OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE PORTERVILLE REDEVELOPMENT AGENCY
SPECIAL MEETING
CITY HALL, 291 NORTH MAIN STREET
COLEMAN CONFERENCE ROOM
PORTERVILLE, CALIFORNIA
JANUARY 25, 2018, 7:30 AM

CALL TO ORDER
ROLL CALL
PLEDGE OF ALLEGIANCE

ORAL COMMUNICATIONS
This is the time to address the Oversight Board on any matter, whether or not it appears on this agenda. No action will be taken on any item not on the agenda unless the Oversight Board makes a determination that an emergency exists or that the need to take action on the item rose subsequent to the posting of the agenda. Public comments shall be limited to a maximum of three (3) minutes per person and an overall time period of fifteen minutes for items not considered on the regular agenda.

SCHEDULED MATTERS


2. Review and Approval of Proposed Administrative Budget
   Re: Considering adoption of a resolution approving the proposed Administrative Budget for the period of July 1, 2018, through June 30, 2019, and directing Successor Agency staff to submit said budget to the California Department of Finance (DOF).

3. Review and Approval of Recognized Obligation Payment Schedule (ROPS)
   Re: Considering adoption of a resolution approving the ROPS 17-18 for the period of July 1, 2018, through June 30, 2019, and directing staff to submit the ROPS 18-19 to the County Auditor-Controller, State Controller’s Office and the DOF.

4. Request to Approve the Purchase and Sale Agreement for Parcel 7 Set Forth in the Approved First Amended and Restated Long Range Property Management Plan
   Re: Considering adoption of a resolution approving the Purchase and Sale Agreement between the City of Porterville and Successor Agency for 14 N. Main, and approval of its submittal to the Department of Finance.

5. Future Meeting Date

CHAIR AND BOARD MEMBERS’ COMMENTS AND SUGGESTIONS

ADJOURNMENT

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Office of City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Materials related to an item on this agenda submitted to the Oversight Board after distribution of the agenda packet are available for public inspection during normal business hours at the Office of City Clerk, 291 North Main Street, Porterville, CA 93257, and on the City’s website at www.ci.porterville.ca.us.
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE PORTERVILLE REDEVELOPMENT AGENCY

SPECIAL MEETING
291 NORTH MAIN STREET
HAMAMATSU CONFERENCE ROOM
PORTERVILLE, CALIFORNIA
FEBRUARY 7, 2014, 7:30 AM

Called to Order at 7:30 a.m.

Roll Call: Dr. Rosa Carlson, Dr. John Snavely, Lupe Diaz, Mike Ennis, Denise Marchant, Donna Hefner (arrived at 7:40 a.m.)

Absent: John Hess

Pledge of Allegiance

ORAL COMMUNICATIONS
None

SCHEDULED MATTERS

1. Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan

Recommendation: That the Board adopt the resolution approving the Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan for the ROPS 13-14A period.

Community Development Director Brad Dunlap introduced the item and presented the staff report, after which a brief discussion ensued. Mr. Dunlap elaborated on the necessity of the loan for cash flow purposes.

BOARD ACTION: MOVED by Board Member Ennis, SECONDED by Board Member Marchant, that the Oversight Board adopt the resolution approving the Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan for the ROPS 13-14A period.

AYES: Ennis, Marchant, Diaz, Hefner, Carlson, Snavely
NOES: None
ABSTAIN: None
ABSENT: Hess

Documentation: Resolution No. 2014-01
Disposition: Approved.

2. Oversight Board Review and Approval of Proposed Long Range Property Management Plan

Recommendation: That the Board adopt the resolution approving the proposed Long Range Property Management Plan and submittal of same to the Department of Finance.
Community Development Director Brad Dunlap introduced the item and presented the staff report, after which a brief discussion ensued. Mr. Dunlap elaborated on the current parking issue.

**BOARD ACTION:** MOVED by Vice-Chair Carlson, SECONDED by Board Member Ennis, that the Oversight Board adopt the resolution approving the proposed Long Range Property Management Plan and submittal of same to the Department of Finance.

- AYES: Ennis, Marchant, Diaz, Hefner, Carlson, Snavely
- NOES: None
- ABSTAIN: None
- ABSENT: Hess

Documentation: Resolution No. 2014-02

Disposition: Approved.

3. **Future Meeting Date**
The Board selected February 26, 2014, at 7:30 a.m. for the next meeting.

**CHAIR AND BOARD MEMBERS’ COMMENTS AND SUGGESTIONS**
None

**ADJOURNMENT**
The Board adjourned the meeting at 7:50 a.m.

______________________________
Patrice Hildreth, Board Secretary

______________________________
Dr. Rosa Carlson, Board Chair
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE PORTERVILLE REDEVELOPMENT AGENCY

SPECIAL MEETING
291 NORTH MAIN STREET
HAMAMATSU CONFERENCE ROOM
PORTERVILLE, CALIFORNIA
FEBRUARY 26, 2014, 7:30 AM

Call to Order at 7:30 a.m.

Roll Call: Dr. John Snavely, Dr. Rosa Carlson, Mike Ennis, John Hess, Donna Hefner, Denise Marchant

Absent: Lupe Diaz

Pledge of Allegiance

ORAL COMMUNICATIONS
None

SCHEDULED MATTERS

1. Review and Approval of Proposed Administrative Budget

Recommendation: That the Board adopt a resolution approving the proposed Administrative Budget for the period of July 1, 2014, through December 31, 2014, and directing Successor Agency staff to submit said budget to the California Department of Finance (DOF).

Community Development Director Brad Dunlap introduced the item and presented the staff report, after which a brief discussion ensued.

BOARD ACTION: MOVED by Board Member Ennis, SECONDED by Board Member Hefner, that the Oversight Board adopt a resolution approving the proposed Administrative Budget for the period of July 1, 2014, through December 31, 2014, and directing Successor Agency staff to submit said budget to the California Department of Finance (DOF).

AYES: Ennis, Marchant, Hess, Hefner, Carlson, Snavely
NOES: None
ABSTAIN: None
ABSENT: Diaz

Documentation: Resolution No. 2014-03
Disposition: Approved.

2. Review and Approval of Recognized Obligation Payment Schedule (ROPS)

Community Development Director Brad Dunlap introduced the item and presented the staff report, after which a brief discussion ensued.
BOARD ACTION: MOVED by Board Member Hess, SECONDED by Board Member Ennis, that the Oversight Board adopt a resolution approving the proposed Administrative Budget for the period of July 1, 2014, through December 31, 2014, and directing Successor Agency staff to submit said budget to the California Department of Finance (DOF).

AYES: Ennis, Marchant, Hess, Hefner Carlson, Snavely
NOES: None
ABSTAIN: None
ABSENT: Diaz

Documentation: Resolution No. 2014-04
Disposition: Approved.

3. Future Meeting Date
The Board selected April 2, 2014, at 7:30 a.m. for the next meeting.

CHAIR AND BOARD MEMBERS’ COMMENTS AND SUGGESTIONS
None

ADJOURNMENT
The Board adjourned the meeting at 7:50 a.m.

Patrice Hildreth, Board Secretary

Dr. Rosa Carlson, Board Chair
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
PORTERVILLE REDEVELOPMENT AGENCY
SPECIAL MEETING
291 NORTH MAIN STREET
HAMAMATSU CONFERENCE ROOM
PORTERVILLE, CALIFORNIA
MARCH 26, 2014, 7:30 AM

Call to Order at 7:30 a.m.

Roll Call: Dr. John Snavely, Dr. Rosa Carlson, Mike Ennis, Denise Marchant, Lupe Diaz

Absent: John Hess, Donna Hefner

Pledge of Allegiance

ORAL COMMUNICATIONS
None

SCHEDULED MATTERS

1. Acquisition of Property Located at Assessor Parcel Number 261-122-007, Trustees
Porterville Hotel Investors, A California Limited Partnership

Successor Agency Counsel Vanessa Locklin joined the meeting via teleconference.

Recommendation: That the Board adopt the resolutions accepting the Successor Agency’s
approval to enter into the Purchase and Sale Agreement for the Porterville
Hotel Project.

Community Development Director Brad Dunlap introduced the item and presented
the staff report, after which a brief discussion ensued.

Staff answered questions from the board regarding the possibility of the item being
approved by the Finance Department given the usual apprehension they receive. Staff described a
conversation during a meet and confer conference call where it had been discussed with the
Finance Department and had been approved before any contracts were in place.

BOARD ACTION: MOVED by Board Member Ennis, SECONDED by Board Member Marchant,
that the Oversight Board adopt a resolution accepting the Successor Agency’s
approval to enter into the Purchase and Sale Agreement for the Porterville
Hotel Project.

AYES: Ennis, Marchant, Diaz, Carlson, Snavely
NOES: None
ABSTAIN: None
ABSENT: Hess, Hefner

Documentation: Resolution No. 2016-03
Disposition: Approved.
2. Future Meeting Date

The Board scheduled no meeting date.

CHAIR AND BOARD MEMBERS' COMMENTS AND SUGGESTIONS

None

ADJOURNMENT

The Board adjourned the meeting at 8:03 a.m.

Patrice Hildreth, Board Secretary

Dr. Rosa Carlson, Board Chair
Call to Order at 7:31 a.m.

Roll Call:  Dr. Rosa Carlson, Denise Marchant, John Hess, Julie Phillips
Absent:  Mike Ennis, Donna Hefner

Pledge of Allegiance

ORAL COMMUNICATIONS
None

SCHEDULED MATTERS

1. Swearing in of New Board Member to the Oversight Board

Recommendation: That the Secretary of the Board swear in the new appointee.

Community Development Director Jenni Byers introduced the item, and Deputy Board Secretary Luisa Zavala swore in appointee Julie Phillips. Ms. Byers explained that Ms. Phillips would be replacing Fernando Rios who was no longer employed with the City of Porterville.

Documentation: None.
Disposition: No action required.

2. Selection of Officers for 2017/2018

Community Development Director Byers introduced the item and clarified who was currently serving on the Board for the members present.

BOARD ACTION: MOVED by Board Member Marchant, SECONDED by Board Member Hess, that the Oversight Board elect Dr. Rosa Carlson to serve as Chair of the Successor Agency Oversight Board for 2017/2018.

AYES: Carlson, Hess, Marchant, Phillips
NOES: None
ABSTAIN: None
ABSENT: Ennis, Hefner
BOARD ACTION: MOVED by Board Member Marchant, SEConDED by Board Chair Carlos, that the Oversight Board elect Mr. John Hess to serve as Vice Chair of the Successor Agency Oversight Board for 2017/2018.

AYES: Carlson, Hess, Marchant, Phillips
NOES: None
ABSTAIN: None
ABSENT: Ennis, Hefner

Documentation: M.O. 02-012617
Disposition: Approved election of Chair and Vice Chair.


Community Development Director Byers introduced the item. Vice Chair Hess inquired if Board Members who were not present at the meetings could vote on their consideration, and staff advised that it was permitted.

BOARD ACTION: MOVED by Vice Chair Hess, SEConDED by Board Member Marchant, that the Oversight Board approve the draft minutes of April 3, 2013, September 25, 2013, September 30, 2014, February 25, 2015, July 30, 2015, January 28, 2016, May 5, 2016, June 16, 2016, as presented.

AYES: Carlson, Hess, Marchant, Phillips
NOES: None
ABSTAIN: None
ABSENT: Ennis, Hefner

Documentation: M.O. 03-012617
Disposition: Approved.

4. Review and Approval of Proposed Administrative Budget

Recommendation: That the Oversight Board adopt the draft Resolution approving the Successor Agency’s proposed Administrative Budget for the period of July 1, 2017, through June 30, 2018, prepared pursuant to Health & Safety Code Section 341770) and directing Successor Agency staff to submit the Administrative Budget to the California Department of Finance.
Community Development Director Byers introduced the item and presented the staff report during which she elaborated on salaries, professional services, and other expenses.

BOARD ACTION: MOVED by Vice Chair Hess, SECONDED by Board Member Marchant, that the Oversight Board adopt the draft Resolution approving the Successor Agency's proposed Administrative Budget for the period of July 1, 2017, through June 30, 2018, prepared pursuant to Health & Safety Code Section 341770) and directing Successor Agency staff to submit the Administrative Budget to the California Department of Finance.

AYES: Carlson, Hess, Marchant, Phillips
NOES: None
ABSTAIN: None
ABSENT: Ennis, Hefner

Documentation: Resolution No. 2017-01
Disposition: Approved.

5. Review and Approval of Recognized Obligation Payment Schedule (ROPS)

Recommendation: That the Oversight Board adopt the draft Oversight Board Resolution approving the ROPS 17-18 for the period of July 1, 2017, through June 30, 2018; provided that should any modification be required to the ROPS 17-18 by the DOF, the Executive Director and/or the Finance Director shall be authorized to make any augmentation, modification, additions or revisions as may be necessary to conform the ROPS 17-18 to requirements imposed by the DOF; and direct Successor Agency staff to submit the ROPS 17-18 to the County Auditor-Controller, State Controller's Office and the DOF.

Community Development Director Byers introduced the item and presented the staff report.

Ms. Byers spoke of the refinancing of bond debt, and loans yet to be approved by the Department of Finance (DOF) for repayment.

Finance Director Maria Bemis and Ms. Byers addressed questions regarding the documentation being requested by the DOF, the expenditure of bond proceeds on public improvements surrounding Porterville, residuals, and the formation loan.

BOARD ACTION: MOVED by Vice Chair Hess, SECONDED by Board Member Marchant, that the Oversight Board adopt the draft Oversight Board Resolution approving the ROPS 17-18 for the period of July 1, 2017, through June 30, 2018; provided that should any modification be required to the ROPS 17-18 by the DOF, the Executive Director and/or the Finance Director shall be authorized to make any augmentation, modification, additions or revisions as may be necessary to conform the ROPS 17-18 to requirements imposed by the DOF; and direct Successor Agency staff to submit the ROPS 17-18 to the County Auditor-Controller, State Controller's Office and the DOF.
18 to requirements imposed by the DOF; and direct Successor Agency staff to submit the ROPS 17-18 to the County Auditor-Controller, State Controller’s Office and the DOF.

AYES: Carlson, Hess, Marchant, Phillips
NOES: None
ABSTAIN: None
ABSENT: Ennis, Hefner

Documentation: Resolution No. 2017-02
Disposition: Approved.

6. Future Meeting Date

Community Development Director Byers stated that she anticipated at least two more meetings, and would reach out to the board for scheduling purposes when the need arose.

Documentation: None
Disposition: No meeting scheduled.

CHAIR AND BOARD MEMBERS’ COMMENTS AND SUGGESTIONS
None

ADJOURNMENT
The Board adjourned at 7:57 a.m.

Patrice Hildreth, Board Secretary

Dr. Rosa Carlson, Chair
SCHEDULED MATTER

SUBJECT: REVIEW AND APPROVAL OF PROPOSED ADMINISTRATIVE BUDGET

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: Health & Safety Code Section 34177(j), as modified by AB 1484, and further amended by Senate Bill 107, requires the Successor Agency of the Porterville Redevelopment Agency (referred to herein as “Successor Agency”) to prepare a proposed “Administrative Budget” covering the upcoming fiscal year, which will be July 1, 2018, through June 30, 2019, concurrent with the Recognized Obligation Payment Schedule (ROPS) 18-19 and submit it to the Oversight Board for approval. To date the Successor Agency previously prepared and approved, and the Oversight Board reviewed and approved, Administrative Budgets through June 30, 2018.

Pursuant to the Dissolution Act (Parts 1.8 and 1.85 of Division 24 of the Health & Safety Code), each ROPS includes a line item for the Successor Agency’s Administrative Budget for the applicable period, and AB 1484, which amended the Dissolution Act on June 27, 2012, requires that the ROPS 18-19 for the period July 1, 2018, through June 30, 2019, shall be approved by the Successor Agency and Oversight Board and submitted to the State Department of Finance (“DOF”) by February 1, 2018.

The Administrative Budget is required to set forth all of the following: (1) Estimated amounts for successor agency administrative costs for the upcoming one-year fiscal period; (2) Proposed sources of payment for said administrative costs (1); and (3) Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

Under Section 34177(k) of the Dissolution Act, upon approval of the Administrative Budget by the Oversight Board, the Successor Agency will provide to the County of Tulare Auditor-Controller the administrative cost estimates from the approved Administrative Budget that are to be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund for such period.

Pursuant to Section 34179(h) of the Dissolution Act, as amended by AB 1484, written notice and information about all actions taken by the Oversight Board must be provided to the California Department of Finance (“DOF”) by electronic means and in a manner of DOF’s choosing.
Pursuant to Section 34177(o) as to each annual ROPS submitted to the DOF (of which the proposed Administrative Budget is a part), the DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations on each ROPS submitted no later than the following April 15.

RECOMMENDATION: That the Oversight Board adopt the draft Resolution approving the Successor Agency’s proposed Administrative Budget for the period of July 1, 2018, through June 30, 2019, prepared pursuant to Health & Safety Code Section 34177(j) and directing Successor Agency staff to submit the Administrative Budget to the California Department of Finance.

ATTACHMENT: Oversight Board draft Resolution Approving the Administrative Budget Pursuant to Health & Safety Code Section 34177(j) and Directing Transmittal of the Administrative Budget to the California Department of Finance.
OVERSIGHT BOARD RESOLUTION NO. ________

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE PORTERVILLE REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET PURSUANT TO HEALTH & SAFETY CODE SECTION 34177(j) AND DIRECTING TRANSMITTAL OF THE ADMINISTRATIVE BUDGET TO THE CALIFORNIA DEPARTMENT OF FINANCE

WHEREAS, the Porterville Redevelopment Agency ("Agency") was established as a redevelopment agency, organized and existing under the California Community Redevelopment Law, Health & Safety Code Section 33000, et seq., and was authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Porterville ("City"); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code ("Dissolution Act"), pursuant to which (1) all redevelopment agencies in California were dissolved on February 1, 2012, and (2) successor agencies were formed for the purpose of winding down the affairs of the former redevelopment agencies; and

WHEREAS, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, by a resolution considered and approved by the City Council of the City at an open public meeting, the City Council chose to serve as the governing body of the Successor Agency to the dissolved Agency, a separate legal entity, under the Dissolution Act; and

WHEREAS, as of and on and after February 1, 2012, the City serves and acts as the Successor Agency and the City will perform the functions of the Successor Agency under the Dissolution Act to administer the enforceable obligations of the former Agency and otherwise unwind the Agency’s affairs, all subject to the review and approval by a seven-member Oversight Board ("Oversight Board"); and

WHEREAS, Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget covering the upcoming fiscal year, and submit it to the Oversight Board for approval; and

WHEREAS, pursuant to Section 34177(j), the Successor Agency’s “Administrative Budget” is required to include all of the following: (a) estimated amounts for successor agency administrative costs for the upcoming one-year fiscal period; (b) proposed sources of payment for the costs identified in clause (a); and (c) proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity, such as the City; and

WHEREAS, by resolution on January 16, 2018, the Successor Agency adopted the “Administrative Budget” and has submitted such budget to the Oversight Board, the County of
WHEREAS, the Oversight Board has received, reviewed, and desires to approve the Administrative Budget, for the period of July 1, 2018, through June 30, 2019; and

WHEREAS, the Administrative Budget, as approved by the Oversight Board, will be provided to the County of Tulare Auditor-Controller pursuant to Section 34177(k) so that the Successor Agency’s estimated administrative costs in the approved Administrative Budget will be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund for the applicable one-year period.

NOW, THEREFORE, BE IT RESOLVED:

1. The above recitals are true and correct, are a substantive part of this Resolution, and are adopted as the findings of the Oversight Board.

2. Pursuant to the Dissolution Act, the Oversight Board hereby approves the proposed Administrative Budget in the form attached hereto as Exhibit A and incorporated herein by this reference. The City Manager and Successor Agency legal counsel are authorized to make such revisions to the Administrative Budget, as they deem appropriate, in order to ensure the proper and effective operation of the Successor Agency pursuant to the Dissolution Act.

3. Upon approval of the Administrative Budget by the Oversight Board, the City Manager or his authorized designees shall provide written notice and information about the Oversight Board’s approval of the Administrative Budget to the State of California Department of Finance by electronic means, as directed by the Department of Finance, pursuant to Section 34179(h) and shall post the Administrative Budget on the Successor Agency’s website.

4. This Resolution shall be effective immediately upon adoption.

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

PASSED, APPROVED, AND ADOPTED this 25th day of January, 2018.

By: ________________________________

Dr. Rosa Carlson, Vice Chair
Oversight Board to the Successor Agency of the Porterville Redevelopment Agency

ATTEST:

Patrice Hildreth, Board Secretary
SUCCESSOR AGENCY AND HOUSING AUTHORITY SUCCESSOR AGENCY BUDGET
JULY 1, 2018, THROUGH JUNE 30, 2019

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OVERSIGHT BOARD AGENDA: JANUARY 25, 2018

SCHEDULED MATTER

SUBJECT: REVIEW AND APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: On February 1, 2012, the Porterville Redevelopment Agency ("Agency") was dissolved. Since that date, the City Council acts and serves as the governing body of the “Successor Agency,” a separate legal entity from the City, pursuant to Parts 1.8 and 1.85 of Division 24 of the Health & Safety Code ("Dissolution Act"). The Dissolution Act requires the Successor Agency to administer the enforceable obligations of the former Agency and otherwise unwind the Agency’s affairs subject, where applicable, to the review and approval by the seven-member Oversight Board.

On September 22, 2015, the Governor signed Senate Bill 107. The primary purpose of SB 107 is to make technical and substantive amendments to the Dissolution Act. One such amendment was to require successor agencies to submit their Recognized Obligation Payment Schedules ("ROPS") on an annual (fiscal year) basis, whereas previously successor agencies submitted a ROPS every six months.

Pursuant to the Dissolution Act, each ROPS must be approved by resolution of the Oversight Board. The Oversight Board-approved ROPS is then submitted to DOF for approval. Pursuant to Section 34177(o) of the Dissolution Act, the DOF shall make its determination regarding the enforceable obligations and the amounts and funding sources of the enforceable obligations on ROPS 18-19 on or before April 15, 2018.

The Successor Agency will send ROPS 18-19 to the County Auditor-Controller and the State Controller’s Office concurrently with its transmittal of the ROPS to DOF. In addition, ROPS 18-19 will be posted on the Successor Agency’s website.

RECOMMENDATION: That the Oversight Board adopt the attached Oversight Board Resolution approving the ROPS 18-19 for the period of July 1, 2018 through June 30, 2019; provided that should any modification be required to the ROPS 18-19 by the DOF, the Executive Director and/or the Finance Director shall be authorized to make any augmentation, modification, additions or revisions as may be necessary to conform the ROPS 18-19 to requirements imposed by the DOF; and direct Successor Agency staff to submit the ROPS 18-19 to the County Auditor-Controller, State Controller’s Office and the DOF.
ATTACHMENT: Oversight Board Resolution Approving the Recognized Obligation Payment Schedule 18-19 for the Period July 1, 2018 to June 30, 2019, Subject to Submittal to, and Review and Approval by, the California Department of Finance pursuant to California Health & Safety Code, Division 24, Part 1.85, as Amended by Assembly Bill 1484; and Authorizing Posting and Transmittal Thereof.
OVERSIGHT BOARD RESOLUTION NO. ______

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE PORTERVILLE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 18-19 FOR THE PERIOD JULY 1, 2018 THROUGH JUNE 30, 2019, SUBJECT TO SUBMITTAL TO, AND REVIEW AND APPROVAL BY, THE CALIFORNIA DEPARTMENT OF FINANCE PURSUANT TO CALIFORNIA HEALTH & SAFETY CODE, DIVISION 24, PART 1.85, AS AMENDED BY ASSEMBLY BILL 1484; AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

WHEREAS, the Porterville Redevelopment Agency ("Agency") was established as a redevelopment agency, organized and existing under the California Community Redevelopment Law, Health & Safety Code Section 33000, et seq., and was authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Porterville ("City"); and

WHEREAS, Assembly Bill xl-26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code ("Dissolution Act"), pursuant to which (1) all redevelopment agencies in California were dissolved on February 1, 2012, and (2) successor agencies were formed for the purpose of winding down the affairs of the former redevelopment agencies; and

WHEREAS, the Agency is now a dissolved redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, by a resolution considered and approved by the City Council of the City of Porterville at an open public meeting, the City Council chose to serve as the governing body of the Successor Agency to the dissolved Agency, a separate legal entity, under the Dissolution Act; and

WHEREAS, as of and on and after February 1, 2012, the City serves and acts as the Successor Agency and the City will perform the functions of the Successor Agency under the Dissolution Act to administer the enforceable obligations of the former Agency and otherwise unwind the Agency’s affairs, all subject to the review and approval by a seven-member Oversight Board ("Oversight Board"); and

WHEREAS, pursuant to Section 34171(h) of the Dissolution Act, a "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each one-year fiscal period as provided in subdivisions (l) and (o) of Section 34177 of the Dissolution Act; and

WHEREAS, pursuant to subdivisions (l) and (o) of Section 34177 of the Dissolution Act, the City, acting as Successor Agency to the Agency, has prepared its Recognized Obligation Payment Schedule ("ROPS") for the period covering July 1, 2018 through June 30, 2019, in the form attached to this Resolution as Exhibit A and incorporated herein by this reference; and

WHEREAS, by resolution on January 16, 2018, the Successor Agency adopted the ROPS for the period covering July 1, 2018 through June 30, 2019 and has submitted such ROPS to the Oversight Board; and
WHEREAS, the Oversight Board has received, reviewed, and desires to approve the ROPS for the period of July 1, 2018 through June 30, 2019; and

WHEREAS, pursuant to Section 34177(l)(2)(C) of the Dissolution Act, a copy of the ROPS shall be submitted to the County Auditor-Controller, the State Controller’s Office, the State Department of Finance and shall be posted on the City’s/Successor Agency’s website promptly upon approval thereof by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED:

1. The above recitals are true and correct, are a substantive part of this Resolution, and are adopted as the findings of the Oversight Board.

2. The Oversight Board hereby approves the ROPS in substantially the form attached hereto as Exhibit A and incorporated herein, together with such augmentation, modification, additions or revisions as the Executive Director and/or the Finance Director or their authorized designees may make thereto, in particular to comply with requirements imposed by the California Department of Finance.

3. The City Manager or his authorized designees on behalf of the Successor Agency shall, upon approval of the ROPS by the Oversight Board, transmit the approved ROPS to the County Auditor-Controller, the State Controller’s Office, and the State Department of Finance, and shall cause the approved ROPS to be posted on the City’s website.

4. This Resolution shall be effective immediately upon adoption.

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

PASSED, APPROVED AND ADOPTED this 25th of January, 2018.

By: ____________________________
Dr. Rosa Carlson, Vice Chair
Oversight Board to the Successor Agency of
the Porterville Redevelopment Agency

ATTEST:

______________________________
Patrice Hildreth, Board Secretary
Recognized Obligation Payment Schedule (ROPS 18-19) - Summary
Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: Porterville
County: Tulare

<table>
<thead>
<tr>
<th>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</th>
<th>18-19A Total (July - December)</th>
<th>18-19B Total (January - June)</th>
<th>ROPS 18-19 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Enforceable Obligations Funded as Follows (B+C+D):</td>
<td>$26,088</td>
<td>$21,000</td>
<td>$47,088</td>
</tr>
<tr>
<td>B Bond Proceeds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>C Reserve Balance</td>
<td>11,088</td>
<td>7,762</td>
<td>18,850</td>
</tr>
<tr>
<td>D Other Funds</td>
<td>15,000</td>
<td>13,238</td>
<td>28,238</td>
</tr>
<tr>
<td>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</td>
<td>$350,452</td>
<td>$348,754</td>
<td>$699,206</td>
</tr>
<tr>
<td>F RPTTF</td>
<td>350,452</td>
<td>346,754</td>
<td>697,206</td>
</tr>
<tr>
<td>G Administrative RPTTF</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>H Current Period Enforceable Obligations (A+E):</td>
<td>$376,540</td>
<td>$369,754</td>
<td>$746,294</td>
</tr>
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</table>

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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
</table>

Signature | Date

---
<table>
<thead>
<tr>
<th>Item #</th>
<th>Project Name/Debt Obligation</th>
<th>Obligation Type</th>
<th>Contract/Agreement Execution Date</th>
<th>Contract/Agreement Termination Date</th>
<th>Payee</th>
<th>Description/Project Scope</th>
<th>Project Area</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Retired</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>2008 Tax Allocation Bond Arbitrage</td>
<td>Fees</td>
<td>9/16/2008</td>
<td>6/1/2040</td>
<td>Arbitrage Compliance</td>
<td>Professional fees to be paid for</td>
<td>Porterville Recognized Obligation Pay: July 1, 2018 thru</td>
<td>$13,239,920</td>
<td>Y</td>
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<tr>
<td>10</td>
<td>Loan for Formation of Area</td>
<td>City/County Loan (Prior 06/28/11), Cash exchange</td>
<td>4/7/1981</td>
<td>6/30/2019</td>
<td>City of Porterville</td>
<td>Loan repayment pursuant to HSC section 34191.4 (b)</td>
<td>168,413</td>
<td>N</td>
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</tr>
<tr>
<td>11</td>
<td>Loan for Repayment to County</td>
<td>City/County Loan (Prior 06/28/11), Cash exchange</td>
<td>9/1/2007</td>
<td>6/30/2040</td>
<td>City of Porterville</td>
<td>Loan repayment pursuant to HSC section 34191.4 (b)</td>
<td>94,459</td>
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<td>12</td>
<td>Loan for Parking Lot Improvement - Storm Drain.</td>
<td>City/County Loan (Prior 06/28/11), 3rd party agmt-infrastructure</td>
<td>11/12/1997</td>
<td>6/30/2040</td>
<td>Risk Management</td>
<td>Loan repayment pursuant to HSC section 34191.4 (b)</td>
<td>12,844</td>
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<td>13</td>
<td>Loan for Reconstruction of Parking Lot - Hockett Street.</td>
<td>City/County Loan (Prior 06/28/11), 3rd party agmt-infrastructure</td>
<td>8/19/2007</td>
<td>6/30/2040</td>
<td>Risk Management</td>
<td>Loan repayment pursuant to HSC section 34191.4 (b)</td>
<td>537,172</td>
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<td>14</td>
<td>Loan for Amendment of the Boundaries of Project Area No. 1</td>
<td>City/County Loan (Prior 06/28/11), Cash exchange</td>
<td>6/7/2010</td>
<td>6/30/2040</td>
<td>City of Porterville</td>
<td>Loan repayment pursuant to HSC section 34191.4 (b)</td>
<td>216,141</td>
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<td>15</td>
<td>Successor Agency Administration</td>
<td>Admin Costs</td>
<td>1/1/2015</td>
<td>6/30/2040</td>
<td>City of Porterville</td>
<td>Agency Administration cost</td>
<td>880,000</td>
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<tr>
<td>16</td>
<td>Porterville Hotel Project</td>
<td>OPA/DDA/Construction</td>
<td>9/16/2008</td>
<td>6/30/2018</td>
<td>various</td>
<td>Acquisition of property and demolition and clearing of the site</td>
<td>N</td>
<td></td>
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<tr>
<td>23</td>
<td>Trustee Fees</td>
<td>Fees</td>
<td>12/1/2016</td>
<td>6/30/2040</td>
<td>U.S. Bank National Association</td>
<td>Trustee fees in relation to the Series 2016A and 2016B bonds</td>
<td>77,000</td>
<td>N</td>
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<tr>
<td>24</td>
<td>Continuing Disclosure Services and Dissemination Agent Fees</td>
<td>Fees</td>
<td>12/1/2016</td>
<td>6/30/2040</td>
<td>Willdan Financial Services</td>
<td>Professional fees in connection with continuing disclosure services and dissemination of information required by the Indenture of Trust</td>
<td>55,000</td>
<td>N</td>
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<td>25</td>
<td>Arbitrage Fees</td>
<td>Fees</td>
<td>12/1/2016</td>
<td>6/30/2040</td>
<td>Arbitrage Compliance Specialists, Inc.</td>
<td>Professional fees for the calculation of arbitrage in relation to the Series 2016A bonds</td>
<td>20,000</td>
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<td>26</td>
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### ROPS Schedule (ROPS 18-19) - ROPS Detail

**June 30, 2019**

**Notes in Whole Dollars**

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<tr>
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<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
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<th>P</th>
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<th>U</th>
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<tbody>
<tr>
<td><strong>18-19A (July - December)</strong></td>
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<td>Total Bond Proceeds Reserve Balance Other Funds RPTTF Admin RPTTF</td>
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<td>$ 746,294</td>
<td>$ 11,088</td>
<td>$ 15,000</td>
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<td>$ 92,031</td>
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<td>$ 80,943</td>
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<td>$ 30,000</td>
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<td>$ 15,000</td>
<td>$ 1,762</td>
<td>$ 13,238</td>
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<td>$ 369,754</td>
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<td>$ 320,519</td>
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<td>$ 169,163</td>
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<td>$ 4,912</td>
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</tbody>
</table>
Porterville Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances  
July 1, 2015 through June 30, 2016  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), 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. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)</td>
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<tr>
<td></td>
<td></td>
<td>Bond Proceeds</td>
<td>Reserve Balance</td>
<td>Other</td>
<td>RPTTF</td>
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<tr>
<td></td>
<td></td>
<td>Bonds issued on or before 12/31/10</td>
<td>Bonds issued on or after 01/01/11</td>
<td>Prior ROPS period balances and DDR RPTTF balances retained</td>
<td>Prior ROPS RPTTF distributed as reserve for future period(s)</td>
<td>Rent, grants, interest, etc.</td>
<td>Non-Admin and Admin</td>
<td>Comments</td>
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<tr>
<td>1</td>
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<td>Beginning Available Cash Balance (Actual 07/01/15)</td>
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<td>2</td>
<td></td>
<td>Revenue/Income (Actual 06/30/16)</td>
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<td></td>
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<td>RPTTF amounts should tie to the ROPS 15-16 total distribution from the County Auditor-Controller during June 2015 and January 2016.</td>
<td>951,692</td>
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<td></td>
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<td>244,479</td>
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<td>3</td>
<td></td>
<td>Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)</td>
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<td>11,177</td>
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<td>39,808</td>
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<td>827,185</td>
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<tr>
<td>4</td>
<td></td>
<td>Retention of Available Cash Balance (Actual 06/30/16)</td>
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<tr>
<td></td>
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<td>RPTTF amount retained should only include the amounts distributed as reserve for future period(s)</td>
<td>187,133</td>
<td></td>
<td></td>
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<td>752,066</td>
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<td>5</td>
<td></td>
<td>ROPS 15-16 RPTTF Balances Remaining</td>
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<td>647,650</td>
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<td>10,570</td>
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<td>300,748</td>
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<tr>
<td>6</td>
<td></td>
<td>Ending Actual Available Cash Balance (06/30/16)</td>
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<td>C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 + 5)</td>
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<tr>
<td></td>
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<td>Unspent balance of ROPS 15-16 RPTTF used for ROPS 16-17A.</td>
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<tr>
<td></td>
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<td>$10,570 of other funds had been obligated for admin on ROPS 17-18A.</td>
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<tr>
<td></td>
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<td>$300,748 RPTTF received in May 2016 for the approved obligations on ROPS 16-17A.</td>
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<tr>
<td></td>
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<td>Available cash from other funds used for ROPS 16-19 enforceable obligations.</td>
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<tr>
<td>Item #</td>
<td>Notes/Comments</td>
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SCHEDULED MATTER

SUBJECT: REQUEST TO APPROVE THE PURCHASE AND SALE AGREEMENT FOR PARCEL 7 SET FORTH IN THE APPROVED FIRST AMENDED AND RESTATED LONG RANGE PROPERTY MANAGEMENT PLAN

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: On April 5, 2016, the Successor Agency to the Porterville Redevelopment Agency ("Successor Agency") approved the First Amended and Restated Long Range Property Management Plan ("LRPMP") as part of the dissolution of the Porterville Redevelopment Agency, as required by Assembly Bill x1 26 (SA Resolution 2016-04). The LRPMP was subsequently approved by the Oversight Board and by the California Department of Finance.

Health and Safety Code Section 34191.5, as modified by AB 1484, requires the LRPMP to address the disposition and use of the real properties of the former redevelopment agency. Parcel 7 (APN 261-122-007) (the "Property") is located at 14 North Main Street and was formerly the Porterville Hotel prior to a catastrophic fire that damaged the structure beyond repair. The LRPMP proposed that the Property be cleared, remediated for environmental concerns and then sold by the Successor Agency with the net proceeds to be used to satisfy enforceable obligations.

From April 18, 2016 to June 20, 2016, the Successor Agency circulated a request for proposals (RFP) which solicited interest from developer to purchase the Property for development as a commercial mixed use development. The RFP required that the Property be developed with a three-story building, with retail on the ground floor and a mix of offices on the upper floors. The Successor Agency received very little indication of interest and did not receive any proposals in response to the RFP.

The City Council expressed an interest in acquiring the Property from the Successor Agency. This would further the Successor Agency’s goal of winding down the affairs of the former Porterville Redevelopment Agency and would enable the City to take a longer and more flexible approach to the eventual development of the Property.

An Appraisal Report prepared for the Property (Attachment 2) determined that the market value of the Property in its “as-is” condition was $220,000, as of November 14, 2017. The Appraisal Report also refers to the prior appraisal of the Property dated as of May 11, 2016, which assigned the same market value to the Property: $220,000, indicating a stable market for this Property.

The City and Successor Agency have negotiated the terms of a Purchase and Sale Agreement (Exhibit A to Attachment 1), which provides for the City’s purchase of the
Property for a purchase price equal to the appraised market value set forth in the November 14, 2017 Appraisal Report.

RECOMMENDATION:  That the Oversight Board:
1. Adopt the attached Resolution (Attachment 1) approving the Purchase and Sale Agreement;
2. Direct staff to submit the Resolution and Purchase and Sale Agreement to the Department of Finance; and
3. Authorize staff to implement the Purchase and Sale Agreement in accordance with the Resolution.

ATTACHMENTS:
1. Oversight Board Resolution
2. Appraisal Report
RESOLUTION NO. ____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE PORTERVILLE REDEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT FOR PARCEL 7 SET FORTH IN THE APPROVED FIRST AMENDED AND RESTATED LONG RANGE PROPERTY MANAGEMENT PLAN AND TAKING CERTAIN ACTIONS IN CONNECTION THERewith

WHEREAS, prior to February 1, 2012, the Porterville Redevelopment Agency (herein referred to as the “Former Agency”) was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.), and was 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 Porterville (“City”); and

WHEREAS, Assembly Bill x1 26, chaptered and effective on June 27, 2011, 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 winding down of the affairs of former redevelopment agencies (as amended from time to time, the “Dissolution Act”); and

WHEREAS, as of February 1, 2012 the Former Agency was dissolved pursuant to the Dissolution Act and as a separate legal entity the City serves as the Successor Agency to the Porterville Redevelopment Agency (“Successor Agency”); and

WHEREAS, the 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, pursuant to Health & Safety Code Section 34191.5(b), upon the Successor Agency’s receipt of a “Finding of Completion” from the California Department of Finance (“DOF”) pursuant to Health & Safety Code Section 34179.7, the Successor Agency was required to prepare a long range property management plan for the Former Agency’s real property assets and submit the approved Long Range Property Management Plan to the Oversight Board and the DOF for approval, all within six months of the date of the Finding of Completion; and

WHEREAS, on April 26, 2013, pursuant to Health & Safety Code Section 34179.7, the Successor Agency received a Finding of Completion from the DOF; and

WHEREAS, the Successor Agency prepared, and the Oversight Board and DOF approved, the First Amended and Restated Long Range Property Management Plan (the “LRPMP”); and

WHEREAS, the LRPMP provides for the disposition of the property designated as APN 261-122-007, referred to as “Parcel 7” in the LRPMP, previously known as the Porterville Hotel and now referred to as the Cornerstone Property (the “Property”); and

Attachment 1
WHEREAS, the LRPMP provides for the Successor Agency to clear, remediate and sell the Property and to use the proceeds of sale to pay enforceable obligations; and

WHEREAS, from April 18, 2016 to June 20, 2016, the Successor Agency circulated a request for proposals (RFP) which solicited interest from developer to purchase the Property for development as a commercial mixed use development; however, the Successor Agency received very little indication of interest and did not receive any proposals in response to the RFP; and

WHEREAS, the City is willing to purchase the Property from the Successor Agency for its appraised market value; and

WHEREAS, given the Successor Agency’s inability to market the Property for sale, a sale of the Property to the City would further the Successor Agency’s goal of winding down the affairs of the former Porterville Redevelopment Agency; and

WHEREAS, the City and Successor Agency have negotiated the terms of a Purchase and Sale Agreement, the form of which is submitted herewith (the “Agreement”), which provides for the City’s purchase of the Property for a purchase price equal to the appraised market value set forth in the November 14, 2017 Appraisal Report submitted herewith; and

WHEREAS, by this Resolution, the Oversight Board desires to approve the Agreement in the form submitted to the Oversight Board concurrently herewith and to authorize the transmittal of the Agreement to the DOF for approval.

NOW, THEREFORE, BE IT RESOLVED:

1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

2. Each of the foregoing recitals is supported by substantial evidence.

3. The Oversight Board hereby approves the Agreement and authorizes Successor Agency staff to transmit said Agreement to the DOF for approval.

4. This Resolution shall be effective immediately upon adoption.

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

PASSED, APPROVED AND ADOPTED this 25th day of January, 2018

By: ____________________________
   Dr. Rosa Carlson, Vice Chair
   Oversight Board to the Successor Agency of
   the Porterville Redevelopment Agency

ATTEST:

_______________________________
Patrice Hildreth, Board Secretary

Attachment 1
PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS

Between

SUCCESSOR AGENCY TO THE
PORTERVILLE REDEVELOPMENT AGENCY

SELLER

And

CITY OF PORTERVILLE,
a California municipal corporation

BUYER

DATED: _____________, 2018

Exhibit A
PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "Agreement") is made as of , 2018 ("Execution Date"), by and between THE SUCCESSOR AGENCY TO THE PORTERVILLE REDEVELOPMENT AGENCY ("Seller"), and CITY OF PORTERVILLE, a California municipal corporation ("Buyer").

ARTICLE 1
PROPERTY

1.1 The Property. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the real property in Porterville, Tulare County, California, as described in Exhibit A (the "Property"), subject to the terms and conditions of this Agreement, any and all applicable federal, state and local laws, orders, rules, regulations, any and all outstanding rights of record or open and obvious on the ground, and all matters in the form of the Quitclaim Deed also attached in Exhibit A (the "Deed").

ARTICLE 2
PURCHASE PRICE

2.1 Purchase Price. The purchase price ("Purchase Price") for the Property is TWO HUNDRED TWENTY THOUSAND ($220,000).

2.2 Payment of Purchase Price. Buyer shall pay the Purchase Price as follows:

2.2.1 Deposit. Concurrently with Buyer's execution and delivery of this Agreement to Seller, Buyer shall deliver to Escrow Holder, for deposit into the above-referenced numbered escrow account (the "Escrow"), the sum of $10,000 as a deposit toward the Purchase Price (the "Deposit"). Buyer shall pay the Deposit by cashier's or certified check drawn upon a California financial institution, or by cash deposit or a wire transfer of U.S. funds for immediate credit ("Good Funds"). The Deposit will be applied towards the Purchase Price at Closing (as defined in Section 7.2.1), except in the event of a material default by Seller or the failure of a condition precedent to Buyer's obligations hereunder, or termination of this Agreement.
2.2.2 **Balance.** At least one (1) business day prior to the Closing Date (as defined in Section 7.2.1), Buyer shall deliver to Escrow Holder a sum equal to the Purchase Price, together with Buyer's share of prorations and costs of Escrow as provided in Sections 7.6 through 7.8, less the amount of the Deposit. Buyer shall pay such sum in Good Funds.

**ARTICLE 3**
**AS IS SALE**

3.1 **As Is Sale.** Buyer and its representatives, prior to the Closing Date, will have been afforded the opportunity to make such inspections of the Property and matters related thereto as Buyer and its representatives desire, including, without limitation, governmental laws and regulations to which the Property is subject. Buyer shall accept the Property upon the basis of its review and determination of the applicability and effect of such laws and regulations. Buyer acknowledges and agrees that the Property is to be sold and quitclaimed to and accepted by Buyer in an "as is" condition with all faults, and that the Property has been used for, among other things, railroad operating right-of-way. Seller does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to the Property or any of such related matters; in particular, but without limitation, Seller makes no representations or warranties with respect to the use, condition, title, occupation or management of the Property, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdivision, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements (collectively, "Condition of the Property"). Buyer acknowledges that it is entering into this Agreement on the basis of Buyer's own investigation of the physical and environmental conditions of the Property, including the subsurface conditions and Buyer assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

3.2 **Survival.** The provisions of Section 3.1 will survive the Closing and the delivery of the Deed.

**ARTICLE 4**
**TITLE TO PROPERTY**

4.1 **Title.** At the Closing (as defined in Section 7.2.1), Seller shall execute and deliver to Buyer the Deed(s) to the Property in the form of Exhibit A attached hereto. Title will be evidenced by the issuance by First American Title Company ("Title Company") of a CLTA Standard Coverage Owner's Policy of Title Insurance in the full amount of the Purchase Price (the "Title Policy"), insuring fee simple title to the Property in Buyer, subject only to:

4.1.1 A lien to secure payment of real property taxes and assessments, not delinquent;

Exhibit A
4.1.2 Matters affecting the condition of title created or permitted to be created by or with the written consent of Buyer;

4.1.3 Standard exceptions in the Title Policy, and exceptions that are disclosed by the Title Report described in Section 5.1 or any supplementary report and that are approved or deemed approved by Buyer in accordance with Section 5.1; and

4.1.4 Any other exceptions or reservations set forth in the Deed.

4.2 Extended Coverage. Buyer, at its option and at its sole cost and expense, may obtain ALTA extended coverage and/or an ALTA survey, provided, however, that the failure to obtain such extended coverage will not be a condition to nor delay the Close of Escrow beyond the Closing Date, and that Seller will not be required to assume any obligations or liabilities in addition to Seller's obligations and liabilities under this Agreement.

ARTICLE 5
BUYER'S CONDITIONS TO CLOSING

The following are conditions precedent to Buyer's obligation to purchase the Property:

5.1 Approval of Title.

(a) Seller, at its sole cost and expense, has obtained a preliminary title report on the Property ("Title Report") together with copies of all the documents referred to in the Title Report that are provided by the Title Company with the Title Report, and has or shall furnish a copy of same to Buyer. Within the earlier to occur of (i) ten (10) days after receipt by Buyer of the Title Report, or (ii) Sixty (60) days after Opening of Escrow ("Title Contingency Date"), per Section Article 6 below, Buyer shall deliver written notice to Seller ("Buyer's Title Notice") of all matters of title to the Property disapproved by Buyer ("Disapproved Items"). If Buyer timely notifies Seller of Disapproved Items and all or some of the Disapproved Items (except for those Disapproved Items, if any, which will be removed upon the Close of Escrow in accordance with the terms of this Agreement) are not cured or deleted as exceptions to title within ten (10) days after Seller's receipt of Buyer's Title Notice ("Seller's Cure Period"), Buyer will have the option of either waiving its disapproval of such Disapproved Items and proceeding to the Close of Escrow or terminating this Agreement, in which event the provisions of Section 5.1(b) will govern. The procurement by Seller of a commitment for the issuance of the Title Policy, or an endorsement thereto, insuring Buyer against any Disapproved Item set forth in Buyer's Title Notice, will be deemed a cure by Seller of such Disapproved Item. In the event Buyer elects to terminate this Agreement pursuant to this Section 5.1, Buyer shall notify Seller of its election by written notice no later than five (5) days after expiration of Seller's Cure Period. Buyer's failure to timely deliver written notice to Seller of its election will be deemed to be Buyer's election to proceed to the Close of Escrow and to waive its disapproval of such Disapproved Items. In no event will Seller's failure to cure or delete as exceptions to the Title Policy any Disapproved Items be deemed to be a breach of this Agreement by Seller or entitle Buyer to any offset against the Purchase Price.
(b) If this Agreement is terminated pursuant to this Section 5.1., the Deposit will be returned to Buyer and neither party will have any further rights or obligations under this Agreement (other than the Surviving Obligations).

5.2 Compliance by Seller. Seller will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Seller.

ARTICLE 6
SELLER'S CONDITIONS TO CLOSING

The following are conditions precedent to Seller's obligation to sell the Property:

6.1 Compliance by Buyer. Buyer will have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Buyer.

ARTICLE 7
OPENING AND CLOSING OF ESCROW

7.1 Opening of Escrow and Escrow Instructions. Upon execution of this Agreement, the parties shall deposit three (3) executed counterparts of this Agreement (and Buyer shall deposit the Deposit) with Escrow Holder and this instrument will serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby, including Escrow Holder's general provisions which are contained in Exhibit B attached hereto to the extent said general provisions do not conflict with the provisions contained in these Escrow Instructions. Escrow Holder shall insert the date of the Opening of Escrow on the upper right hand corner of the first page of this Agreement on each of the three counterparts. The Opening of Escrow is the date upon which Escrow Holder has received executed counterparts of this Agreement from both Buyer and Seller and has received the Deposit from Buyer. Escrow Holder shall deliver to both Buyer and Seller a set of counterparts of the Agreement executed by Buyer, Seller and Escrow Holder and shall retain a set in Escrow. Escrow Holder is responsible only for undertaking such matters in conjunction with the Closing as are specifically provided for in this Agreement or in any additional or supplementary escrow instructions delivered by the parties.

7.2 Closing.

7.2.1 Closing Date. The consummation of the transaction contemplated by this Agreement and recording of the Deed (the "Closing" or "Close of Escrow") will occur and delivery of all items to be made at the Closing under the terms of this Agreement will be made within sixty (60) days after the date of Opening of Escrow, unless the Closing date is extended upon mutual agreement between the parties.

7.2.2 Preclosing Conditions. Provided that Escrow Holder can comply with these instructions, that Escrow Holder has received the deliveries described in Sections 8.3 and 8.4 below, that Escrow Holder has not received prior written notice from a party that any condition to

Exhibit A
such party's obligations has not been fulfilled, or that Buyer has elected to terminate its rights and obligations under this Agreement pursuant to Article 5 or Seller has elected to terminate its rights and obligations under this Agreement pursuant to Article 6 and the Title Company has issued or is unconditionally prepared to issue to Buyer, as of the Closing Date, the Title Policy, then Escrow Holder is authorized and instructed to (a) record the Deed, (b) deliver the Purchase Price to Seller, less prorations and costs of Escrow in accordance with Section 8.6, (c) deliver a conformed copy of the recorded Deed(s), and (d) deliver the closing statements to Buyer and Seller in accordance with Section 8.2.4.

7.2.3 Failure to Close. If the Closing does not occur on or before the Closing Date (or as extended by mutual agreement), then either party not then in default may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party and to Escrow Holder. In the event of such termination and cancellation, neither party will have any further obligations hereunder (other than the Surviving Obligations) and, unless the Escrow fails to close due to (a) a material default by Seller, (b) the failure of a condition precedent to Buyer's obligations hereunder, or (c) termination of this Agreement, the Deposit and any interest accrued thereon will be paid to or retained by Seller, and all documents and other instruments must be returned to the party depositing the same into Escrow. If neither party is in default, then Buyer and Seller will share equally the cost of cancellation of Escrow. If only one of the parties hereto is in default or if this Agreement expressly so provides, then such defaulting party shall pay for the entire cost of cancellation of Escrow. The termination of this Agreement and cancellation of Escrow will be without prejudice to whatever legal rights, as such rights may be limited by the terms of this Agreement, that Buyer or Seller may have against each other arising out of this Agreement and the Escrow. If neither party so elects to terminate this Agreement and cancel Escrow, Escrow Holder shall close the Escrow as soon as possible.

7.2.4 Notification: Closing Statements. If Escrow Holder cannot comply with the instructions in this Agreement and to be provided, Escrow Holder is not authorized to cause the recording of the Deed or close this Escrow. If Escrow Holder is unable to cause the recording of the Deed, Escrow Holder shall notify Jennifer Byers at (559) 782-7460 and James Gregory Shelton, without delay. If Escrow Holder is able to comply with the instructions herein and to be provided, at the Closing Escrow Holder shall deliver to Seller at the addresses provided in Section 12.9 a true, correct and complete copy of the Seller's closing statement, in the form customarily prepared by Escrow Holder and shall deliver to Buyer at the address provided in Section 10.9 a true, correct and complete copy of Buyer's closing statement, in the form customarily prepared by Escrow Holder.

7.3 Deliveries by Seller. Not later than one business day prior to the Closing Date, Seller shall deposit with Escrow Holder the following items:

7.3.1 Deed. The Deed in the form of Exhibit A duly executed and acknowledged by Seller.

7.3.2 California Form 593-C. California Form 593-C (Real Estate Withholding Certificate) duly executed by Seller, if applicable.

Exhibit A
7.3.4 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement and/or necessary to effectuate the sale that have not previously been delivered.

7.4 Deliveries by Buyer. Not later than one (1) business day prior to the Closing Date (or such other time specified below), Buyer shall deposit with Escrow Holder the following items:

7.4.1 Purchase Price. A sum, including the Deposit, in an amount equal to the Purchase Price, plus Buyer's share of the prorations and costs of Escrow that are required pursuant to this Article 8 to close Escrow.

7.4.2 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for under this Agreement and/or necessary to effectuate the sale that have not been previously delivered.

7.5 Other Instruments. Seller and Buyer shall each deposit such other instruments and take such other actions as are reasonably required by Escrow Holder or otherwise required to close the Escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

7.6 Prorations. All revenues and expenses of the Property, including, without limitation, real property taxes, special taxes, assessments and utility fees and/or deposits, and rentals under the Licenses, if any, will be prorated and apportioned between Buyer and Seller as of 12:01 a.m. on the Closing Date, so that Seller bears all expenses with respect to the Property and has the benefit of all income with respect to the Property through and including the date immediately preceding the Closing Date. Seller and Buyer agree that any of the aforesaid prorations that cannot be calculated accurately as of the Closing Date will be prorated on the basis of the parties' reasonable estimates, and will be recomputed between Seller and Buyer when actual tax statements for the year of Closing are received, and either party owing the other party a sum of money based on such subsequent proration adjustment will promptly pay said sum to the other party, and, if payment is not made within ten (10) days after delivery of a bill therefor, will pay interest thereon at the lesser of the rate of ten percent (10%) per annum or the highest rate permitted by law, from the Closing Date to the date of payment.

7.7 Special Taxes, Bonds or Assessments. If, at the time of Closing, any portion of the Property is affected by an assessment or other charge, whether for taxes or bonds, or interest thereon, which is or may become payable in installments, and an installment payment of such assessment is then a lien, then such installment will be prorated as of midnight at the end of the day preceding the Close of Escrow. All installments not then yet due whether or not the same have been prepaid will not be prorated and Buyer shall assume such bonds or assessments. Any prepaid assessments made in advance of its due date will be credited to Seller. In addition, Buyer shall assume any and all future bonds, assessments, special taxes, fees or charges applicable to the Property for liabilities now or hereafter imposed by any governmental authority (collectively referred to as "Governmental Requirements") including, without limitation, any such Governmental Requirements imposed by the City of Porterville, and those for (a) common area improvements, whether or not specifically set forth in this Agreement, (b) local assessment or

Exhibit A
improvement districts, (c) any special tax assessments, (d) traffic mitigation improvements, (e) park and recreation fees, and/or (f) any other public facility infrastructure or traffic mitigation required or imposed by the City of Porterville. Buyer shall assume all such bonds or future assessments without offset or adjustment.

7.8 Costs and Expenses. The costs and expenses of Escrow upon Close of Escrow will be shared equally (50% each) by Buyer and Seller, including, without limitation, all recording charges, the premium for the Title Policy, the cost of any documentary or other transfer taxes applicable to the sale, and all other standard costs and charges of the Escrow.

7.9 Disbursement of Funds. On the Close of Escrow, Escrow Holder shall disburse the Purchase Price less Seller’s share of prorations as determined pursuant to this Agreement in immediately available funds, and, unless otherwise instructed by Seller, Escrow Holder shall cause such funds to be sent as follows:

7.10 Delivery of Documents. Upon the Close of Escrow, Escrow Holder shall promptly deliver all instruments and documents to the parties as specified in Section 10.9. Escrow Holder shall promptly deliver to the party entitled thereto the recorded originals of such instruments or documents upon Escrow Holder’s receipt of the same.

7.11 Supplemental Taxes. Seller and Buyer acknowledge that the Property may be subject to supplemental taxes due as a result of change of ownership taking place through this Escrow. Any necessary adjustment due either party on receipt of a supplemental tax bill will be made by the parties outside of this Escrow and Escrow Holder is released of any liability in connection with same.

ARTICLE 8
REPRESENTATIONS, WARRANTIES AND COVENANTS;

8.1 Representations, Warranties and Covenants of Seller. Seller hereby represents, warrants and covenants to Buyer as of the date of this Agreement, as follows:

8.1.1 Organization. Seller is an individual.

8.1.2 Enforceability. This Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are intended, provided Buyer has duly executed those documents requiring Buyer’s signature, to be legal, valid, and binding obligations of Seller, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.
8.1.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Seller.

8.2 Representations, Warranties and Covenants of Buyer. Buyer hereby represents, warrants and covenants to Seller as of the date of this Agreement, as follows:

8.2.1 Organization. Buyer is a municipal corporation, duly organized, validly existing and in good standing under the laws of the State of California and qualified to do business in California, with full power and authority to enter into and comply with the terms of this Agreement.

8.2.2 Enforceability. This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are intended, provided Seller has duly executed those documents requiring Seller's signature, to be legal, valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

8.2.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Buyer.

8.3 Mutual Representations and Covenants, Brokers and Finders. No broker's fee, finder's fee, commission or similar compensation will be paid to principals of Buyer or Seller in connection with this Agreement. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, agrees to indemnify and hold Seller harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Seller may sustain or incur by reason of such claim; and Seller, if such claim is based upon any agreement alleged to have been made by Seller, agrees to indemnify and hold Buyer harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Buyer may sustain or incur by reason of such claim. The provisions of this Section will survive the Close of Escrow or termination of this Agreement.

ARTICLE 9
POSESSION

Possession of the Property will be delivered to Buyer on the Close of Escrow.
ARTICLE 10
MISCELLANEOUS

10.1 Agreement Expenses. The parties agree to bear their respective expenses, incurred or to be incurred in negotiating and preparing this Agreement and in Closing and carrying out the transactions contemplated by this Agreement.

10.2 Satisfaction or Waiver of Contingencies. The consummation of the Closing will be conclusive evidence that the contingencies and conditions to Closing have been fully satisfied or waived.

10.3 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

10.4 Parties in Interest. Except as expressly provided in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor will any provision give any third persons any right to subrogation or action over or against any party to this Agreement.

10.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents, or understandings of the parties.

10.6 Amendment. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by the party to be bound.

10.7 Waiver. No waiver of any of the provisions of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

10.8 Timeliness. Seller and Buyer acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision of this Agreement and that failure to timely perform any of the material terms, conditions, obligations or provisions of this Agreement by either party is a material breach of and a non-curable (but waivable) default under this Agreement by the party so failing to perform.

10.9 Notices. Any notice or other communication required or permitted to be given under this Agreement ("Notices") must be in writing and must be (a) personally delivered; (b) delivered by a reputable overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Notices will be deemed received at the earlier of (a) actual receipt or (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. Mail, as

Exhibit A
evidenced by a return receipt. Notices must be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Seller:

If to Buyer:  CITY OF PORTERVILLE
ATTN: Jennifer Byers, Community Development Director
291 Main Street
Porterville, California 93257
Telephone: (559) 782-7460

10.10  **Governing Law and Venue.** This Agreement is to be construed in accordance with, and governed by, the laws of the State of California, and any action or proceeding, including arbitration, brought by any party in which this Agreement is subject, will be brought in the county in which the Property is located. This Agreement is entered into and to be performed in Tulare County, California.

10.11  **Effect of Headings.** The headings of the paragraphs of this Agreement are included for purposes of convenience only, and will not affect the construction or interpretation of any of its provisions.

10.12  **Invalidity.** Any provision of this Agreement which is invalid, void, or illegal, will not affect, impair, or invalidate any other provision of this Agreement, and such other provisions of this Agreement will remain in full force and effect.

10.13  **Counterparts.** This Agreement may be executed simultaneously in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

10.14  **Number and Gender.** When required by the context of this Agreement, each number (singular and plural) will include all numbers, and each gender will include all genders.

10.15  **Joint and Several Liability.** In the event either party hereto now or hereafter consists of more than one person, firm, or corporation, then and in such event, all such persons, firms, or corporations will be jointly and severally liable as parties under this Agreement.

10.16  **Recording.** Neither party may record this Agreement or any memorandum thereof.

10.17  **Advice of Professionals.** Each party has had the opportunity to be advised by legal counsel and other professionals in connection with this Agreement, and each party has obtained such advice as each party deems appropriate.
10.18 Negotiated Terms. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this Agreement will not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

10.19 Recitals and Exhibits. The recitals and contents of all Exhibits to this Agreement are incorporated by reference and constitute a material part of this Agreement.

10.20 Professional Fees and Costs. If any legal or equitable action, arbitration, bankruptcy, reorganization, or other proceeding, whether on the merits, application, or motion, are brought or undertaken, or an attorney retained, to enforce this Agreement or any closing document, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement or any closing document, then the successful or prevailing party or parties in such undertaking (or the party that would prevail if an action were brought) will be entitled to recover reasonable attorney’s and other professional fees, expert witness fees, court costs and other expenses incurred in such action, proceeding, or discussions, in addition to any other relief to which such party may be entitled. The parties intend this provision to be given the most liberal construction possible and to apply to any circumstances in which such party reasonably incurs expenses. The provisions of this Section will survive the Close of Escrow or the termination of this Agreement.

10.21 Not an Offer. The submission of this Agreement to Buyer for review or signature does not constitute an offer to sell the Property to Buyer or the granting of an option or other rights with respect to the Property to Buyer. No agreement with respect to the purchase and sale of the Property will exist, and this writing will have no binding force or effect, until executed and delivered by both Seller and Buyer.

10.22 Severability. Any provision of this Agreement that is determined by a court of competent jurisdiction to be invalid or unenforceable will be invalid or unenforceable only to the extent of such determination, which will not invalidate or otherwise render ineffective any other provision of this Agreement.

10.23 Merger. Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties of Buyer and Seller in this Agreement will merge into the Deed to be delivered by Seller to Buyer at Closing and will not survive the Closing of Escrow.

Exhibit A
SELLER:

By: ____________________________

Name: __________________________

Title: ___________________________

BUYER: CITY OF PORTERVILLE, a California municipal corporation

By: ____________________________

Name: __________________________

Title: ___________________________

THE UNDERSIGNED ESCROW HOLDER ACKNOWLEDGES ITS RECEIPT OF THE DEPOSIT AND THREE (3) EXECUTED COPIES OF THIS AGREEMENT AND AGREES TO ACT IN ACCORDANCE THEREWITH.

ESCROW HOLDER: ____________________________

By: ____________________________

______________________, Escrow Officer

Exhibit A
EXHIBIT A

[Quitclaim Deed with Legal Descriptions]
EXHIBIT B

ESCROW HOLDER GENERAL PROVISION
PORTERVILLE MAIN STREET PROJECT SITE
Vacant Commercial Land Parcel
Northeast Corner of Main Street and Olive Avenue
Porterville, California

Date of Value:
November 14, 2017

Client:
City of Porterville
November 20, 2017

Jason Ridenour, Economic Development & Housing Manager
City of Porterville
291 North Main Street
Porterville, California 93257

RE: Update appraisal of Main Street Project site in Porterville, California. Our file no. 17-105.

Dear Mr. Ridenour:

In accordance with your request, we are pleased to transmit the attached appraisal report. We have personally inspected and appraised the Porterville Main Street Project property located at the northeast corner of Main Street and Olive Avenue, in Porterville, California. The property is owned by the City of Porterville as Successor Agency to the Porterville Redevelopment Agency and consists of a vacant 11,000-square-foot site that is situated at the center point of the community in the downtown area.

The City has issued a request for proposals for development of the property and is seeking a developer to build a three-story, mixed-use project that will fully utilize the site. In the interim, the City wants to transfer title of this asset from the Successor Agency to the City of Porterville. To aid in this transfer and in evaluating development proposals, the City is in need of an appraisal of the real property. The City is considered to be the client for this assignment and they have ordered the attached appraisal.

The property was previously appraised for the City in May 2016, and this is an update of that earlier valuation and report. The purpose of this new appraisal is to provide an opinion of the market value of the fee simple interest in the subject property as of November 14, 2017. The specific definitions of these terms are contained within the attached appraisal report. The property has been appraised in its "as-is" condition as observed on the date of inspection and this is considered to be a current value estimate.

After considering all of the available facts and pertinent information regarding the subject property, and based upon the analyses and conclusions contained within the attached appraisal report, it is our opinion that the current market value of the fee simple interest in the subject property in its "as-is" condition as of November 14, 2017 is:

TWO HUNDRED TWENTY THOUSAND DOLLARS
$220,000

This market value conclusion represents the most probable price for the specified interest in the subject property. It is assumed that the property has received adequate, sufficient, and reasonable exposure to
the market prior to the effective date of value for this appraisal, and the value corresponds to an estimated exposure time of approximately 12 months to 24 months.

It is the appraisers’ intent that the value conclusions and the appraisal report will be used solely by the client and only for purposes of aiding in the transfer of title to the City and evaluating development proposals for the property. No other intended users or uses of the appraisal are identified. Any reader of the attached report is cautioned to understand the limited purpose for which it has been prepared. Reliance upon the information, data, or conclusions indicated within the report by anyone other than the client or for any reason other than the stated intended use is inappropriate and could be misunderstood. This letter is intended only to transmit the attached appraisal report and should not be considered the report itself.

Thank you for this appraisal assignment. If you have any questions regarding it, please feel free to contact us.

Sincerely,

Ross E. Lenz  
CA #AG043508 (expires 1/10/2018)

Keith J. Hopper, MAI, R/W-AC, AI-GRS  
CA #AG002559 (expires 10/4/2018)
APPRAISAL PROBLEM AND PROPERTY DESCRIPTION
THE APPRAISAL PROBLEM

The subject property is the site of the former Porterville Hotel, an historic structure that burned to the ground in 2013. It is located at the northeast corner of Main Street and Olive Avenue, in Porterville, California, and is at the center point in its downtown central business district. The 11,000-square-foot site is now vacant and ready to support new development. It is owned by the City of Porterville as Successor Agency to the Porterville Redevelopment Agency.

The City of Porterville is in need of an appraisal of the real property for two purposes. First, the City wants to transfer title to the property from the Successor Agency to the City itself. Second, a request for proposal has been issued seeking a developer for the Porterville Main Street Project who will build a three-story, mixed-use project on the site, and the appraisal will be used to help evaluate any proposal that is received. The City is considered to be the client for the assignment and they have ordered this appraisal. Previously, the subject property was appraised for the City in May 2016, and this current valuation and report are an update of that earlier assignment.

The results of the initial appraisal were communicated in a narrative-style Appraisal Report dated May 18, 2016. Reference is made to that original document for a description of the subject property, a discussion of the market conditions in effect at that time, an analysis of the property's highest and best use, and the valuation of the property. A market value $220,000 was concluded for the fee simple interest in the subject property in its "as-is" condition as of May 11, 2016.

While this current appraisal represents a new assignment, the report is written in a brief narrative Appraisal Report format that incorporates by reference some of the information and analysis contained within the original appraisal report. Before relying upon this new report, the reader should first be familiar with and have access to the original report.

This appraisal has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

This appraisal report is a copyrighted work and neither all nor any part of this document may be copied, reproduced, transmitted, or incorporated into any information retrieval system in any form or by any means without the express written permission of the authors. The descriptions, data, analyses, opinions, and conclusions contained herein are intended for the exclusive use of the client and other intended users that are explicitly identified in this report, and solely for the intended use stated in this report. The Hopper Company retains all ownership of this work and the client and other intended users are simply granted a license to use the work for the intended use. © Copyright 2017 by the Hopper Company. All Rights Reserved.
DEFINITIONS OF TERMS

Appraisal: The act or process of developing an opinion of value; an opinion of value (noun). Of or pertaining to appraising and related functions such as appraisal practice or appraisal services (adjective). An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value). (USPAP, Appraisal Foundation, 2016-2017 edition, pg. 1).

Assignment: (1) An agreement between an appraiser and a client to provide a valuation service; (2) the valuation service that is provided as a consequence of such an agreement. (USPAP, Appraisal Foundation, 2016-2017 edition, pg. 1).

Report: Any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client upon completion of an assignment. Two types of reports may be written under USPAP: Appraisal Report or Restricted Appraisal Report. (USPAP, Appraisal Foundation, 2016-2017 edition, pg. 4).

Real Estate or Real Property: Real estate is an identified parcel or tract of land, including improvements, if any. Real property is the interests, benefits, and rights inherent in the ownership of real estate. (USPAP, Appraisal Foundation, 2016-2017 edition, pg. 4).

Market Value: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. (The Dictionary of Real Estate Appraisal, 6th edition, Appraisal Institute, 2015, pg. 141).


Fee Simple Interest: 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. (The Dictionary of Real Estate Appraisal, 6th edition, Appraisal Institute, 2015, pg. 90).

Exposure Time: The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (USPAP, Appraisal Foundation, 2016-2017 edition, pg. 2).
SCOPE OF WORK FOR THE ASSIGNMENT

Several steps and procedures have been followed in preparing this current appraisal. In particular, USPAP Advisory Opinion AO-3, which addresses updates of an appraisal, has been followed. The assignment was requested by Jason Ridenour, Economic Development & Housing Manager for the City of Porterville. He provided background regarding the need for the update appraisal and provided a copy of the request for proposal that has been issued for the Porterville Main Street Project.

Ross Lenz made a current inspection of the subject property on November 14, 2017, and Keith Hopper previously viewed the site in May 2016 and in October 2017. The inspection involved viewing and photographing the site from the perimeter streets and alley. Detailed notes regarding physical site conditions were made and surrounding property types were identified.

A new search for market information has been conducted. This search included inspecting the neighborhood area surrounding the subject property to identify trends and new development activity; gathering and confirming market-oriented sales data; and discussions with active local market participants.

Once all of the necessary data has been gathered, the highest and best use of the subject property is reconsidered and the sales comparison approach is applied. In accordance with USPAP Standards Rule 2-2, the results of this appraisal are being communicated in this narrative-style Appraisal Report that provides a concise presentation of the important facts and information having an impact on the value of the subject property.

ASSUMPTIONS AND LIMITING CONDITIONS

The same underlying assumptions and limiting conditions detailed in the original appraisal also apply to this current appraisal. This appraisal report and its conclusions should only be read and relied upon within the context of these items.
CERTIFICATION OF THE APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We previously appraised the subject property in May 2016 and the client was aware of this prior to our acceptance of this current assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- We have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- 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.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Keith Hopper has completed the continuing education program for Designated Members of the Appraisal Institute and Ross Lenz has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- We are competent to complete this appraisal assignment. Any steps necessary to achieve competency are disclosed in this report.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

Ross E. Lenz
CA #AG043508 (expires 1/10/2018)

Keith J. Hopper, MAI, R/W-AC, AI-GRS
CA #AG002559 (expires 10/4/2018)
**CURRENT MARKET CONDITIONS**

Commercial real estate market conditions in Porterville and the larger Tulare County area have been generally stable over the past 18 months. The market has been in recovery for several years from the lows experienced during the Great Recession, and most sectors have recouped nearly all of the losses from their peak value levels that were achieved in 2008 prior to the market’s downturn. New commercial development is taking place in Porterville and several new retailers have been attracted to town in recent years, including Tractor Supply, Ulta Beauty, Les Schwab Tire, and PetsMart. Office construction has been slower to occur, but vacancy levels are declining and this sector is seeing some stabilization.

The downtown central business district has experienced some ups and downs in recent years. Some prominent companies have left the area, like Save Mart, Hoagie’s Heroes, and Citizens Business Bank. On the other hand, a brand new Tulare County Superior Court facility opened in 2013 and Family HealthCare Network is now planning a new medical clinic. Property values have generally been stable over the past year with few transactions occurring, and going forward it is anticipated that they will remain relatively flat over the foreseeable future.

**STATUS OF THE SUBJECT PROPERTY**

The following changes have been made to the property since the prior appraisal.

*Property Ownership & Marketing Efforts*

Vesting of title to the subject property has not changed since the last appraisal and it still stands in the name of:

Successor Agency to the Porterville Redevelopment Agency  
291 North Main Street  
Porterville, California 93257

A request for proposal has been issued for the Main Street Project calling for offers to purchase the property at the appraised value and then develop a three-story, mixed-use building that will span the entire site and include a combination of retail and office users. According to City officials, some interest in the property has been generated, but no formal offers have been received and the property is not currently in escrow to be sold. No sales involving the property have taken place over the past three years.
**Physical Condition of the Property**

No physical changes to the subject have been made since the initial appraisal and the property has the same basic characteristics as before. Following the fire that destroyed the former hotel, the City completed demolition work, filled and compacted the basement, and has rough graded the land to provide a clean, level site that is ready to be built on. The site remains at the northeast corner of Main Street and Olive Avenue, and it contains 11,000 square feet of land area. A phase II environmental site assessment has also been completed.

**Assessed Values and Taxes**

The subject property may also be identified as Tulare County assessor's parcel number (APN):

261-122-007

The property is owned by a tax-exempt public entity and no assessed values or real property taxes are levied against it at this time. It is expected that if the property is sold into private ownership new assessed values and taxes would be established.

**Zoning and Property Restrictions**

No changes to zoning have occurred and the property is still zoned Downtown Retail – North. This zoning is intended to help maintain a thriving downtown and provide for a range of commercial and retail service uses. Allowable uses in this zone include a variety of government offices, retail stores, personal services, banks, restaurants, business services, and other similar functions.

While most types of office uses are permitted in the DR-N zone, only government offices and those with walk-in clientele are allowed to fully occupy the ground floor of a building. Walk-in clientele offices are those that provide services to the public and that rely on heavy pedestrian activity, such as real estate offices, landlord-tenant services, credit counseling, and financial tax services. General office uses may only use up to 25% of a building’s ground floor space, although there is no limitation on the amount of upper floor space they may occupy.

Development standards for the DR-N zone do not require a minimum lot size, lot width, or lot depth. However, buildings must have a minimum height of 28 feet and may not exceed 50 feet on corner lots or 40 feet on interior lots. Front, side, and rear yard setbacks are not required for commercial uses, but there is a maximum floor area ratio of 3.0.

The subject property is also located within Zone C of Parking District 1, which requires one parking space for every 500 square feet of floor area. But, the property is eligible to pay an in-lieu fee instead to offset any difference between the required number of spaces and the actual number of stalls that are provided.
Street scene looking south on Main Street. The subject is on the left side of the picture.

Street scene looking west on Olive Avenue. The subject can be seen on the right side.

View looking south along the alley toward Olive Avenue. The subject is to the right.

View of the subject property looking northeast across the street intersection.

View looking northeast across the site from its southwest corner on Olive Avenue.

View looking west across the site from the public alley.
ANALYSIS OF DATA AND VALUE CONCLUSIONS
**HIGHEST AND BEST USE ANALYSIS**

The original appraisal concluded that the highest and best use of the subject property was to develop it with a new commercial project. Without any changes to the physical nature of the subject and with stable market conditions the highest and best use remains the same.

Therefore, the highest and best use of the land as though vacant is to seek to develop it with a new commercial project. This is expected to include a retail component as the primary use, but might also involve some office or personal service occupancy as well. A national retail or restaurant user would potentially be attracted to the site because of its good corner location in downtown, but they are more likely to want a one-story building with on-site parking.

**UPDATE METHOD OF VALUATION**

In valuing the subject property for the original appraisal, the sales comparison approach was applied. This is still the most appropriate method of valuation and the sales comparison approach is again used in this current assignment.

**SALES COMPARISON APPROACH**

The practice of making comparisons between the subject and the market in which it is located is central to all of the appraisal process, but in no method of valuation is this practice more prevalent than in the sales comparison approach. The sales comparison approach is based on the principles of supply and demand, substitution, and balance, and these principles often lead market participants to value properties on the basis of the prices being paid for other similar properties in the local market.

On this basis, the sales comparison approach seeks to value the subject property by comparing it to other similar properties that have recently sold, are currently under contract to be sold, or are actively being marketed for sale. Once appropriate market data is identified, comparisons and adjustments are made in an effort to equate the data to the subject property and provide an indication of its value.

**Comparable Commercial Land Sales**

A new search for comparable market data is made, with particular attention focused on finding sales that have transacted since the date of the previous appraisal. Initially, the search is made in Porterville, but only a limited amount of useful data is found locally, so the search is expanded to include the rest of Tulare County and nearby Kings County as well. The results of the search process are four new data items that are selected for further analysis.

To summarize, the data includes three closed sales and one active listing, and the properties are located in Visalia, Hanford, and Porterville. The sales occurred from February 2017 to August 2017, while the listing that has been on the market at the current asking price since June 2017. The land parcels vary in
size from 8,712 to 35,000 square feet and they sold or are listed in a price range from $10.98 to $21.18 per square foot.

**Sale no. 1** refers to a site that is located at the southwest corner of Main Street and Willis Street, in Visalia. This property is in the downtown central business district and it has good exposure at a signalized intersection. The property is rectangular in shape and contains 8,712 square feet of land area. The property had been a gasoline service station many years prior, but all building improvements were removed decades ago and all that remained were a concrete slab and some asphalt paving. The property was zoned C-DT for downtown commercial uses at the time of sale, but the City had just adopted a new zoning ordinance and the zoning changed to D-MU downtown mixed use about a month later. All off-site improvements are installed and public utilities are readily available. There were no underground tanks remaining on the site, but the ground was contaminated from a neighboring dry cleaners. This turned off many potential buyers and lengthened the exposure time that was needed. Both the listing and selling agents feel the contamination adversely impacted the sale price by around $30,000. In February 2017, the property was sold for $150,000 all cash or $17.22 per square foot. The buyer plans to build a Doc's Drive-In restaurant on the property. He discovered a type of vapor barrier that can be installed beneath the building to ventilate the contaminated soil for a cost of around $13,000 for this property.

**Sale no. 2** represents a vacant outparcel located in front of the Hanford Marketplace Shopping Center, in Hanford. The property is situated on the south side of Lacey Boulevard, west of Highway 43. The center is a new, large-scale retail development that is anchored by a Costco Wholesale store. This is one of the first land parcels to be sold and the buyer is the parent company of the Panda Express fast food chain. They plan to construct a new restaurant on the site. The parcel was finished with all off-site improvements installed along the Lacey Boulevard frontage and all public utilities are stubbed to the
site, but the buyer will be responsible for all on-site improvements. The sale closed in April 2017 at a price of $632,000 all cash or $18.06 per square foot for the 35,000-square-foot parcel.

Sale no. 3 consists of a vacant outparcel situated in front of the Visalia Marketplace Shopping Center at the southeast corner of Noble Avenue and Demaree Street, in Visalia. The center is anchored by Kmart and Dollar Tree retail stores and a Save Mart supermarket. This 23,610-square-foot parcel is at a main entrance along Noble Avenue, which is the south frontage road for State Route 198. The parcel is a finished pad site with all off-site improvements installed, public utilities stubbed to the site, and surrounding common area driveways and landscaping in place. It is zoned C-MU for mixed use commercial uses by the City of Visalia. Popeye's Chicken, the nation's second largest chicken fast food chain, wanted to lease a build-to-suit restaurant on the parcel, but the seller was not interested in building the store. The broker instead found a developer who would purchase the site and then construct a new fast food restaurant with drive-thru under a lease agreement with Popeye's. The buyer is an experienced developer in the Central Valley and he paid $500,000 all cash or $21.18 per square foot for the site in August 2017.

Sale no. 4 is an active listing located at the northeast corner of 2nd Street and Oak Avenue, in downtown Porterville. This location is one block east of Main Street on a secondary roadway and it is not at a signalized intersection. The lot is 13,200 square feet in size and is finished along both frontages with curb, gutter, and sidewalk off-site improvements. All public utilities are available to serve the property, and the same Downtown Retail - North zoning that is applied to the subject is also designated for this parcel. The property has been used as a surface parking lot. In June 2017, the property was listed for sale at an asking price of $145,000 or $10.98 per square foot.

**Land Sales Adjustments**

Once the appropriate market data is selected this data is analyzed and compared to the subject and adjustments are made to the sales in an effort to equate them to the subject. In making these adjustments various elements of comparison are considered. Elements of comparison are those characteristics of properties and their transactions that cause variations in the prices paid by the market. While there are often an infinite number of variations between properties, the market typically is concerned with only a more limited number of variables that are considered to be most important. After all of the necessary adjustments are made the adjusted comparable data items provide an indication of value for the subject. A detailed breakdown of the individual adjustments that are made to each of the land sales is shown in the adjustment grid on the next page.

With all of the appropriate adjustments made the comparable sales indicate an adjusted range of values for the subject spanning from $15.63 to $20.12 per square foot of land area. This range is narrower than the previously unadjusted data.

**Property Value Conclusion**

Sale no. 1 is considered to be most comparable to the subject and the best indicator of its value. This parcel sits at a signalized intersection in a downtown central business district and it is very similar in size to the subject parcel. Its zoning is also intended to encourage mixed-use development and it allows the
entire site to be covered with building and have a high floor area ratio. The adjusted value of this data item is $19.94 per square foot.

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<th>Sale 2</th>
<th>Sale 3</th>
<th>Sale 4</th>
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<td>S/S Noble Ave., E. of Demaree</td>
<td>NEC 2nd St. &amp; Oak Ave.</td>
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<td>CFT NV Developments</td>
<td>Noble Chicken L.P.</td>
<td>Active Listing</td>
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<td>198/43, LC</td>
<td>RREF II-WPG Visalia, LLC</td>
<td>Harold Lansford</td>
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<td>Sale Recording Date</td>
<td>2/28/2017</td>
<td>4/12/2017</td>
<td>8/1/2017</td>
<td>6/8/2017</td>
</tr>
<tr>
<td>Sale Price</td>
<td>$150,000</td>
<td>$632,000</td>
<td>$500,000</td>
<td>$145,000</td>
</tr>
<tr>
<td>Price per S.F.</td>
<td>$17.22</td>
<td>$18.06</td>
<td>$21.18</td>
<td>$10.98</td>
</tr>
<tr>
<td>Land Area - S.F.</td>
<td>8,712</td>
<td>35,000</td>
<td>23,610</td>
<td>13,200</td>
</tr>
<tr>
<td>Zoning</td>
<td>C-DT (Central business dist.)</td>
<td>C-R (Regional comm'l)</td>
<td>C-MU (Comm'l mixed use)</td>
<td>DR-N (Downtown Retail - North)</td>
</tr>
<tr>
<td>Maximum Floor Area Ratio</td>
<td>5.00</td>
<td>0.75</td>
<td>0.75</td>
<td>3.00</td>
</tr>
<tr>
<td>Parcel Shape</td>
<td>Rectangular</td>
<td>Irregular</td>
<td>Rectangular</td>
<td>Rectangular</td>
</tr>
<tr>
<td>Topography</td>
<td>Level</td>
<td>Level</td>
<td>Level</td>
<td>Level</td>
</tr>
<tr>
<td>Off-Site improvements</td>
<td>Curb, Gutter, Sidewalk</td>
<td>Curb, Gutter, Sidewalk</td>
<td>Curb, Gutter, Sidewalk</td>
<td>Curb, Gutter, Sidewalk</td>
</tr>
<tr>
<td>Utilities</td>
<td>Water, Sewer, Gas, Electricity</td>
<td>Water, Sewer, Gas, Electricity</td>
<td>Water, Sewer, Gas, Electricity</td>
<td>Water, Sewer, Gas, Electricity</td>
</tr>
<tr>
<td>Real Property Rights Conveyed</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
</tr>
<tr>
<td>Adjustment</td>
<td>+ $0</td>
<td>+ $0</td>
<td>+ $0</td>
<td>+ $0</td>
</tr>
<tr>
<td>Financing Terms</td>
<td>100% Cash</td>
<td>100% Cash</td>
<td>100% Cash</td>
<td>100% Cash</td>
</tr>
<tr>
<td>Adjustment</td>
<td>+ $0</td>
<td>+ $0</td>
<td>+ $0</td>
<td>+ $0</td>
</tr>
<tr>
<td>Improvements</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Adjustment</td>
<td>+ $0</td>
<td>+ $0</td>
<td>+ $0</td>
<td>+ $0</td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Contamination &amp; Ventilation</td>
<td>Arm's Length</td>
<td>Arm's Length</td>
<td>Active Listing</td>
</tr>
<tr>
<td>Adjustment</td>
<td>+ $43,000</td>
<td>+ $0</td>
<td>+ $0</td>
<td>- $7,500</td>
</tr>
<tr>
<td>Adjustment</td>
<td>+ 0%</td>
<td>+ 0%</td>
<td>+ 0%</td>
<td>+ 0%</td>
</tr>
<tr>
<td>Adjusted Price</td>
<td>$193,000</td>
<td>$632,000</td>
<td>$500,000</td>
<td>$137,500</td>
</tr>
<tr>
<td>Adjusted Price per S.F.</td>
<td>$22.15</td>
<td>$18.06</td>
<td>$21.18</td>
<td>$10.42</td>
</tr>
<tr>
<td>Location Adjustment</td>
<td>- 10%</td>
<td>- 10%</td>
<td>- 20%</td>
<td>+ 50%</td>
</tr>
<tr>
<td>Orientation Adjustment</td>
<td>+ 0%</td>
<td>+ 10%</td>
<td>+ 10%</td>
<td>+ 0%</td>
</tr>
<tr>
<td>Parcel Size Adjustment</td>
<td>+ 0%</td>
<td>+ 5%</td>
<td>+ 0%</td>
<td>+ 0%</td>
</tr>
<tr>
<td>Zoning Adjustment</td>
<td>+ 0%</td>
<td>+ 0%</td>
<td>+ 0%</td>
<td>+ 0%</td>
</tr>
<tr>
<td>Floor Area Ratio Adjustment</td>
<td>+ 0%</td>
<td>+ 5%</td>
<td>+ 5%</td>
<td>+ 0%</td>
</tr>
<tr>
<td>Off-Site Adjustments</td>
<td>+ 0%</td>
<td>+ 0%</td>
<td>+ 0%</td>
<td>+ 0%</td>
</tr>
<tr>
<td>Utilities Adjustment</td>
<td>+ 0%</td>
<td>+ 0%</td>
<td>+ 0%</td>
<td>+ 0%</td>
</tr>
<tr>
<td>Indicated Land Value per S.F.</td>
<td>$19.94</td>
<td>$19.87</td>
<td>$20.12</td>
<td>$15.63</td>
</tr>
<tr>
<td>Total Dollar Adjustment</td>
<td>+ $2.72</td>
<td>+ $1.81</td>
<td>- $1.06</td>
<td>+ $4.65</td>
</tr>
<tr>
<td>Net Percentage Adjustment</td>
<td>+ 16%</td>
<td>+ 10%</td>
<td>- 5%</td>
<td>+ 42%</td>
</tr>
</tbody>
</table>
Based on this, a final unit value of $20.00 per square foot is concluded for the subject. This is multiplied by the 11,000 square feet in the subject parcel to arrive at a total property value of $220,000.

\[
\text{Land Size} \times \text{Value per S.F.} = \text{Land Value}
\]

\[
11,000 \text{ s.f.} \times \$20.00 = \$220,000
\]

Therefore, as a result of these analyses and conclusions, it is our opinion that the current market value of the fee simple interest in the subject property in its "as-is" condition as of November 14, 2017 is:

\[\text{TWO HUNDRED TWENTY THOUSAND DOLLARS} \quad \$220,000\]

This market value represents the most probable price for the property as defined earlier in this report. The value represents the price paid in terms of cash or financial arrangements equivalent to cash with no unusual conditions or submarket financing. The value further correlates to an estimated exposure time of 12 months to 24 months, which would have transpired prior to selling the subject at the appraised value on the effective date of value.
ADDENDA
QUALIFICATIONS OF ROSS E. LENZ

Certification
• California Certified General Real Estate Appraiser: Certificate No. AG043508

Education
• California State University, Fresno: 2006 Graduate, B.S. Degree, Business Administration - Entrepreneurship
• Appraisal Institute:
  Basic Appraisal Principles
  Basic Appraisal Procedures
  Real Estate Finance, Statistics, and Valuation Modeling
  General Appraiser Market Analysis and Highest & Best Use
  General Appraiser Sales Comparison Approach
  General Appraiser Site Valuation and Cost Approach
  General Appraiser Income Approach, Part 1
  General Appraiser Income Approach, Part 2
  General Appraiser Report Writing and Case Studies
  Advanced Income Capitalization
  Advanced Market Analysis and Highest & Best Use
  Advanced Concepts and Case Studies
  Quantitative Analysis
  National Uniform Standards of Professional Appraisal Practice (USPAP)
  7-Hour USPAP Update

Appraisal Experience
Actively engaged in real estate appraisal in the Central Valley since 2006. Has appraised or assisted in appraising many types of commercial, office, industrial, land, and special purpose type properties. A partial list of clients for whom work has been completed includes:
• Government: County of Tulare, City of Visalia, City of Tulare, City of Porterville, City of Woodlake
• Schools: Visalia Unified, Exeter Public Schools, College of the Sequoias, San Joaquin Valley College, Tulare Joint Union High School District
• Corporations: Southern California Edison Company, Nationwide Mutual Insurance Company, Lyles Diversified, Mid Valley Disposal
• Attorneys: Dooley & Herr, Peltzer & Richardson, Betts & Wrigth, Reynolds Jensen & Swan
• Health Care: Kaweah Delta Health Care District, Tulare Regional Medical Center, Sierra View Local Health Care District, Family HealthCare Network, Tulare Community Health Clinic, Visalia Medical Clinic
• Right-of-Way Firms: Universal Field Services, Hamner Jewell & Associates, Overland Pacific & Cutler
• Other: Visalia Rescue Mission, International Agri-Center
QUALIFICATIONS OF KEITH J. HOPPER
MAI, R/W-AC, AI-GRS

Professional Designations
• MAI designation – Member of the Appraisal Institute
• R/W-AC designation – Appraisal Certification of the International Right of Way Association
• AI-GRS designation – General Review Specialist of the Appraisal Institute

Certifications and Licenses
• California Certified General Real Estate Appraiser: Certificate No. AG002559
• California Real Estate Broker’s License: License No. 01105905

Education
• California State University, Fresno: B.S. Degree, Business Admin. - Real Estate and Urban Land Economics
• Appraisal Institute:
  Real Estate Appraisal Principles 1A-1 & Basic Valuation Procedures 1A-2: Univ. of Colorado, Boulder
  Capitalization Theory & Techniques A & B: Tufts Univ., Massachusetts & Univ. of San Diego, California
  Case Studies in Real Estate Valuation 2-1: Univ. of San Diego, California
  Report Writing and Valuation Analysis 2-2: California State Univ., San Jose
  Standards of Professional Practice, National USPAP Update, and California Laws and Regulations
  Advanced Sales Comparison and Cost Approaches 530: Univ. of San Diego, California
  Subdivision Valuation: Pleasanton, California
  Land Valuation Assignments and Adjustment Procedures: Fresno, California
  General Appraiser Market Analysis and Highest & Best Use: Univ. of San Diego, California
  Real Estate Finance, Statistics, and Valuation Modeling: Bakersfield, California
  Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book): San Jose, California

Litigation Professional Development Program:
  Litigation Valuation Overview 700: Pepperdine University, California
  Litigation Appraising – Specialized Topics and Applications 705: Oakland, California
  Condemnation Appraising 710: Sunnyvale, California
  Advanced Condemnation Appraising 720: Sacramento, California
  Review Theory – General: Sacramento, California
• International Right of Way Association:
  Principles of Real Estate Appraisal 400: Sacramento, California
  Appraisal of Partial Acquisitions 401: Fresno, California
  Easement Valuation 403 and Legal Aspects of Easements 802: San Luis Obispo, California
  Reviewing Appraisals in Eminent Domain 410: Fresno, California
  Ethics and the Right of Way Profession 103: Hayward, California
  Standards of Practice for the Right of Way Profession 104
  Corridor Valuation: San Jose, California

• American Society of Farm Managers and Rural Appraisers:
  Integrated Approaches to Value A304: Paso Robles, California
Best Practices for Rural Property Appraisals
Highest and Best Use

Appraisal Experience
Actively engaged in appraisal in the Central Valley since 1989. Appraised many types of commercial, industrial, residential, apartment, subdivision, land, agricultural, and special purpose properties. A partial list of clients includes:
- Cities: Visalia, Tulare, Porterville, Kingsburg, Dinuba, Exeter, Woodlake, Hanford, Bakersfield, Farmersville, Reedley
- Redevelopment: Visalia, Tulare, Dinuba, Tulare County
- Churches: Methodist, Baptist, Calvary Chapel, Nazarene, Mennonite, Catholic, Grace Community, Living Christ, Bethel Assembly, New Hope, Praise Center
- Health Care: Kaweah Delta HCD, Tulare Regional MC, Sierra View District Local HCD, Tulare Community Health Clinic, Visalia Medical Clinic
- Other: YMCA, Farm Bureau, Housing Authority, Tulare Irrigation District, International Agri-Center, Visalia Rescue Mission

Litigation Experience
Appraised properties on behalf of private and public agency clients for eminent domain, divorce, and other matters involving litigation. Have given depositions, appeared at mediation and arbitration hearings, and qualified as an expert witness in Tulare County and Kern County Superior Courts and Federal Bankruptcy Court.