasons as may be reasonably necessary to comply with CPUC orders and requirements. Any use by Optionor shall be in compliance with all applicable

laws and regulations, and Optionor shall indemnify Optionee and hold it harmless from and against any loss, claim, or liability arising from such use.

#### ARTICLE XIII

#### CONDEMNATION

13.1 Condemnation by Entity Other Than Optionor. The following provisions of this Section shall apply when a whole or a part of the Property is taken by an entity other than Optionor:

(a) Definitions. The following definitions apply in construing provisions of this Agreement relating to a taking of all or part of the Property by eminent domain or inverse condemnation by an entity other than Optionor:

(i) "Condemnation" means (1) the exercise of the power of eminent domain, whether by legal proceedings or otherwise, by an entity having that power, or by inverse condemnation, and (2) a voluntary sale or transfer to any condemnor, either under the threat of condemnation or while legal proceedings in condemnation are pending.

(ii) "Award" means all compensation, sums, or anything of value awarded, paid or received upon a total or partial condemnation of the Property.

(iii) "Substantial taking" means a taking of a portion of the Property by condemnation which, assuming a reasonable amount of reconstruction on the remainder, substantially impairs Optionee's ability to use the remainder for the purposes permitted under this Agreement.

(iv) "Partial taking" means any taking of the Property that is not either a total or substantial taking.

(b) Termination of License As To Part Condemned. In the event the whole or ~~any part of the~~ Property is taken by condemnation by an entity, other than Optionor, the License shall cease as to the whole or the part condemned upon the date possession of the whole or that part is taken by the entity.

(c) Partial Taking. If a part of the Property is taken by condemnation but there is no substantial taking of the Property, Optionee shall continue to be bound by the terms, covenants, and conditions of this Agreement except that Base Rent shall be reduced in the same ratio as the value of the portion of the Property taken bears to the value of the total Property (excluding improvements then in existence) as of the date possession of the part is taken.

(d) Substantial Taking. If the part taken by condemnation constitutes a substantial taking of the Property, Optionee may elect to:

- (i) Terminate the License and be absolved of obligations hereunder, which have not accrued at the date possession is taken by condemnation; or
- (ii) Continue to occupy the remainder of the Property and remain bound by the terms, covenants and conditions of this Agreement except that Base Rent shall be reduced in the same ratio as the value of the portion or the Property taken bears to the value of the total Property (excluding improvements then in existence) as of the date possession of the part is taken by condemnation.
- (iii) Optionee shall give written notice of its election to terminate the License within thirty (30) days of the date possession of the part is taken by condemnation. If Optionee fails to give Optionor its written notice of termination within the time specified, this Agreement shall remain in full force and effect except that the Base Rent shall be reduced as provided in this section.
- (iv) If Optionee continues to occupy the remainder, Optionee, whether or not the award upon the taking by condemnation is sufficient for the purpose, shall, at its expense, within a reasonable period of time, commence and complete restoration of the remainder of the Property as nearly as possible to its value, condition and character immediately prior to such taking; provided, however that in the case of a taking for temporary use, Optionee shall not be required to effect restoration until such taking is terminated. Optionee shall submit to Optionor its plans for the restoration of the remainder within ninety (90) days of the date possession of the part is taken by condemnation.
- (e) Adjustment of Rent. Should a portion of the Property be condemned and the Rent be reduced as provided above, the reduced Rent shall continue to be subject to adjustment in accordance with Section 3.1.
- (f) Compensation. The following provisions shall govern the division of any condemnation award:
- (i) If during the term of this Agreement, the Property, or any portion thereof, is condemned, the court in such condemnation proceedings shall be requested to make separate awards to Optionor and Optionee as to their respective interests in the Property, and Optionor and Optionee agree to request such action by the court.

(ii) In the event that Optionor and Optionee are unable to obtain separate awards with respect to their respective interests in the Property, then the net award received (after deductions of reasonable fees and expenses of collection, including, but not limited to, reasonable attorney's fees) shall be fairly and equitably apportioned between Optionor and Optionee to reflect their respective interests in the Property. The portion of the award to be received by Optionor shall reflect the taking of fee simple estate in and to the Property based upon the fair market value of the Property as of the date



preceding the day on which title to the Property vests in the condemning authority. The portion of the award to be received by Optionee shall be based upon the taking and reduction of Optionee's interest created by this Agreement, the taking of any building and other improvements constructed or placed by Optionee on the Property to the extent of the then unamortized value of these improvements for the remaining term of the License, loss or interruption of business, and the cost of any restoration or repair necessitated by such taking or condemnation. Such values shall be determined as of the time of condemnation by agreement of the parties or by arbitration in the manner set out in Section 14.9.

Optionee shall assert no claim for loss of bonus value. For the purpose of this section, "bonus value" means that value attributable in the event that the Rent Optionee is obligated to pay under this Agreement is less than the fair market rental of the Property.

13.2 Condemnation By Optionor. The following provisions of this Section 13.2 shall apply when a whole or a part of the Property is taken by Optionor:

(a) Definitions The following definitions apply in construing provisions of this Agreement relating to a taking of all or part of the Property by eminent domain or inverse condemnation by Optionor:

(i) "Condemnation" means (1) the exercise of the power of eminent domain, whether by legal proceedings or otherwise, by Optionor, and (2) a voluntary sale or transfer to Optionor, either under the threat of condemnation or while legal proceedings in condemnation are pending.

(ii) "Award" means all compensation, sums, or anything of value awarded, paid or received upon a total or partial condemnation of the Property.

(iii) "Substantial taking" means a taking of a portion of the Property by condemnation which, assuming a reasonable amount of reconstruction on the remainder, substantially impairs Optionee's ability to use the remainder for the purposes permitted under this Agreement.

(iv) "Partial taking" means any taking of the Property that is not either a total or substantial taking.

(b) Termination of License as to Part Condemned. Optionee acknowledges that Optionor has the power of eminent domain to acquire property for public purposes and that Optionor may exercise that power to take all or any part of the Property by condemnation. In the event the whole or any part of the Property is taken by condemnation by Optionor in the lawful exercise of its power of eminent domain, this Agreement shall cease as to the whole or the part condemned upon the date possession of the whole or that part is taken by Optionor.

(c) Partial Taking. If a part of the Property is taken by condemnation but there is no substantial taking of the Property, Optionee shall continue to be bound by the terms, covenants, and conditions of this Agreement except that Base Rent shall be reduced in the same ratio as the value of the portion of the Property taken bears to the value of the total Property (excluding improvements then in existence) as of the date possession of the part is taken by Optionor.

(d) Substantial Taking. If the part taken by condemnation constitutes substantial taking of the Property, Optionee may elect to:

(i) Terminate the License and be absolved of obligations hereunder which have not accrued at the date possession is taken by Optionor; or

(ii) Continue to occupy the remainder of the Property and remain bound by the terms, covenants and conditions of this Agreement except that Base Rent shall be reduced in the same ratio as the value of the Property taken bears to the value of the total Property (excluding improvements then in existence) as of the date possession of the part is taken by Optionor.

(iii) Optionee shall give written notice of its election to terminate the License within thirty (30) days of the date possession of the part is taken by Optionor. If Optionee fails to give Optionor its written notice of termination within the time specified, this Agreement shall remain in full force and effect except that the Base Rent shall be reduced as provided in this section.

(iv) If Optionee continues to occupy the remainder, Optionee, whether or not the award upon the taking by condemnation is sufficient for the purpose, shall, at its expense, within a reasonable period of time, commence and complete restoration of the remainder of the Property as nearly as possible to its value, condition and character immediately prior to such taking; provided, however, that in the case of a taking for temporary use, Optionee shall not be required to effect restoration until such taking is terminated. Optionee shall submit to Optionor its plans for the restoration of the remainder within ~~ninety (90)~~ ninety (90) days of the date possession of the part is taken by Optionor.

(e) Adjustment of Rent. Should a portion of the Property be condemned and the Rent be reduced as provided above, the reduced Rent shall continue to be subject to adjustment in accordance with Section 3.1

(f) Compensation. Upon Optionor's exercise of its power of condemnation to acquire all or any part of the Property, Optionor agrees to reimburse Optionee for the then unamortized value of the real property improvements taken. The unamortized value of the improvements taken shall be determined by multiplying the unamortized value of the total improvements, utilizing twelve (12) year straight line depreciation as shown in Exhibit "C" attached hereto by the percentage that the value of the portion of the Property taken bears to the value of the total Property (excluding improvements then in existence) as of the date possession of the Property

is taken by Optionor. If Optionor exercises its power of condemnation after all of Optionee's improvements have been depreciated utilizing twelve (12) year straight line depreciation, then Optionor shall not be obligated to compensate Optionee for any such improvements. Optionee agrees that the sum Optionor is obligated to pay Optionee pursuant to this section, if any, shall be Optionee's sole and exclusive remedy for Optionor's condemnation of the property.

Optionee shall assert no claim for loss of bonus value or relocation assistance. For the purposes of this Section, "bonus value" means that value attributable to the fact that the Rent Optionee is obligated to pay under this Agreement is less than the fair market rent of the Property.

Any disagreement between the parties to any provisions of paragraph 13.2 shall be subject to the arbitration provisions of paragraph 14.8.

#### ARTICLE XIV

##### DEFAULT; REMEDIES

14.1 Optionee's Default. Each of the following events shall be a default by Optionee and a breach of this Agreement:

(a) Failure to Perform Agreement Covenants. Abandonment or surrender of the Property, or failure or refusal to pay when due any installment of Rent or any other sum required by this Agreement to be paid by Optionee or to perform as required or conditioned by any other covenant or condition of this Agreement.

(b) Attachment or Other Levy. The subjection of any right or interest of Optionee in the Property to attachment, execution, or other levy, or to seizure under legal process, if not released within sixty (60) days, provided that the foreclosure of any mortgage permitted by provisions of this Agreement relating to purchase or construction of improvements shall not be construed as a default within the meaning of this paragraph.

(c) Insolvency, Bankruptcy. The filing of a voluntary or involuntary petition by or against Optionee under any law for the purpose of adjudicating Optionee a bankrupt; or for extending time for payment, adjustment, or satisfaction of Optionee's liabilities; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency, unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within sixty (60) days after the assignment, filing, or other initial event.

14.2 Notice and Right To Cure.

(a) Notice. As a precondition to pursuing any remedy for an alleged default by Optionee, Optionor shall, before pursuing any remedy, give notice of default to

Optionee and to all mortgagees whose names and addresses were previously given to Optionor in a notice or notices from Optionee. Each notice of default shall specify in detail the alleged event of default and the intended remedy.

(b) Mortgagee's Right To Cure Default. Each mortgagee under a mortgage then existing, under provisions of this Agreement permitting mortgages relating to purchase or construction of improvements, shall have sixty (60) days after service of notice of default within which, at mortgagee's election, either:

(1) To cure the default if it can be cured by the payment or expenditure of money; or

(2) If mortgagee does not elect to cure by the payment or expenditure of money, or if the default cannot be so cured, to cause the prompt initiation of foreclosure, to prosecute it diligently to conclusion, and to perform and comply with all other covenants and conditions of this Agreement requiring the payment or expenditure of money by Optionee until the License shall be released or reconveyed from the effect of the mortgage or until it shall be transferred or assigned pursuant to or in lieu of foreclosure.

(c) Optionee's Right To Cure Defaults. If the alleged default is nonpayment of Rent, taxes, or other sums to be paid by Optionee as provided in this Agreement, Optionee shall have ten (10) days after notice is given to cure the default. For the cure of any other default, Optionee shall promptly and diligently after the notice, commence curing the default and shall have thirty (30) days after notice is given, to complete the cure plus any additional period that is reasonably required for the curing of the default.

(d) Optionor's Right To Cure Optionee's Defaults. After expiration of the applicable time for curing a particular default, or before the expiration of that time in the event of emergency, Optionor may at Optionor's election, but is not obligated to, make any payment required of Optionee under this Agreement, or perform or comply with any covenant or condition imposed on Optionee under this Agreement ~~or any such note or document~~, and the amount so paid plus the reasonable cost of any such performance or compliance, plus interest on such sum at the rate of ten percent (10%) per year from the date of payment, performance, or compliance (herein called act), shall be deemed to be payable by Optionee with the next succeeding installment of Rent. No such act shall constitute a waiver of default or of any remedy for default or render Optionor liable for any loss or damage resulting from any such act.

14.3 Optionor's Remedies. If any default by Optionee shall continue uncured, following notice of default as required by this Agreement for the period applicable to the default under the applicable provision of this Agreement, Optionor has the following remedies in addition to all other rights and remedies provided by law or equity, to which Optionor may resort cumulatively or in the alternative:

(a) Termination. Optionor may at Optionor's election terminate this Agreement by giving Optionee notice of termination. On the giving of the notice, all Optionee's rights in the Property and in all improvements shall terminate. Promptly after notice of termination, Optionee shall surrender and vacate the Property and all improvements in broom-clean condition, and Optionor may reenter and take possession of the Property and all remaining improvements. Termination under this paragraph shall not relieve Optionee from the payment of any sum then due to Optionor or from any claim for damages previously accrued or then accruing against Optionee.

(b) Reentry Without Termination. Optionor may at Optionor's election reenter the Property, and, without terminating this Agreement, at any time and from time to time re-license the Property and improvements or any part or parts of them for the account and in the name of Optionee or otherwise. Any re-licensing may be for the remainder of the term or for a longer or shorter period. Optionor may execute any license made under this provision either in Optionor's name or in Optionee's name and shall be entitled to all rent from the use, operation, or occupancy of the Property or improvements or both. Optionee shall nevertheless pay to Optionor on the due dates specified in this Agreement the equivalent of all sums required of Optionee under this Agreement, plus Optionor's expenses less the avails of any relicensing. No act by or on behalf of Optionor under this provision shall constitute a termination of this Agreement unless Optionor gives Optionee notice of termination.

(c) Optionee's Personal Property. Optionor may at Optionor's election use Optionee's personal property and trade fixtures or any of such property and fixtures without compensation and without liability for wear and tear caused by ordinary usage, or store them for the account and at the cost of Optionee. The election of one remedy for any one item shall not foreclose an election of any other remedy for another item or for the same item at a later time.

(d) Recovery of Rent. Optionor shall be entitled at Optionor's election to each installment of Rent to any combination of installments for any period before termination, plus interest at the rate of ten percent (10%) per year from the due date of each installment. Avails of relicensing shall be applied, when received, as follows: (1) to Optionor to the extent that the avails for the period covered do not exceed the amount due from and charged to Optionee for the same period, and (2) the balance to Optionee.

(e) Damages. Optionor shall be entitled at Optionor's election to damages in an amount that would have fallen due as Rent between the time of termination of this Agreement and the time of the claim, judgment, or other award, less the avails of all relicensing plus interest on the balance at the rate of ten percent (10%) per year.

(f) Assignment of Sublicense Fees. Optionee assigns to Optionor all rents and other sums falling due from sublicenses, and concessionaires (herein called sublicenses) during any period in which Optionor has the right under this Agreement, whether exercised or not, to reenter the Property for Optionee's default,

and Optionee shall not have any right to such sums during that period. This assignment is subject and subordinate to any and all assignments of the same rent and other sums made, before the default in question, to a mortgagee under any mortgage permitted by provisions of this Agreement relating to purchase or construction of improvements. Optionor may at Optionor's election reenter the Property and improvements with or without process of law, without terminating this Agreement, and either or both collect these sums or bring action for the recovery of the sums directly from such obligors. Optionor shall receive and collect all sublicense fees and avails from relicensing, applying them: first, to the payment of reasonable expenses (including attorneys' fees or brokers' commissions or both) paid or incurred by or on behalf of Optionor in recovering possession, placing the Property and improvements in good condition, and preparing or altering the Property or improvements for relicensing; second, to the reasonable expense of securing new licensees; third, to the fulfillment of Optionee's covenants to the end of the term; and fourth, to Optionor's uses and purposes. Optionee shall nevertheless pay to Optionor on the due dates specified in this Agreement the equivalent of all sums required of Optionee under this Agreement, plus Optionor's expenses, less the avails of the sums assigned and actually collected under this provision. Optionor may proceed to collect either the assigned sums or Optionee's balances or both, or any installment or installments of them, either before or after expiration of the term, but the period of limitations shall not begin to run on Optionee's payments until the due date of the final installment to which Optionor is entitled nor shall it begin to run on the payments of the assigned sums until the due date of the final installment due from the respective obligors.

- 14.4 Note of Optionor's Default: Optionee's Waiver. Optionor shall not be considered to be in default under this Agreement unless (a) Optionee has given notice specifying the default and (b) Optionor shall have failed to cure the default within thirty (30) days after notice is given, plus any additional time that is reasonably required for the curing of the default if the default is not reasonably susceptible to being cured during this period, so long as Optionor continuously and diligently proceeds to cure the default. Optionee shall have the right of termination for Optionor's default only after notice to and consent by all mortgagees under mortgages then existing under provisions of this Agreement relating to purchase or construction of improvements.
- 14.5 Unavoidable Default or Delay. Any prevention, delay, nonperformance, or stoppage due to any of the following causes shall excuse nonperformance for a period equal to any such prevention, delay, nonperformance, or stoppage, except the obligations imposed by this Agreement for the payment of Rent, taxes, insurance, or obligations to pay money that are treated as Rent. The causes referred to above are: strikes, acts of public enemies of this state or of the United States, riots, insurrections, civil commotion, inability to obtain labor or materials or reasonable substitutes for either, governmental restrictions or regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement), casualties not contemplated by insurance provisions of this Agreement, or other causes beyond the reasonable control of the party obligated to perform.

14.6 Waiver: Voluntary Acts. No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel, or otherwise. The subsequent acceptance or Rent pursuant to this Agreement shall not constitute a waiver of any preceding default by Optionee other than default in the payment of the particular Rent payment so accepted, regardless of Optionor's knowledge of the preceding breach at the time of accepting the Rent, nor shall acceptance of Rent or any other payment after termination constitute a reinstatement, extension, or renewal of the Agreement or revocation of any notice or other act by Optionor.

14.7 Attorneys' Fees. If either party brings any action or proceeding to enforce, protect, or establish any right or remedy, the prevailing party shall be entitled to recover reasonable attorneys' fees.

14.8 ARBITRATION OF DISPUTES  
THE PARTIES DESIRE TO AVOID AND SETTLE WITHOUT LITIGATION FUTURE DISPUTES WHICH MAY ARISE BETWEEN THEM RELATIVE TO THIS AGREEMENT. ACCORDINGLY, THE PARTIES AGREE TO ENGAGE IN GOOD FAITH NEGOTIATIONS TO RESOLVE ANY SUCH DISPUTE. IN THE EVENT THEY ARE UNABLE TO RESOLVE ANY SUCH DISPUTE BY NEGOTIATION, THEN SUCH DISPUTE CONCERNING ANY MATTER WHOSE ARBITRATION IS NOT PROHIBITED BY LAW AT THE TIME SUCH DISPUTE ARISES SHALL BE SUBMITTED TO ARBITRATION IN ACCORDANCE WITH THE ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (HEREINAFTER 'RULES') THEN IN EFFECT AND THE AWARD RENDERED BY THE ARBITRATORS SHALL BE BINDING AS BETWEEN THE PARTIES AND JUDGMENT ON SUCH AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

THREE NEUTRAL ARBITRATORS SHALL BE APPOINTED BY THE AMERICAN ARBITRATION ASSOCIATION AND AT LEAST ONE OF SUCH ARBITRATORS SHALL BE AN ATTORNEY-AT-LAW AND ALL DECISIONS AND AWARDS SHALL BE MADE BY A MAJORITY OF THEM EXCEPT FOR DECISIONS RELATING TO DISCOVERY AND DISCLOSURES AS SET FORTH HEREIN.

NOTICE OF A DEMAND FOR ARBITRATION OF ANY DISPUTE SUBJECT TO ARBITRATION BY ONE PARTY SHALL BE FILED IN WRITING WITH THE OTHER PARTY AND WITH THE AMERICAN ARBITRATION ASSOCIATION. THE PARTIES AGREE THAT AFTER ANY SUCH NOTICE HAS BEEN FILED, THEY SHALL, BEFORE THE HEARING THEREOF, MAKE ~~DISCOVERY AND DISCLOSURE~~ OF ALL MATTERS RELEVANT TO SUCH DISPUTE, TO THE EXTENT AND IN THE MANNER PROVIDED BY THE CALIFORNIA CODE OF CIVIL PROCEDURE. ALL QUESTIONS THAT MAY ARISE WITH RESPECT TO THE OBLIGATION OF DISCOVERY AND DISCLOSURE AND THE PROTECTION OF THE DISCLOSED AND DISCOVERED MATERIAL SHALL BE REFERRED TO A SINGLE ARBITRATOR WHO SHALL BE AN ATTORNEY-AT-LAW AND ONE OF THE THREE NEUTRAL ARBITRATORS APPOINTED FOR DETERMINATION, AND HIS DETERMINATION SHALL BE FINAL AND CONCLUSIVE. DISCOVERY AND DISCLOSURE SHALL BE COMPLETED NO LATER THAN NINETY (90) DAYS AFTER FILING OF SUCH NOTICE OF ARBITRATION UNLESS EXTENDED BY SUCH SINGLE ARBITRATOR UPON A SHOWING OF GOOD CAUSE BY EITHER PARTY TO THE ARBITRATION. THE ARBITRATORS MAY CONSIDER ANY MATERIAL WHICH IS RELEVANT TO THE SUBJECT MATTER OF SUCH DISPUTE EVEN IF SUCH MATERIAL MIGHT ALSO BE RELEVANT TO AN ISSUE OR ISSUES NOT SUBJECT TO ARBITRATION HEREUNDER. A STENOGRAPHIC RECORD SHALL BE MADE OF ANY ARBITRATION HEARING.

THE PARTIES SHALL SHARE THE COST OF ARBITRATION.

THIS AGREEMENT SHALL BE CONSTRUED, AND THE LEGAL RELATIONS BETWEEN THE PARTIES HERETO SHALL BE DETERMINED, IN ACCORDANCE WITH THE SUBSTANTIVE LAW OF THE STATE OF CALIFORNIA.

NOTICE: BY INITIALLING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALLING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION.

OPTIONOR ME

OPTIONEE CHF gpc

- 14.9 Appraisal: Appointment of appraisers shall be made in the following manner unless expressly provided to the contrary in the applicable provisions of this Agreement. Neither party may require appraisal of any matter for which appraisal is not specified in the applicable provision of this Agreement.

In the event Optionor and Optionee cannot mutually agree upon one appraiser, there shall be three appraisers appointed as follows:

- (a) Within ten (10) days after notice requiring appraisal, each party shall appoint one appraiser and give notice of the appointment to the other party.
- (b) The two appraisers shall choose a third appraiser within ten (10) days after appointment of the second.
- (c) The appraised value shall be determined by averaging the two (2) appraisals which are closest.



ARTICLE XV

ADDITIONAL PROVISIONS

- 15.1 Captions, Attachments, Defined Terms. The captions of the articles of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Agreement. Exhibits attached hereto and addenda and schedules initiated by the parties, are deemed by attachment to constitute part of this Agreement and are incorporated herein. The words "Optionor" and "Optionee", as used herein, shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and words in the masculine or feminine gender include the neuter. If there be more than one Optionor or Optionee, the obligations hereunder imposed upon Optionor or Optionee shall be joint and several.
- 15.2 Entire Agreement. This instrument along with any exhibits and attachments hereto constitutes the entire agreement between Optionor and Optionee relative to the Property and this Agreement and the exhibits and attachments may be altered, amended or revoked only by an instrument in writing signed by both Optionor and Optionee. Optionor and Optionee agree hereby that all prior or contemporaneous oral agreements between and among themselves and their agents and representatives relative to the licensing of the Property are merged in or revoked by this Agreement.
- 15.3 Severability. If any terms or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.
- 15.4 Costs of Suit. If Optionee or Optionor shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Agreement, including any suit by Optionor for the recovery of Rent or possession of the Property, the losing party shall pay the successful party a reasonable sum for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Should Optionor, without fault on Optionor's part, be made a party to any litigation instituted by Optionee or by any third party against Optionee, or by or against any person holding under or using the Property by license of Optionee, or for the foreclosure of any lien for labor or materials furnished to or for Optionee or any such other person or otherwise arising out of or resulting from any act or transaction of Optionee or of any such other person, Optionee shall save and hold Optionor, harmless from any judgment rendered against Optionor or the Property or any part thereof, and all costs and expenses, including reasonable attorney's fees, incurred by Optionor in connection with such litigation.

- 15.5 Time, Joint and Several Liability. Time is of the essence of this Agreement and each and every provision hereof. All the terms, covenants and conditions contained in this Agreement to be performed by either party if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.
- 15.6 Binding Effect; Choice of Law. The parties hereto agree that all the provision hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate section hereof; and all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Agreement shall be governed by the laws of the State of California.
- 15.7 Waiver. No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Acceptance by Optionor of any performance by Optionee after the time the same shall have become due shall not constitute a waiver by Optionor of the breach or default of an covenant, term or condition unless otherwise expressly agreed to by Optionor in writing.
- 15.8 Holding Over. If Optionee remains in possession of all or any part of the premises after the expiration of the term hereof, with or without the express or implied consent of Optionor, such tenancy shall be from month to month only and not a renewal hereof or an extension for any further term, and in such case, Rent and other monetary sums due hereunder shall be payable in the amount and at the time specified in this Agreement and such holding over shall be subject to every other term, covenant and agreement contained herein.
- 15.9 Recording. Optionee shall not record this Agreement without Optionor's prior written consent, and such recordation shall, at the option of Optionor, constitute a noncurable default of Optionee hereunder. Either party shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Agreement for recording purposes.
- 15.10 Notices. All notices or demands of any kind required or desired to be given by Optionor or Optionee hereunder shall be in writing and shall be deemed delivered forty-eight (48) hours after depositing the notice or demand in the United States mail, certified or registered, postage prepaid, addressed to the Optionor or Optionee respectively at the addresses set forth below:

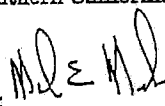
Optionee: Katella Operating Properties LLC  
c/o The Brookhollow Group  
151 Kalnus Dr., Suite F-1  
Costa Mesa, CA 92626

Optionor: Southern California Edison  
Corporate Real Estate  
Real Estate Revenue Division  
100 N. Long Beach Blvd., Suite 1004  
Long Beach, CA 90802

- 15.11 Corporate Authority. If Optionee is a corporation, each individual executing this Agreement on behalf of said corporation represents and warrants that he/she is duly authorized to execute and deliver this Agreement.
- 15.12 No Partnership. Nothing in this Agreement shall be construed to render the Optionor in any way or for any purpose a partner, joint venturer or associate of Optionee.
- 15.13 Days. All references to days in this Agreement shall mean business days.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

"OPTIONOR"  
Southern California Edison

By:   
MARK E. MILKULKA  
Director  
Corporate Real Estate Department

"OPTIONEE"  
Katella Operating Properties, LLC


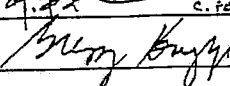
By:  C. PEDALEN, GENERAL MANAGER  
By:  G. KNAPP, General Manager

EXHIBIT "A"

SITE PLAN

LW960750.023 (02/11/99)

-43-

EXHIBIT "B"

SUBJECT TO ITEMS

Covenants, conditions, restrictions, reservations, exceptions, rights and easements, whether or not of record, including, but not limited to the following:

- a. A reservation of the use and control of cienegas and natural streams of water, if any naturally upon, flowing across, into or by said tract, and the right of way for and to construct irrigation or drainage ditches through said tract to irrigate or drain the adjacent land, as reserved in the deed from the Stearns Rancho Company, a corporation, recorded December 12, 1901 in Book 30, page 294 of Deeds.
- b. An easement for road purposes over the West 20 feet of Parcel 7, as conveyed to Orange County by deed recorded March 9, 1921 in Book 386, page 187, of deeds of said orange county.
- c. An easement for road purposes over the West 20 feet of Parcel 7, as conveyed to Orange County by deed recorded March 29, 1921 in Book 278, page 293, of Official Records, in the Office of the County recorder of said Orange county of said Orange county.

EXHIBIT "C"



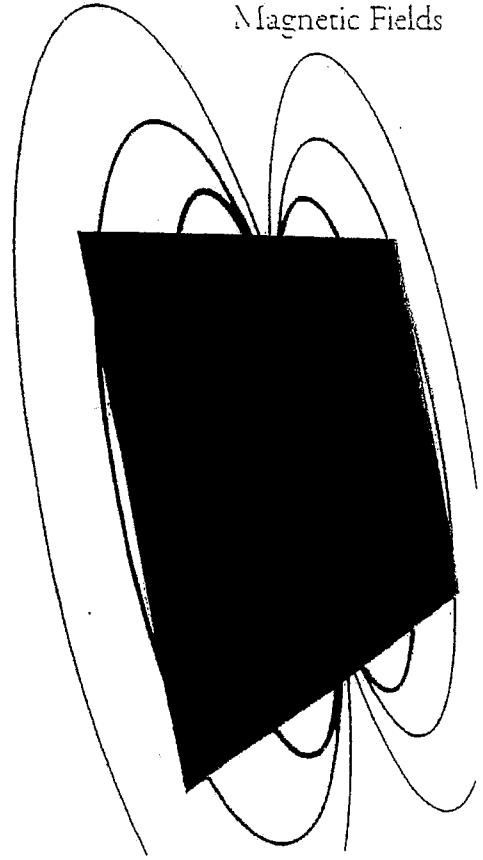
EXHIBIT "D"  
EMF BROCHURE

LW960750.023 (02/11/99)

-46-



# Understanding EMF Electric and Magnetic Fields



SCE 16-2577 (DWN) REV 1/98

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Reaching over to turn off the electric clock, relaxing in front of the television or making breakfast—electric and magnetic fields, or EMF, are present throughout our environment.

Electric and magnetic fields are a natural consequence of our use of electricity. Whenever an electric charge or current is present—either natural or manmade—fields of electric and magnetic force occur.

The earth itself has an intense magnetic field. Think about the natural relationship between the earth and a compass. What causes the compass needle to point north is the earth's magnetic field. Electric charges, currents and fields are naturally found in all living organisms—including humans.

Manmade fields surround any wire that is carrying electricity, including household wiring, electrical appliances, and transmission lines. These are called power frequency electric and magnetic fields because they are created from manmade electricity. The electric current from manmade fields is much weaker than the electric current that naturally flows through our body—too weak to be felt.

In the past few years, there has been an increasing amount of public attention focused on the subject of power frequency electric and magnetic fields, even though the subject has been under the scrutiny of researchers since the early 1970s. However, while progress has been made and we've learned a lot, more research is necessary to determine whether these fields are a health hazard. The needed research is being done by the California Department of Health Services and leading state and national research institutions.

### *ELECTRIC FIELDS*

Electric pressure on a wire, or voltage, produces an electrical field around the wire carrying the electricity. By plugging an ordinary lamp into an electrical outlet, voltage enters the lamp cord and creates an electrical field. The higher the voltage the stronger the electrical field. The strength of these fields is measured by the unit of volts per meter (V/M).

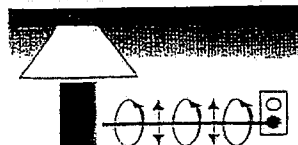
ELECTRIC FIELD ONLY



### *MAGNETIC FIELDS*

A magnetic field is the force produced by current, or the flow, of electricity through a wire. For example, when you switch a lamp on, current flows through the cord and this movement of electricity creates a magnetic field. There is no magnetic field when the lamp is turned off. The strength of magnetic fields is measured in gauss. Since a gauss is such a large unit of measure, you will see magnetic fields reported in units of milliGauss (mG: 1 gauss = 1000 milliGauss).

ELECTRIC AND MAGNETIC FIELD



### *HOW STRONG ARE THEY?*

The strength of both electric and magnetic fields diminishes quickly as you move away from the electrical object, just like the heat and light from a candle falls off with distance. In addition to distance, trees, buildings and most other objects shield the electric field, but have no effect on the magnetic field.

As a rule, household appliances and wiring create magnetic fields higher than or equal to those typically found near power lines. In any situation, exposure to electric and magnetic fields may depend on the source, the distance from you to the source, and the time spent near the source.

### *ARE THEY HARMFUL?*

Most scientists agree that health effects from EMF have not been established. Dozens of studies have been completed since the 1970s and new research will continue until scientists agree on whether or not a health hazard exists. However, current scientific data about electric and magnetic fields is inconsistent. Some studies report a relationship between residential and occupational exposure to EMF and an elevated risk of various cancers while other studies, equally well done, do not find this relationship.

Coverage by local newspapers, magazines and major television networks have generated stories on the possible health risk from exposure to EMF from electric power lines and electrical appliances. Some of the media

coverage referred to research studies that reported an increase in cancer, especially childhood cancer, for people living near power lines.

You may want to measure the level of electric or magnetic fields in your home. However, we do not know how to interpret the readings to determine any potential health impacts. There is no safe or unsafe level of electric or magnetic fields established and agreed upon by health scientists. Because of this, measurements in your home cannot be compared to any kind of benchmark level to determine a degree of safety. At a customer's request, Edison will provide magnetic field readings.

## WHAT EDISON IS DOING

At Edison, we understand the public's concern about EMF at home, at work and around power lines.

First and foremost is our commitment to providing reasonably-priced electricity to our customers in a safe, reliable and environmentally sound manner. That's why Edison is pursuing an integrated research approach that:

- **PROVIDES FUNDING FOR RESEARCH STUDIES** — Edison has joined with other agencies to provide funding to leading universities for research and direct funding to outside laboratories.
- **PARTICIPATES IN JOINT STUDIES** — Edison is currently participating with the California Public Utilities Commission and the California Department of Health Services to determine a range of options to reduce EMF from electric utility facilities.
- **CONDUCTS RESEARCH WITHIN EDISON** — We are reviewing the designs of our transmission lines, substations and other facilities should a health hazard be found. We are also trying to determine the effect EMF has on our electrical workers.
- **KEEPS CURRENT ON ALL LITERATURE AND RESEARCH STUDIES** — We continually monitor current studies on the issue and participate in national and international seminars to review the results of ongoing research.

## OUR COMMITMENT

If future research shows that electric and magnetic fields associated with electricity are a health hazard, we will take every reasonable action necessary to protect our customers and employees.







To date, the scientific literature is not convincing enough to justify expensive measures to reduce electric or magnetic fields. In the meantime, there are questions that need to be answered and we will continue to search for those answers. We are conducting research to develop and evaluate engineering steps for reducing fields from electric facilities.

Since more research is needed to resolve this controversy, we will continue to support studies, and encourage outside agencies and governmental bodies to do the same.



Edison will continue to provide the most up-to-date information and services available to customers, employees, legislators, local governments and public interest groups about EMF.

## MAGNETIC FIELDS AT HOME

(Measurements are in milliGauss)

	1.2	1.2	39
	<b>MICROWAVE OVEN</b>		
	750	40	1
	to	to	to
	2,000	80	8
	<b>CLOTHES WASHER</b>		
	8	2	0.1
	to	to	to
	400	30	2
	<b>ELECTRIC RANGE</b>		
	60	4	0.1
	to	to	to
	2,000	40	1
	<b>FLUORESCENT LAMP</b>		
	400	5	0.1
	to	to	to
	4,000	20	3
	<b>HAIR DRYER</b>		
	60	1	0.1
	to	to	to
	20,000	70	3
	<b>TELEVISION</b>		
	25	0.4	0.1
	to	to	to
	500	20	2

## MAGNETIC FIELDS OUTSIDE

	<b>DISTRIBUTION LINES</b> 1 to 80 mG Under the Line	
	<b>TRANSMISSION LINES</b> 5 to 300 mG Edge of Right Way	

More detailed information about EMF is contained in a brochure called "Questions & Answers about EMF." To receive a free copy and to find out about other free services Edison provides, including EMF testing and workshops, contact the EMF Education Center at (508) 290-4552.

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### *EDISON'S POLICY ON ELECTRIC AND MAGNETIC FIELDS*

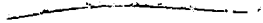
After many years of research, scientists have not found that exposure to power-frequency electric and magnetic fields (EMF) causes disease in humans. Research on this topic is continuing.

We are aware that some members of the public are concerned about the potential health effects of power-frequency electric and magnetic fields. We recognize and take seriously our responsibilities to help resolve these concerns. Realizing that we need to better understand electric and magnetic fields and respond to the current uncertainty, we believe Edison's responsibilities are to:

- Provide balanced, accurate information to our employees, customers, and public agencies, including providing EMF measurements and consultation to our customers upon request.
- Support existing research programs at the California Department of Health Services and National Institute of Environmental Health Sciences to resolve the key scientific questions about EMF.
- Conduct research to develop and evaluate no- and low-cost designs for reducing fields from electric utility facilities.
- Take appropriate no- and low-cost steps to minimize field exposures from new facilities and continue to consult and advise our customers with respect to existing facilities.
- Research and evaluate occupational health implications and provide employees who work near energized equipment with timely, accurate information about field exposure in their work environment.
- Assist the California Department of Health Services, the California Public Utilities Commission, and other appropriate local, state, and federal governmental bodies to provide reasonable, uniform regulatory guidance.

EXHIBIT B

LEGAL DESCRIPTION OF SITE



DOC# 040824-122621 0010

EXHIBIT B-1

10-0298-80 (A)  
01-15-03

EXHIBIT B  
LEGAL DESCRIPTION  
FOR  
"THE SITE"

That portion of the Northerly one half of the Southwest one quarter of Section 23, Township 4 South, Range 10 West, San Bernardino Meridian, in the City of Anaheim, County of Orange, State of California, within the Rancho San Juan Cajon De Santa Ana, as said Section is shown on a map recorded in Book 51, Page 10 of Miscellaneous Maps, in the office of the County Recorder of said County, being more particularly described as follows:

Parcel 1 in said City of Anaheim, County of Orange, State of California as shown on a map filed in Book 60, Pages 46 through 50 inclusive of Records of Survey in the office of said County Recorder.

EXCEPTING therefrom Claudina Street, as described in that certain Easement Deed recorded on September 27, 1968 in Book 8735, Page 784 of Official Records, in the office of said County Recorder.

Also EXCEPTING therefrom that certain property described as Parcel No. 200438-1 and Parcel No. 200438-2 in that certain Grant Deed recorded January 26, 1998 as Instrument No. 19980041990 of Official Records in the office of said County Recorder.

Containing an area of 9.145 acres more or less.

Subject to covenants, conditions, reservations, restrictions, rights of way and easements, if any, of record.

  
\_\_\_\_\_  
JAMES F. GILLEN, PLS 5557



q/10-0298-80/a/vexhioib/jfg/im

EXHIBIT C  
EDISON LETTER AGREEMENT

EXHIBIT C-1

DOCSID: 9002253 / 22 21 9110





Messrs. Charles H. Fedalen, Jr.  
Gregory J. Knapp  
Katella Operating Properties II  
151 Kalmus Drive F-1  
Costa Mesa, CA 92626

February 20, 2001

Subject: Barre-Villa Park TL R/W  
Claudina Way Property

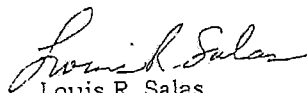
Gentlemen:

You have kept us apprised of your discussions with the Anaheim Redevelopment Agency ("ARA") regarding a potential sublicense/lease of the property subject to your Option Agreement dated March 5, 1999 ("Claudina Way Property"). Under such a sublicense/lease, Katella Operating Properties II ("KOP") would remain the Optionee and fully responsible under the Option Agreement. ARA would use the Claudina Way Property for parking and interim storage, and ultimately for parking and circulation if ARA develops a hotel on property it owns to the south of the site. Any uses and improvements by ARA would be subject, in all respects, to the terms of the Option Agreement.

This letter will clarify that your potential sublicense/lease to ARA is permitted under Section 10.6 (Right to Sublicense) of the Option Agreement. If, in the future, ARA (with KOP's consent) desired to sublicense/lease its interest to an acquiror of the site owned by ARA, this is permitted as well under Section 10.6, provided that KOP remains the Optionee and is fully obligated under the Option Agreement.

Should you have any questions regarding this matter, please call me at (714) 934-0819.

Sincerely,

  
Louis R. Salas  
Project Manager

14799 Chestnut St.  
Westminster, CA 92683

EXHIBIT D  
LEGAL DESCRIPTION OF THE PROPERTY

DOI-NOTICE-2013-22621-0110

EXHIBIT D-1

10-0298-80 (A)  
01-15-03

EXHIBIT D  
LEGAL DESCRIPTION  
FOR  
"THE PROPERTY"

That portion of the Northerly one half of the Southwest one quarter of Section 23, Township 4 South, Range 10 West, San Bernardino Meridian, in the City of Anaheim, County of Orange, State of California, within the Rancho San Juan Cajon De Santa Ana, as said Section is shown on a map recorded in Book 51, Page 10 of Miscellaneous Maps, in the office of the County Recorder of said County, being more particularly described as follows:

Parcel 1 in said City of Anaheim, County of Orange, State of California as shown on a map filed in Book 60, Pages 46 through 50 inclusive of Records of Survey in the office of said County Recorder.

EXCEPTING therefrom that portion of said Parcel 1 lying Southwesterly of the Northeasterly right-of-way line of Claudina Street, as described in that certain Easement Deed recorded on September 27, 1968 in Book 8735, Page 784 of Official Records, in the office of said County Recorder.

Containing an area of 1.536 acres more or less.

Subject to covenants, conditions, reservations, restrictions, rights of way and easements, if any, of record.

  
\_\_\_\_\_  
JAMES F. GILLEN, PLS 5557



q/10-0298-80/a/v/exhibitd/jfg/lm

EXHIBIT E

GENERAL ORDER NO 69-C

EXHIBIT E-1

DOCSOC/147224) v11/022621-0110

A-59

EXHIBIT "E"

GENERAL ORDER 69-C  
(Supersedes General Order No. 69-B)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Easements on Property of Public Utilities

Resolution No. L-230

Adopted July, 10, 1985, Effective July, 10, 1985

IT IS HEREBY ORDERED, that all public utilities covered by the provisions of Section 851 of the Public Utilities Code of this State be, and they are hereby authorized to grant easements, licenses or permits for use or occupancy on, over or under any portion of the operative property of said utilities for rights of way, private roads, agricultural purposes, or other limited uses of their several properties without further special authorization by this Commission whenever it shall appear that the exercise of such easement, license or permit will not interfere with the operations, practices and service of such public utilities to and for their several patrons or consumers;

PROVIDED, HOWEVER, that each such grant, other than a grant by a public utility to the State of California or a political subdivision thereof for a governmental use superior to the use by the public utility under the provisions of Section 1240.610 2 of the Code of Civil Procedure, or a grant to the United States Government or any agency thereof for a governmental use, shall be made conditional upon the right of the grantor, either upon order of this Commission or upon its own motion to commence or resume the use of the property in question whenever, in the interest of its service to its patrons or consumers, it shall appear necessary or desirable to do so;

AND PROVIDED, FURTHER, that nothing herein applies, or shall be deemed to apply to crossings of railroads or street railroads by private or public roads, passageways or footpaths, at grade or otherwise;

AND PROVIDED, FURTHER, that the term "political subdivision" as used in this General Order is defined as set forth in Section 1402 of the Public Utilities Code.

The effective date of this order shall be July 10, 1985.

EXHIBIT F

CPUC DECISION D-03-01-040

EXHIBIT F-1

DOCSOC/1472241v11/022621-0110

A-61



KATELLA  
OPERATING  
PROPERTIES, LLC

March 3, 2003

Mr. Kerry Kemp  
Project Manager  
Anaheim Redevelopment Agency  
201 S. Anaheim Blvd., Suite 1003  
Anaheim, CA 92805

Dear Kerry:

Pursuant to my previous letter to you dated January 22, 2003, the CPUC issued an Order, effective January 16, 2003, approving the lease between SCE and KOP II. In accordance with Section 1d. of the Sublicense/Sublease Agreement between KOP II and ARA, we are providing to you a copy of this Order (Note: Please refer to Page 8 of the enclosure for the actual Order by the CPUC). This Order, as indicated, was approved without additional conditions.

Please contact either Greg or me if you have any questions.

Best regards.

Sincerely,

*CHIP*

Chip Fedalen

CF/sj  
Enclosure

cc: Gregory J. Knapp

151 KALMUS DRIVE • F-1 • COSTA MESA • CALIFORNIA • 92626  
714-850-3900 • FAX 714-434-3502  
tbg@brookgrp.com

ALJ/KJB/sid

**Mailed 1/21/2003**

Decision 03-01-040 January 16, 2003

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U 338-E) for Authority to Lease Available Land on the Barre-Villa Park Transmission Right of Way to Katella Operating Properties II, LLC.

Application 02-09-020  
(Filed September 17, 2002)

**OPINION GRANTING APPROVAL UNDER  
PUBLIC UTILITIES CODE SECTION 851 FOR A  
LEASE OF UTILITY PROPERTY**

We grant the Application of Southern California Edison Company (SCE) for authority to lease available land under Public Utilities Code Section 851.<sup>1</sup> The SCE property consists of a 9.1-acre site located on a portion of SCE's Barre-Villa Park transmission right of way (ROW) in the City of Anaheim (Site). The Site is part of the Barre-Villa Park 220 kilovolt (kV) system. The lease is sought to permit Katella Operating Properties II, LLC (KOP II or Lessee) to construct and operate a recreational vehicle, and vehicle and industrial storage facility on the Site or sublease the Site to the City of Anaheim for parking lot uses.

**Background**

The Site is subject to an Option to License Agreement (Option Agreement) between SCE and Katella Operating Properties, LLC (KOP) dated March 5, 1999. On November 8, 2000, with SCE's consent, KOP assigned the Option Agreement

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<sup>1</sup> All statutory references are to the Public Utilities Code unless noted otherwise.



to KOP II. On May 1, 2001, KOP II exercised the option to license the Site. On March 26, 2002, SCE and KOP II entered into a First Amendment to the Option Agreement (Amendment). No construction activities have occurred on the Site under the license.

SCE and KOP II desire to convert the license into a lease. If we authorize the lease, KOP II will either operate a vehicle and industrial storage facility on the Site or sublease it to the City of Anaheim for use as a parking lot. The City has reserved developments rights on the Site by sublicensing it from KOP II.

**Terms of the Proposed Lease**

[Note: Selected economic terms redacted]...The Option Agreement provides that KOP II's activities must not interfere with the operation of the electric facilities that cross the Site, use any portion of the Site directly beneath SCE's towers, or store hazardous substances, explosives or flammable materials on the Site. Further, KOP II must maintain a minimum clearance of seventeen (17) feet from all overhead electrical conductors and minimum radii of fifty (50) feet around all tower legs and ten (10) feet around all poles and anchors. KOP II must also provide access roads to the Site that are at least sixteen (16) feet wide and capable of supporting a gross load of forty (40) tons on a three-axle vehicle.

SCE retains various rights under the Option Agreement including the rights to:

- Approve KOP II's construction plans and specifications,
- Enter the Site at any and all reasonable times to inspect the property,
- Impose temporary restrictions on KOP II's right to enter, occupy and use the Site in order to perform necessary work on the electrical facilities located on the Site,
- Take back all or part of the leasehold by eminent domain or inverse condemnation and
- License portions of the Site for construction and maintenance of billboards and cell sites.

KOP II is also required to:

- Pay all personal property taxes, general or special assessments, or other fees levied against the Site or the improvements to be constructed thereon,
- Obtain all permits and approvals for construction and any zoning changes or use permits required for operation of its business on the Site,
- Maintain appropriate comprehensive general liability, auto liability and worker's compensation insurance and
- Indemnify SCE against all liability for damages or injury to persons on the Site, including damage or injury resulting from induced voltage, except to the extent caused by SCE's negligent or willful misconduct.

**Determination of Best Secondary Use**

The primary use of facilities located on the Site is the transmission and distribution of electricity in Orange County. SCE's above-ground electric lines crossing the Site, and their associated restrictions and height clearances limit the potential secondary uses. SCE states that its objective has been to select secondary uses for its property that provide the highest revenue consistent with its utility safety and reliability obligations, and that it has determined that the KOPS II project offers the highest potential revenue. To evaluate the rental potential of the Site, SCE analyzed the rent paid for comparable parking and storage facilities in Orange County as a function of the effective gross income of the facilities. SCE believes that the rent it will receive falls within the acceptable market range and is in line with revenues it receives in numerous other similar Commission-approved transactions.

**Developer Selection**

SCE states that it selected KOP II as the developer of the project because of the proposed use of the Site and the background and financial position of the principals of the developer group. KOP II is a California limited liability company engaged in the development and management of vehicle parking and storage facilities. Its principals have 65 years of combined experience in real estate development, finance and management. Their individual experience includes management of large financial enterprises, commercial real estate brokerage and real estate law.

**Environmental Review**

Because CEQA applies to discretionary projects to be carried out or approved by public agencies and because the Commission must act on the Section 851 application and issue a discretionary decision without which the

project cannot proceed, the Commission must act as either a Lead or Responsible Agency under CEQA. The Lead Agency is the public agency with the greatest responsibility for supervising or approving the project as a whole (CEQA guidelines Section 15051(b)).

In this case, the City of Anaheim (City) is the Lead Agency. The Commission is a Responsible Agency for this proposed project. CEQA requires that the Commission consider the environmental consequences of a project that is subject to its discretionary approval. In particular, the Commission must consider the Lead Agency's environmental documents and findings before acting upon or approving the project. (CEQA Guidelines 15050(b)). The specific activities that must be conducted by a Responsible Agency are contained in CEQA Guidelines Section 15096.

The Site is part of a commercial/ industrial redevelopment project for which a Final Environmental Impact Report (EIR) was adopted by the City of Anaheim in 1993. In a letter dated February 5, 2002, the City's Redevelopment Agency advised KOP II that its staff had concluded that the 1993 EIR adequately addresses CEQA requirements for the proposed project on the Site. In the 1993 EIR, utilities were found to have no significant impact on the environment in the development area and no mitigation measures were required. We conclude that no further environmental review by the Commission is required, and that it can be seen with certainty that the lease and its associated development will have no significant effect on the environment.

#### **Revenue Treatment**

All revenues from the proposed lease will be treated as Other Operating Revenue (OOR). In D.99-09-070, the Commission adopted a gross revenue sharing mechanism for certain of SCE's operating revenues. The sharing

mechanism applies to OOR, except for revenues that (1) derive from tariffs, fees or charges established by the Commission or by the Federal Energy Regulatory Commission; (2) are subject to other established ratemaking procedures or mechanisms; or (3) are subject to the Demand-Side Management Balancing Account.

Under the sharing mechanism, applicable gross revenues recorded from non-tariffed products and services like the proposed lease are to be split between shareholders and ratepayers after the Commission-adopted annual threshold level of OOR has been met. For those non-tariffed products and services deemed "passive" by the Commission, the revenues in excess of the annual threshold are split between shareholders and ratepayers on a 70/30 basis. The lease proposed here is "passive" for sharing purposes.<sup>2</sup>

#### Discussion

As a lease of utility-owned real property, the proposed transaction falls squarely within the requirements of Section 851, which requires Commission approval before a utility can sell, lease, assign, mortgage, or otherwise encumber the whole or any part of its property that is necessary or useful in the performance of its duties to the public. . The task of the Commission in a Section 851 proceeding is to review the transaction, "[T]o ensure that it will not impair the utility's ability to provide service to the public." (D.96-04-045.) We have reviewed the Option Agreement and the proposed lease, and find that they

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<sup>2</sup> See Attachment B to SCE's Advice Letter 1286-E, which identifies the *Secondary Use of Transmission Right of Ways and Land* and the *Secondary Use of Distribution Right of Ways, Facilities and Substations* as categories of non-tariffed products and services. Advice Letter 1286-E was filed on January 30, 1998, pursuant to Rule VII.F of the Affiliate Transaction Rules contained in Appendix A of D.97-12-088.

A.02-09-020 ALJ/KJB/sid

do not impair SCE's ability to provide utility service to the public. Because the proposed lease will generate revenues from the secondary use of Site and ratepayers will share in those revenues, the Application should be approved.

**Waiver of Comment Period**

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Public Utilities Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

**Assignment of Proceeding**

Michael Peevey is the Assigned Commissioner and Karl Bemederfer is the assigned Administrative Law Judge in this proceeding.

**Findings of Fact**

1. In order for KOP II to construct its facilities on the Site, a lease from SCE is required.
2. Lease of the Site to KOP II is consistent with the current uses of the related SCE properties.
3. The lease and associated construction will not impair SCE's ability to provide service to the public.
4. The Site was included in a Final Environmental Impact Report adopted by the City of Anaheim in 1993.
5. The 1993 EIR adequately addressed CEQA requirements for the project on the Site and imposed no mitigation measures on SCE.
6. It can be seen with certainty that construction and operation of the facilities contemplated by the lease as proposed in the Application will have no significant effect on the environment.

A.02-09-020 ALJ/KJB/sid

7. All revenue from the lease in excess of a Commission-established threshold will be treated as Other Operating Revenue and shared 70/30 between SCE and its ratepayers, pursuant to D.99-09-070.

8. There is no known opposition to granting the authorization requested.

**Conclusions of Law**

1. Approving the requested lease is in the public interest.

2. The Final Environmental Impact Report adopted by the City of Anaheim in 1993 is adequate for the Commission's decision-making purposes as a Responsible Agency under CEQA.

3. No additional CEQA review by the Commission is required.

4. The proposed revenue sharing conforms to the Commission's order in D.99-09-070.

5. A public hearing is not necessary.

6. The Application should be granted as set forth in the following order.

7. This decision should be effective today in order to allow KOP II to expeditiously enter into the lease with SCE and begin paying rent for the benefit of SCE and its ratepayers as soon as possible.

**O R D E R**

**IT IS ORDERED that:**

1. Southern California Edison Company's (SCE) Application for authority to lease a portion of its Barre-Villa Park transmission Right of Way to KOP II, Inc. is granted, as described above.

2. All revenue from the lease shall be treated as Other Operating Revenue subject to the sharing mechanism set forth in Decision 99-09-070.

A.02-09-020 ALJ/KJB/sid

3. SCE shall notify the Director of the Commission's Energy Division in writing of any amendment, extension or termination of the lease agreement, within 30 days after such amendment, extension or termination is executed.

4. Application 02-09-020 is closed.

This order is effective today.

Dated January 16, 2003, at San Francisco, California.

MICHAEL R. PEEVEY  
President  
GEOFFREY F. BROWN  
SUSAN P. KENNEDY  
Commissioners

I dissent.

I reserve the right to join Commissioner Wood's dissent.

/s/ LORETTA M. LYNCH  
Commissioner

I dissent.

I reserve the right to file a dissent.

/s/ CARL W. WOOD  
Commissioner



EXHIBIT G

ANNUAL SCHEDULE FOR PAYMENTS AND CREDIT SCE EASEMENT

DOCSOC/1472241v11/022621-0110

EXHIBIT G-1

4863-8491-1259v2/200391-0026

A-72



**EXHIBIT H**

**Monthly Rent Schedule**

<b>Year</b>	<b>Monthly Rent</b>
1	\$20,000.00
2	\$20,000.00
3	\$20,000.00
4	\$20,000.00
5	\$20,000.00
6	\$20,600.00
7	\$21,218.00
8	\$21,854.54
9	\$22,510.18
10	\$23,185.48
11	\$23,881.05
12	\$24,597.48
13	\$25,335.40
14	\$26,095.46
15	\$26,878.33



Ashleigh E. Aitken  
Mayor

Norma Campos Kurtz  
Mayor Pro Tem  
District 4

Jose Diaz  
Council Member  
District 1

Carlos A. Leon  
Council Member  
District 2

Natalie Rubalcava  
Council Member  
District 3

Stephen Faessel  
Council Member  
District 5

Natalie Meeks  
Council Member  
District 6

200 S. Anaheim Blvd.  
Anaheim, CA 92805  
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www.anaheim.net

# ANAHEIM CITY COUNCIL ACTION AGENDA

## MAY 21, 2024

CITY COUNCIL

SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY

PUBLIC FINANCING AUTHORITY

HOUSING AND PUBLIC IMPROVEMENTS AUTHORITY

HOUSING AUTHORITY

▪ **ORDER OF BUSINESS:** Public sessions of all regular meetings of the City Council/Successor Agency to the Redevelopment Agency/Housing Authority/Public Financing Authority/Housing and Public Improvements Authority begin at 5:00 P.M. Public hearings begin at 5:30 P.M. unless otherwise noted. Closed sessions begin at 3:00 P.M. or such other time as noted. Closed sessions may be preceded by one or more public workshops. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda. Not all of the above agencies may be meeting on any given date. The agenda will specify which agencies are meeting. All meetings are in the Anaheim City Hall, Council Chamber, 200 S. Anaheim Blvd., Anaheim, CA 92805 or such other location as noted. Pursuant to Government Code Section 54954.2(a)(2), no action or discussion by the City Council shall be undertaken on any item not appearing on the posted agenda, except to briefly provide information, ask for clarification, provide direction to staff, or schedule a matter for a future meeting.

▪ **REPORTS:** All agenda items and reports are available for review in the City Clerk's Office and [www.anaheim.net/councilagendas](http://www.anaheim.net/councilagendas). Any writings or documents provided to a majority of the City Council regarding any item on this agenda (other than writings legally exempt from public disclosure) are available at the Office of the City Clerk, located at 200 S. Anaheim Blvd., 2<sup>nd</sup> Floor, Anaheim, CA 92805 and by contacting the office by phone, 714-765-5166, or email to [cityclerk@anaheim.net](mailto:cityclerk@anaheim.net).

▪ **PUBLIC COMMENTS:** There are two Public Comment periods with speakers having one opportunity to address the City Council, except for scheduled public hearing items. Public comments are limited to three (3) minutes per speaker, unless a different time limit is announced. The City uses speaker cards that must be submitted to the City Clerk in order to address the City Council. Prior to the business portion of the agenda, the City Council and all other related agencies meeting on such date will convene in joint session for the first Public Comment period where speakers will be permitted to speak on specific agenda item(s). This first Public Comment period is limited to 90 minutes or until all agenda item speakers have been heard, whichever is later. Any remaining time shall be provided to non-agenda item speakers until the 90 minute time limitation is exhausted. The second Public Comment period will be opened by the Mayor if any non-agenda item speakers were not called during the first Public Comment period. For public hearings, the Mayor or Chairperson will separately call for testimony at the time of each public hearing. Testimony during public hearings is subject to the following time limits: Project applicant or issue initiator: twenty minutes for initial presentation and ten minutes for rebuttal; Residents within the noticed area of the subject property: ten minutes; All other members of the public: three minutes. Public hearings regarding legislative matters: five minutes. The Mayor or Chairperson may limit the length of comments during public hearings due to the number of persons wishing to speak or if comments become repetitious or irrelevant. Speakers shall refrain from profane language and other disruptive remarks or behavior which disrupts or disturbs the meeting, or risk being removed (AMC 1.12.017). Additionally, members of the public may correspond with the City Council and all other related agencies, on any agenda items or matters within the jurisdiction of such governing bodies, by submitting comments electronically for City Council consideration by sending them to [publiccomment@anaheim.net](mailto:publiccomment@anaheim.net). **To ensure distribution to the City Council prior to consideration of the agenda, please submit comments at least 2 hours prior to the scheduled start time of the meeting.** Those comments, as well as any comments received after that time, will be distributed to the City Council, posted on the City's website, and will be made part of the official public record of the meeting. Current and archived public comments are available at [www.anaheim.net/publiccomment](http://www.anaheim.net/publiccomment). Contact the City Clerk's Office at 714-765-5166 or [cityclerk@anaheim.net](mailto:cityclerk@anaheim.net) with any questions.

▪ **ADDITIONS/DELETIONS:** Items of business may be added to the agenda upon a motion adopted by a minimum 2/3 vote finding that there is a need to take immediate action and that the need for action came to the attention of the City or Agency subsequent to the agenda being posted. Items may be deleted from the agenda upon request of staff or upon action of the Council or Agency.

▪ **CONSENT CALENDAR:** Consent Calendar items will be acted on by one roll call vote unless a member(s) requests an item(s) be discussed and/or removed from the Consent Calendar for separate action.

▪ **SERVICIOS DE TRADUCCION (TRANSLATION SERVICES: SEE LAST PAGE OF AGENDA FOR DESCRIPTION IN ENGLISH):** La ciudad provee servicios de interpretación al español en las juntas del Consejo. La interpretación simultánea al español se ofrece por medio del uso de audifonos y la interpretación consecutiva (español a inglés) también está disponible para cualquiera que desee dirigirse al Ayuntamiento, declarando su petición en el podio. No tiene que usar los servicios de interpretación de la Ciudad; las personas pueden proveer su propio intérprete, si lo desean. Debido a que existen muchos dialectos y regionalismos, la Ciudad no puede garantizar que los intérpretes puedan traducir a un dialecto o regionalismo en particular y rehúsa cualquier responsabilidad que surja de tales servicios. Para servicios de interpretación en otros idiomas, comuníquese con la oficina de la Ciudad (City Clerk), cuando menos 48 horas antes de la junta programada.

**ANAHEIM CITY COUNCIL**  
**ANAHEIM, CALIFORNIA**  
**MAY 21, 2024**  
**2:30 P.M.**

Call to order the Anaheim City Council.      **2:35 p.m.**

**MEMBERS PRESENT:**      Mayor Aitken and Council Members Kurtz, Diaz, Leon, Rubalcava, Faessel, and Meeks.

**2:30 P.M. - CLOSED SESSION**

**ADDITIONS/DELETIONS TO CLOSED SESSION:**      None

**PUBLIC COMMENTS ON CLOSED SESSION ITEMS:**      One (1) in-person speaker; no electronically submitted comments were received related to closed session.

Recess to closed session.      **2:39 p.m.**

1.      **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
(Subdivision (d)(1) of Section 54956.9 of the California Government Code  
**Name of Case:** Gaetz et al. v. City of Anaheim, et al., USDC Case No. 5:23-cv-01368
  
2.      **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of California Government Code Section 54956.9: Two potential cases
  
3.      **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**  
(Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of California Government Code Section 54956.9): One potential case  
*(A copy of the claim against the City is included in the agenda packet and available for review by contacting the City Clerk's Office and on-line electronically with the agenda at: [www.anaheim.net/councilagendas](http://www.anaheim.net/councilagendas).)*
  
4.      **CONFERENCE WITH LABOR NEGOTIATORS**  
(Subdivision (a) of Section 54957.6 of the California Government Code)  
**Agency Designated Representative:** Linda Andal, Human Resources Director  
**Name of Employee Organizations:** (1) American Federation of State, County and Municipal Employees (General Management, Professional/Technical, and Confidential Units); (2) Anaheim Police Management Association; (3) Teamsters, Local 952; (4) Anaheim Municipal Employees Association, Police Cadet Unit; (5) International Brotherhood of Electrical Workers (IBEW), Local 47; and IBEW, Local 47 Part-Time Customer Service Employees; (6) Service Employees' International Union, United Service Workers West; (7) Anaheim Firefighters Association, Local 2899; (8) Anaheim Municipal Employees Association (General, Clerical, Part-Time Units); (9) Anaheim Police Association; (10) International Brotherhood of Electrical Workers, Local 47 (Professional Management and Part-Time Management Units)
  
5.      **CONFERENCE WITH LABOR NEGOTIATORS**  
(Subdivision (a) of Section 54957.6 of the California Code)  
**Agency Designated Representative:** Linda Andal, Human Resources Director  
**Name of Employee Organization:** Anaheim Municipal Employees Association, Police Cadet Unit

Reconvene the Anaheim City Council. **4:40 p.m.**

**MEMBERS PRESENT:** Mayor Aitken and Council Members Diaz, Leon, Faessel, and Meeks. Mayor Pro Tem Kurtz joined the meeting at 4:41 p.m. Council Member Rubalcava joined the meeting at 4:43 p.m.

**4:30 P.M. - WORKSHOP**

**WORKSHOP:** Workforce Development Workshop

**PUBLIC COMMENTS ON WORKSHOP:** One (1) in-person speaker; no electronically submitted comments were received related to the workshop.

**5:00 P.M.**

**INVOCATION:** Cantor Zev Brooks, Temple Beth Emet

**FLAG SALUTE:** Council Member Stephen Faessel

**PRESENTATIONS:** Recognizing Sister Johnellen Turner, O.P. for 17 years of service to St. Catherine's Academy

**Accepted by Sister Johnellen Turner**

Recognizing Anaheim Elementary School District Superintendent Dr. Christopher Downing's Retirement

**Accepted by Dr. Christopher Downing**

Recognizing Strong Water Anaheim for receiving Orange County's sole nomination for the 2024 James Beard Foundation Awards

**Accepted by Ying Chang, Robert Adamson, and family**

Presentation by League of California Cities

**Presented by Connor Medina, Regional Public Affairs Manager, League of California Cities Orange County Division**

**ACCEPTANCE OF OTHER RECOGNITIONS (To be presented at a later date):**

Recognizing May 22, 2024, as Harvey Milk Day

**Accepted by Peg Corley, Executive Director, LGBTQ Center Orange County**

Recognizing May 19-25, 2024, as National Public Works Week

**Accepted by Rudy Emami, Director of Public Works**

Recognizing May 19-25, 2024, as National Travel and Tourism Week

**Accepted by Pepe Avila, Vice President, Tourism & Partnership, Visit Anaheim**

Recognizing May 2024, as National Cities, Towns, and Villages Month

**Accepted by Connor Medina, Regional Public Affairs Manager, League of California Cities Orange County Division**

Call to order the Successor Agency to the Anaheim Redevelopment Agency, Anaheim Public Financing Authority, Anaheim Housing and Public Improvements Authority and Anaheim Housing Authority (in joint session with the City Council).  
**6:01 p.m.**

**ADDITIONS/DELETIONS TO THE AGENDAS: None**

**PUBLIC COMMENTS (all agenda items, except public hearings): Eleven (11) in-person speakers; City Clerk Theresa Bass reported fifteen (15) public comments were received electronically prior to 12:30 p.m. (Total of sixteen (16) public comments received via email).**

**[Public Comments Submitted – May 21, 2024 City Council Meeting](#)**

(limited to 90 minutes, or until all agenda item speakers have been heard; any time remaining shall be provided to non-agenda item speakers)

**COUNCIL COMMUNICATIONS:**

Mayor Pro Tem Kurtz stated that at the Council meeting of May 7, there was a public comment regarding a meeting on April 13 with Disney consultant Joe Haupt that she did not add to her public calendar. She clarified that she attended a DisneylandForward community meeting at Walnut Village and Mr. Haupt was in attendance, but she did not have a scheduled meeting with him. She highlighted the Ice Cream with a Cop event that she attended at Tocumbo Ice Cream and shared a photograph of the event. Mayor Pro Tem Kurtz thanked the Anaheim Police Department and volunteers who took the time to provide information to residents in attendance. She noted that Anaheim Police Department volunteers spend hundreds of hours visiting residents who are homebound, provide house checks for individuals on vacation, and provide information to residents regarding how to contact the Police Department or other City departments. Mayor Pro Tem Kurtz thanked all the children and parents who participated in the event.

Council Member Diaz shared that his office will be hosting a Beach Boulevard Business Assistance Community meeting on Thursday, May 30, 2024 from 4:00 p.m. to 6:00 p.m. at the West Anaheim Youth Center. On Wednesday, June 5 at 7:00 p.m. the District 1 and District 2 Offices will be hosting a District Community Meeting at the Brookhurst Community Center.

Council Member Faessel requested adjourning the City Council meeting in memory of three individuals. He shared that "Speed" Castillo was an Anaheim High School District administrator, teacher, coach, and counselor. He was the Orange County liaison of officials for the CIF Southern Section. Speed Castillo will be fondly remembered by many Anaheim High School graduates. Jon Urbanek was a longtime swimming coach at Anaheim High School, and then went on to become an Olympic swim coach. He was 87. Lastly, Marie Santangelo, a 50-year resident of District 5, was a devoted wife, mother, and grandmother who recently passed away. Her husband Ray, daughter Stephanie, and grandson Luke will miss her. Council Member Faessel highlighted and shared photographs of events he attended including the Mexico en el Corazón event at Pearson Park. He shared that Mexico's finest musical groups performed at the event at no cost to residents. He attended the Gun Buyback event at the Brookhurst Community Center. His wife Susan attended the Disney VolunTEARS book giveaway at Sunkist Elementary School. Council Member Faessel shared that he joined Congressman Lou Correa and Assemblymember Avelino Valencia at South Junior High School to celebrate all the community and parent volunteers. Council Member Faessel attended the Community Development Block Grant 50<sup>th</sup> Anniversary event at the Downtown Community Center. He thanked Housing and Community Development Director Grace Ruiz-Stepter and Deputy Director Sandra Lozeau for organizing the event. He also thanked all the non-profit organizations who were in attendance and do remarkable work in the community.

Council Member Rubalcava thanked everyone who participated in the public comment process. She highlighted and shared photographs of events she attended in District 3 including the Children's Festival at Pearson Park hosted by Museo Museum and Cultural Center. There were a lot of groups who participated including Vibrant Minds, Green Bird, Anaheim Beautiful Teen Ambassadors, members of the Halloween Parade team, and the SWAT team. Her office hosted and funded a Teacher Appreciation Lunch at Anaheim High School. Lunch was served to over 300 teachers by El Pollo Fino. Council Member Rubalcava thanked community leader Sofia Romero for hosting a community walk at Bush Street and Rose Street. She thanked Public Utilities General Manager Dukku Lee and Anaheim's Community Police Team including Sergeant Lopez and Officer Avila, for attending the event. Some of the issues discussed were graffiti, gang activity, and infrastructure challenges that will be fixed. She stated that a playground was built at Little People's Park, and she was grateful to work alongside so many people who truly love the City including City staff, Parks Commissioners and District 3 Representative Carlotta Rhea Clark, Council Member Meeks, Police Chief Armendariz, Community Police Team, and hundreds of volunteers who came together to create a safe space for kids to play, socialize and thrive. The playground features a zipline, two slides, swings, a climbing wall, see-saw, drums and chimes, and an educational panel where kids can learn sign language. Little People's Park was the site where the Chicano riots of 1978 occurred between the Anaheim Police Department and Mexican American residents. This conflict helped improve ties between the police and the neighborhood's Mexican American community. Since then, the City has come a long way and continues to celebrate Chicano history and value the relationship with law enforcement. She mentioned that last year the Anaheim City Council adopted August as Chicano Heritage Month. She noted that the Little People's Park playground sits alongside two iconic art murals including the 300-foot Chicano mural created in 2023 along the park's south edge and Emilio Vasquez's historic Chicano mural across the street at Sohan American Market. The playground is located at 220 West Elm Street and will officially open May 17. Council Member Rubalcava thanked Director of Community Services Sjany Larson-Cash and her team, CarMax Foundation, KABOOM!, and Anaheim Family YMCA because they were instrumental in ensuring that the playground was built in two days. She stated she would like to pause and honor a great life that was recently lost. Mr. Espiridion Castillo was best known by his nickname "Speed." He earned the name in high school when he ran the 400-yard dash in 50 seconds and 800 yards in two minutes and 10 seconds. Speed was born in New Mexico and grew up in Arizona, but he was a big part of Anaheim. Speed was best known as a longtime referee for Anaheim High School sports and as a security officer at Disneyland. He also served as a Personnel Commissioner with the Anaheim Union High School District. Speed was often there to help students who couldn't afford graduation expenses or with other help. He was recently inducted into the Anaheim High School Hall of Fame. He was a proud Air Force veteran who also served in the Korean War and with the Strategic Air Command. She requested adjourning the City Council meeting in memory of Speed Castillo.

Council Member Leon shared that throughout the month of May, he has been recognizing graduating seniors across District 2 from Magnolia High School, Loara High School, Savanna High School, as well as the Brookhurst Project S.A.Y Program. He congratulated the 2024 graduating class for their exceptional dedication, hard work and perseverance throughout their academic journey. For District 2 residents living near Nutwood, he shared that he is continuing to meet with various stakeholders and trying to find a long-term solution for securing that area, especially by the railroad tracks between Crescent Avenue and Katella Avenue. He attended the Anaheim Car Club's Second Annual Car Show and presented the club with a certificate of recognition in honor of their events and hard work. He thanked the Anaheim Car Club for making the event possible and for bringing Chicano pride to the City of Anaheim. He also attended the Children's Art Festival at Pearson Park. He thanked the Museo Museum and Cultural Center as well as the City's Community Services team for organizing the event. He also thanked all the organizers, volunteers, performers, and attendees. Council Member Leon congratulated Bowl and Plate Eatery, the May Restaurant of the Month. They are located off Magnolia Avenue and Ball Road. Every dish tells a story of a 10-year friendship and love for Vietnamese and Thai cuisine. This is a great spot to indulge in a celebration of multicultural Asian food that will tantalize taste buds and leave individuals craving for more. He invited everyone to visit Bowl and Plate Eatery. He



stated that he joins his colleagues in remembering Speed Castillo. He sent his thoughts and prayers to his daughter, family, and all who knew him.

Mayor Aitken thanked Attorney General Rob Bonta and Supervisors Doug Chaffee and Vicente Sarmiento for hosting the Gun Buyback Program in the City of Anaheim. She noted that 337 firearms were voluntarily turned in by community members in exchange for gift cards. Firearms turned in included assault rifles, handguns, and homemade 3D-printed weapons. She thanked the Anaheim Police Department for leading the event with the help of other local Police Departments. Mayor Aitken stated that seeing so many community members turn in firearms to make their communities safer was a great way to start Mother's Day. She joined Mayor Pro Tem Kurtz and Council Member Leon in welcoming Mobility 21 at a reception honoring members of the California Transportation Commission, which was hosted at ARTIC. The group is dedicated to finding transportation solutions in Southern California and as the Mayor of Anaheim, member of SCAG, and OCTA Board Member, it was nice to welcome the California Transportation Commission to Anaheim.

**CITY MANAGER’S UPDATE:**

City Manager Vanderpool noted that the Anaheim Public Library will be launching this year’s Summer Reading Program for all ages, “The Adventure Begins at Your Library,” from May 28, 2024 to August 4, 2024. He invited everyone to join the fun. He shared that the Anaheim Public Library Communications Team beat out over 334 entries from across the country to receive the ALA PR Xchange Award in the External Communications category for their monthly Anaheim Public Library e-Newsletter. He shared that Anaheim Public Utilities is hosting their annual OC Green Expo on June 8, 2024 between 10:00 a.m. and 2:00 p.m. along Center Street Promenade. Residents are invited to learn how to be more sustainable by reducing energy and water use, planting a shade tree, test driving a zero-emission vehicle, and recycling e-waste and organics. Join city departments, non-profits, and eco-friendly organizations at this free event. Please visit [anaheim.net/greenexpo](http://anaheim.net/greenexpo) to register.

Recess the Anaheim City Council, Anaheim Public Financing Authority, Anaheim Housing and Public Improvements Authority, and Anaheim Housing Authority. **7:03 p.m.**

**5:00 P.M. - SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY**

Item pulled for discussion:

Council Member Meeks: Item No. 2

**MOTION: SF/CL to approve the Consent Calendar as presented. ROLL CALL VOTE: 7-0. Motion carried.**

**CONSENT CALENDAR:**

1. Approve a License Agreement with the City of Anaheim, in a monthly rental rate of \$20,000 for the initial term with a 3% annual rate increase for each subsequent year, for necessary truck marshaling space for the staging and storing of freight trucks and trailers in conjunction with Convention Center events, for a five-year term with two five-year optional renewals, and authorize the City Manager, or designee, to execute, implement, and administer the License Agreement on behalf of the Successor Agency [related to City Council Agenda Item No. 19].

2. RESOLUTION NO. SA-2024-001 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM AS THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY authorizing the City Manager, or designee, to execute and administer licenses and right of entry agreements allowing for temporary beneficial use of real property assets until such time as these properties are ready for disposition or development [related to City Council Agenda Item No. 24].

**Item No. 2 Discussion. MOTION: NM/CL ROLL CALL VOTE: 7-0. Motion carried.**

3. RESOLUTION NO. SA-2024-002 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM AS THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY declaring certain properties to be “Exempt Surplus Land” pursuant to California Government Code Section 54221(f)(1) [includes determination that the action will not result in a direct or indirect physical change in the environment and does not constitute an “approval” of a “project” pursuant to California Environmental Quality Act Guidelines Sections 15004 and 15352].

4. Approve minutes of the Successor Agency to the Anaheim Redevelopment Agency meeting of March 26, 2024.

Adjourn the Successor Agency to the Anaheim Redevelopment Agency. **7:13 p.m.**

Reconvene the Anaheim Public Financing Authority. **7:13 p.m.**

### **5:00 P.M. - PUBLIC FINANCING AUTHORITY**

**MOTION: SF/CL to approve the Consent Calendar as presented. ROLL CALL VOTE: 7-0. Motion carried.**

#### **CONSENT CALENDAR:**

5. RESOLUTION NO. APFA-2024-002 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANAHEIM PUBLIC FINANCING AUTHORITY amending the dates and times for regular meetings of the Authority for the 2024 calendar year and rescinding Resolution No. APFA-2024-001 [rescheduling the meeting of August 6 to August 13, 2024; and the meeting of July 2 to July 23, 2024].

6. Approve minutes of the Public Financing Authority meeting of January 23, 2024.

Adjourn the Anaheim Public Financing Authority. **7:14 p.m.**

Reconvene the Anaheim Housing and Public Improvements Authority. **7:14 p.m.**

## **5:00 P.M. – HOUSING AND PUBLIC IMPROVEMENTS AUTHORITY**

**MOTION: CL/NK to approve the Consent Calendar as presented. ROLL CALL VOTE: 7-0. Motion carried.**

### **CONSENT CALENDAR:**

7. RESOLUTION NO. AHPIA-2024-002 A RESOLUTION OF THE GOVERNING BOARD OF THE ANAHEIM HOUSING AND PUBLIC IMPROVEMENTS AUTHORITY amending the dates and times for regular meetings of the Authority for the 2024 calendar year and rescinding Resolution No. AHPIA-2024-001 [rescheduling the meeting of August 6 to August 13, 2024; and the meeting of July 2 to July 23, 2024].
  
8. Approve minutes of the Housing and Public Improvements Authority meeting of January 23, 2024.

Adjourn the Anaheim Housing and Public Improvements Authority. **7:15 p.m.**

Reconvene the Anaheim Housing Authority. **7:15 p.m.**

## **5:00 P.M. - HOUSING AUTHORITY**

**MOTION: NK/NM to approve the Consent Calendar as presented. ROLL CALL VOTE: 7-0. Motion carried.**

### **CONSENT CALENDAR:**

9. RESOLUTION NO. AHA-2024-002 A RESOLUTION OF THE GOVERNING BOARD OF THE ANAHEIM HOUSING AUTHORITY amending the dates and times for regular meetings of the Authority for the 2024 calendar year and rescinding Resolution No. AHA-2024-001 [rescheduling the meeting of August 6 to August 13, 2024; and the meeting of July 2 to July 23, 2024].

**5:00 P.M. PUBLIC HEARING: 7:16 p.m.**

**At 7:16 p.m., Council Member Diaz recused himself due to a conflict of real property interest as his residence is within 500 feet from the subject property and left the dais.**

10. Public hearing to consider a resolution of public interest, convenience and necessity for the acquisition of property located at 831 S. Beach Boulevard (APN 079-164-13).

RESOLUTION NO. AHA-2024-003 A RESOLUTION OF THE GOVERNING BOARD OF THE ANAHEIM HOUSING AUTHORITY finding and determining that the public interest, convenience and necessity require the acquisition of certain real property located at 831 S. Beach Boulevard for public purposes (APN 079-164-13).

**Item No. 10 Discussion. Mayor Aitken opened the public hearing at 7:32 p.m. Two (2) in-person speakers; No electronic public comments submitted. Mayor Aitken closed the**

public hearing at 7:41 p.m.

**MOTION: NR/NK ROLL CALL VOTE: 6-0-1. (AYES: Mayor Aitken and Council Members Kurtz, Leon, Rubalcava, Faessel, and Meeks; ABSTAIN (recusal): Council Member Diaz). Motion carried.**

Adjourn the Anaheim Housing Authority.      **7:45 p.m.**

Reconvene the Anaheim City Council.      **7:45 p.m.**

## **5:00 P.M. - CITY COUNCIL**

Council Member Diaz returned to the dais at 7:45 p.m.

Item pulled for discussion:

Council Member Leon:      Item No. 28

**MOTION: SF/CL Waive reading of all ordinances and resolutions and adopt the consent calendar. ROLL CALL VOTE: 7-0. Motion carried.**

### **CONSENT CALENDAR:**

11. Receive and file minutes of the Library Board meeting of April 8, 2024 and the Senior Citizen Commission meetings of February 15, 2024 and March 21, 2024.
12. Approve recognitions recognizing Hephatha Lutheran Church and School's Golden 50th Anniversary; Gilbert High School's Sports Intervention Program; Maryanne Rogers for turning 100 years old on July 27, 2024; Anaheim Police Department for participating in the 2024 End of Watch Memorial Bike Ride; August 14-17, 2024 as Toastmasters International Week, and celebrating the 100<sup>th</sup> Anniversary of Toastmasters; and June 19, 2024 as Juneteenth.
13. Receive and file the list of Professional Service Agreements executed by the City Manager in April 2024.
14. Adopt a Seven-Year Transportation Capital Improvement Program for Fiscal Years 2024-25 through 2030-31.
15. Award the contract to the lowest responsible bidder, Allison Mechanical, Inc., in the amount of \$877,000, for the Anaheim Convention Center North Pony Chiller Installation and Related Work Project; find that, pursuant to Public Contract Code Section 3400(c)(2), a particular brand of equipment was specified in the solicitation for bid in order to match other products in use at the Anaheim Convention Center North Facility; authorize the Director of Public Works to execute the contract and related documents and to take the necessary actions to implement and administer the contract; and authorize the Finance Director to execute the Escrow Agreement pertaining to contract retentions.

16. Approve the Professional Services Agreement with thirty-four consultants, each in an amount not to exceed \$400,000 per Work Order Package with a total contract amount not to exceed \$1,000,000 per contract year per consultant company plus a 15% contingency for as needed professional engineering and design services to support the Design Services Section of the Department of Public Works for a three year term with two one-year optional renewals; authorize the Director of Public Works to execute the agreements and to take the necessary actions to implement and administer the agreements; and authorize de minimis changes that do not substantially change the terms and conditions of the agreements, so long as such changes are determined to be de minimis by the City Attorney's Office [AKM Consulting Engineers; Architerra Design Group; Ardurra Group, Inc.; Aztec Engineering California, Inc.; Biggs Cardosa Associates, Inc.; BKF Engineers; Cannon Corporation; Cho Design Associates, Inc.; David Evans and Associates, Inc.; David Volz Design; DRC Engineering Inc.; EEC Environmental; Fuscoe Engineering, Inc.; GHD Inc.; Harris and Associates; Hunsaker and Associates; IDS Group, Inc.; Infrastructure Engineers; JMDiaz Inc.; Kreuzer Consulting Group; Mark Thomas and Company, Inc.; Nichols Consulting Engineers, Chtd.; Nuvis; NV5, Inc.; Onward Engineering; Pacific Advanced Civil Engineering, Inc.; Q3 Consulting; Rick Engineering Company; Stantec Consulting Services; TKE Engineering, Inc.; Verde Design Group Landscape; Willdan Engineering; Wood Rogers, Inc.; and Woodard and Curran].
17. Approve the Professional Services Agreement with Chicago Title Company, in an amount not to exceed \$250,000 per Work Order Package with a total contract amount not to exceed \$1,000,000 per contract year plus a 15% contingency for as needed extra services, for Title Report and Escrow Services to support the Design Services Section of the Department of Public Works for a three year term with two one-year optional renewals; authorize the Director of Public Works to execute the agreement and to take the necessary actions to implement and administer the agreement; and authorize de minimis changes that do not substantially change the terms and conditions of the agreement, so long as such changes are determined to be de minimis by the City Attorney's Office.
18. Approve the Professional Services Agreements with three consultants, each in an amount not to exceed \$200,000, for on-call broker services to support current and future economic development activities for a two year term beginning July 1, 2024 with two additional two-year extensions; and authorize the City Manager, or designee, to execute, administer, and implement the agreements [CBRE, Inc., Jones Lang LaSalle Brokerage, Inc., and Kosmont Real Estate Services, dba Kosmont Realty].
19. Approve a License Agreement with the Successor Agency to the Anaheim Redevelopment Agency, in a monthly rental rate of \$20,000 for the initial term with a 3% annual rate increase for each subsequent year, for necessary truck marshaling space for the staging and storing of freight trucks and trailers in conjunction with Convention Center events, for a five-year term with two five-year optional renewals, and authorize the City Manager, or designee, to execute, implement, and administer the License Agreement on behalf of the Successor Agency [related to Successor Agency to the Anaheim Redevelopment Agency Agenda Item No. 01].
20. Approve the Memorandum of Understanding (MOU) with the Orange County Continuum of Care, County of Orange, and Cities of Irvine and Santa Ana for Round 5 of the Homeless Housing Assistance and Prevention Program Commitment to Partnership and Participation in a regionally coordinated homelessness action plan; authorize the City Manager, or designee, to execute the MOU and to take the necessary actions to implement activities to coordinate homelessness housing interventions and supportive services in the region consistent with the guidance issued by the State of California's Interagency Council on Homelessness.

21. Approve the First Amendment to Agreement with HeliStream, Inc. to increase the not-to-exceed amount from \$120,000 to \$250,000 for helicopter pilot training.
  
22. RESOLUTION NO. 2024-040 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM adopting the FY 2024-25 project list for the Road Repair and Accountability Act of 2017.
  
23. RESOLUTION NO. 2024-041 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM declaring its intention to amend Ordinance No. 6469 granting a non-exclusive franchise to Chapman University for transportation services within and around the City of Anaheim and stating the terms and conditions upon which said franchise is amended, and establishing a time and date of a public hearing to consider said amendment [includes determination that the request is exempt from the provisions of the California Environmental Quality Act pursuant to Section 21080(b)(10) of the California Public Resources Code as this request involves passenger transportation service on existing streets] [Public Hearing scheduled for Council Meeting of June 18, 2024].
  
24. RESOLUTION NO. 2024-042 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM authorizing the City Manager, or designee, to execute and administer licenses and right of entry agreements allowing for temporary beneficial use of real property assets until such time as these properties are ready for disposition or development [related to Successor Agency to the Anaheim Redevelopment Agency Agenda Item No. 02].
  
25. RESOLUTION NO. 2024-043 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM declaring a certain property to be “Exempt Surplus Land” Pursuant to California Government Code Section 54221(f)(1) [includes determination that the action will not result in a direct or indirect physical change in the environment and does not constitute an “approval” of a “project” pursuant to California Environmental Quality Act Guidelines Sections 15004 and 15352] [located at the southwest corner of Lincoln Avenue at Manchester Avenue].
  
26. RESOLUTION NO. 2024-044 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM amending the dates and times for regular meetings of the Anaheim City Council for the 2024 calendar year and rescinding Resolution No. 2024-008 [rescheduling the meeting of August 6 to August 13, 2024; and the meeting of July 2 to July 23, 2024].
  
27. ORDINANCE NO. 6578 (INTRODUCTION) AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANAHEIM amending a portion of Ordinance No. 6570, *nunc pro tunc*, to correct clerical drafting errors pertaining to the amendment of a certain section of the Anaheim Municipal Code [Chapter 18.14 (Public and Special-Purpose Zones) of Title 18 (Zoning)].
  
28. Approve the Public Art Guidelines, a document that implements the Public Art Plan and outlines the administration of the Public Art Program, as authorized by Anaheim Municipal Code Chapter 17.37 (Public Art).  
  
ORDINANCE NO. 6579 (INTRODUCTION) AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANAHEIM amending Chapter 17.37 (Public Art) of Title 17 (Land Development and Resources) of the Anaheim Municipal Code for the purpose of promoting the

installation, maintenance, and restoration of public art and determining that this ordinance is exempt from the requirements to prepare additional environmental documentation per California Environmental Quality Act (CEQA) Guidelines, Sections 15060(c)(2), 15060(c)(3) and 15061(b)(3) because it will not result in a direct or reasonably foreseeable indirect physical change in the environment.

ORDINANCE NO. 6580 (INTRODUCTION) AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANAHEIM amending Chapters 18.06 (Multi-Family Residential Zones); 18.08 (Commercial Zones); 18.10 (Industrial Zone); 18.14 (Public and Special-Purpose Zones); 18.20 (Platinum Triangle Mixed Use (PTMU) Overlay Zone); 18.30 (Downtown Mixed Use (DMU) Overlay Zone); 18.32 (Mixed Use (MU) Overlay Zone); 18.36 (Types of Uses); 18.44 (Signs); 18.62 (Administrative Reviews); 18.120 (Anaheim Canyon Specific Plan No. 2015-1 (SP 2015-1) Zoning and Development Standards); and 18.122 (Beach Boulevard Specific Plan No. 2017-1 (SP 2017-1) Zoning and Development Standards) of Title 18 (Zoning) of the Anaheim Municipal Code; Adjustment No. 14 to the Anaheim Canyon Specific Plan No. 2015-1 (SP 2015-1) Zoning and Development Standards; Adjustment No. 8 to the Beach Boulevard Specific Plan No. 2017-1 (SP 2017-1) Zoning and Development Standards; and finding and determining that this ordinance is not subject to the requirements to prepare additional environmental documentation per California Environmental Quality Act (CEQA) Guidelines, Section 15061(b)(3) because it will not have a significant effect on the environment [Development Application No. 2023-00037].

**Item No. 28 Discussion. MOTION: JD/NR ROLL CALL VOTE: 7-0. Motion carried.**

29. Approve minutes of the City Council meeting of October 17, 2023.

**BUSINESS CALENDAR:**

30. Receive a presentation on the Orange County Office of Campaign Finance and Ethics Commission [Informational Item].

**Discussion. Informational item; no action taken.**

**5:30 P.M. PUBLIC HEARING: 8:45 p.m.**

31. Public hearing to consider the proposed vacation/abandonment of a segment of Orange Avenue lying west of Brookhurst Street and directly adjacent to Lot 2 of Tract No. 19192 and approve the Purchase and Sale Agreement for the sale of excess right-of-way to OrangeAveM 2024 LLC.

RESOLUTION NO. 2024-045 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM vacating a segment of Orange Avenue lying west of Brookhurst Street and directly adjacent to Lot 2 of Tract No. 19192 (Abandonment No. ABA 2023-00414).

Approve the Purchase and Sale Agreement with OrangeAveM 2024 LLC, in the amount of \$85,000, for the sale of excess right-of-way; authorize the Public Works Director to execute the Agreement; authorize the Public Works Director, or designee, to execute the agreement and all necessary documents, including escrow documents required to close escrow; authorize the Mayor to execute the Quitclaim Deed; authorize the City Clerk to hold the recordation of the Resolution and Quitclaim Deed until authorized to record.

**Item No. 31 Discussion. Mayor Aitken opened the public hearing at 8:48 p.m. One (1) in-**

person speaker; No electronic public comments submitted. Mayor Aitken closed the public hearing at 8:54 p.m. MOTION: NM/JD ROLL CALL VOTE: 7-0. Motion carried.

**REPORT ON CLOSED SESSION ACTIONS:** None

**PUBLIC COMMENTS (non-agenda items):** None

(opened only if any remaining non-agenda speakers were not called to speak during the first Public Comment period)

**COUNCIL AGENDA SETTING:**

Council Member Leon requested recognition for the Orange County Greek Food Festival and organizers.

Council Member Rubalcava requested recognition for the Anaheim High School Wrestling Team coach for being selected Wrestling Coach of the Year.

Mayor Pro Tem Kurtz requested to add enforcement and education for both landlords and tenants to the discussion regarding eviction policies, a presentation regarding how the City is going to address illegal fireworks on the 4th of July, an update regarding e-Discovery for public records requests, and recognition for the Bharat Patel family for 50 years of service in the resort area.

**ADJOURNMENT: 9:02 p.m. in memory of Espiridion “Speed” Castillo, Marie Santangelo, and Jon Urbanchek.**

Next regular City Council meeting is scheduled for June 11, 2024.

All agenda items and reports are available for review in the City Clerk’s Office and [www.anaheim.net/councilagendas](http://www.anaheim.net/councilagendas), and the Central Library. Any writings or documents provided to a majority of the City Council regarding any item on this agenda (other than writings legally exempt from public disclosure) will be available at the Office of the City Clerk, located at 200 S. Anaheim Blvd., 2nd Floor, Anaheim, CA 92805 during regular business hours and by contacting the office by phone, 714-765-5166, or email to [cityclerk@anaheim.net](mailto:cityclerk@anaheim.net).

If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such reasonable modification, accommodation, aid, or service by contacting the City Clerk’s Office either in person at 200 South Anaheim Boulevard, Anaheim, California, by telephone at (714) 765-5166, or via email to [cityclerk@anaheim.net](mailto:cityclerk@anaheim.net), no later than 8:00 AM on the day of the scheduled meeting.

**TRANSLATION SERVICES:** Spanish interpreting services are provided at City Council meetings. Simultaneous Spanish interpretation is provided through the use of headsets and consecutive interpretation (Spanish-to-English) is also available to anyone addressing the Council by stating your request at the podium. The use of city provided interpreters is not required and persons are welcome to use their own interpreter. Because many dialects and regionalisms exist, the City cannot guarantee that interpreters will be able to interpret into a particular dialect or regionalism, and disclaims any liability alleged to arise from such services. For translation services in other languages, contact the City Clerk’s office no later than 48 hours prior to the scheduled meeting.



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**POSTING STATEMENT:** On May 17, 2024, a true and correct copy of this agenda (revised) was posted on the kiosk outside City Hall, 200 S. Anaheim Blvd., Anaheim, CA. Internet Access to City Council, Agency, and Authority agendas and related material is available prior to meetings at [www.anaheim.net](http://www.anaheim.net).



DEPARTMENT OF  
**FINANCE**

**Gavin Newsom** ■ Governor

915 L Street ■ Sacramento CA ■ 95814-3706 ■ [www.dof.ca.gov](http://www.dof.ca.gov)

Transmitted via email

October 24, 2024

Sergio M. Ramirez, Director of Economic Development  
City of Anaheim  
200 South Anaheim Boulevard #733  
Anaheim, CA 92805

### **Objection to Oversight Board Action**

The City of Anaheim Successor Agency (Agency) notified the California Department of Finance (Finance) of its September 17, 2024 Oversight Board (OB) Resolution on September 18, 2024. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution No. 24-030, approving a license/right-of-entry agreement by and between the Agency and the City of Anaheim, is not approved. The agreement would allow the Anaheim Convention Center to use 1604 South Anaheim Boulevard in exchange for \$20,000 per month and other considerations. However, HSC section 34177.3 (a) prohibits the Agency from creating new enforceable obligations, and there is no other provision in the redevelopment dissolution statutes that authorizes the proposed action.

As authorized by HSC section 34179 (h), Finance is returning your OB action to the Board for reconsideration. This is our determination with respect to the OB action taken.

Please direct inquiries to [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

Cheryl L. McCormick, CPA  
Chief, Office of State Audits and Evaluations

cc: Stephen Stoewer, Property Development Manager, City of Anaheim  
Samantha Nguyen, Fiscal Analyst, Property Tax Unit, Orange County  
Kathy Tavoularis, Countywide Oversight Board Representative