DEPARTMENT OF FINANCE

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March 5, 2015

Ms. Anita Agramonte, Finance Director
City of Colton
650 North La Cadena Drive
Colton, CA 92324

Dear Ms. Agramonte:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Colton Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 3, 2013. The Agency subsequently submitted revised LRPMPs to Finance on November 20, 2014 and February 26, 2015. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on May 16, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account the revisions identified in Resolution Nos. OB-09-14 and OB-02-15, which specified:

- The disposition for Property Nos. 1 and 2 was revised to "Sale of Property."

- The sale proceeds from Assessor's Parcel Numbers (APN) 0162-281-56 and 0162-281-66 will be used to repay the 2005 promissory note for the principal amount of $2,073,000 due to the Colton Utility Authority (Authority). The Agency will use excess proceeds for approved enforceable obligations or remitted to the San Bernardino County Auditor-Controller for distribution to the taxing entities. Finance notes that the loan repayment to the Authority must comply with the requirements outlined in HSC section 34191.4 (b), and must be listed on a Recognized Obligation Payment Schedule (ROPS) for review and approval prior to payment.

- The net proceeds from the sale of all other parcels will be used to pay approved enforceable obligations or remitted to the San Bernardino County Auditor-Controller for distribution to the taxing entities. The Agency is encouraged to obtain appraisals to maximize property values prior to the disposition of these properties.

- Remnant parcel APN 0162-151-32 was removed from the LRPMP. It is our understanding this parcel was included due to an error made by the title company. The Agency desires to quitclaim the remnant parcel to the current property owner to correct the error; however, Oversight Board (OB) approval is required to quitclaim the remnant parcel to its rightful owner.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Agency actions taken pursuant to a Finance approved LRPMP which requires the Agency to enter into a new agreement are subject to OB approval per HSC section 34181 (f). Any OB action approving a new agreement in connection with the LRPMP should be submitted to Finance for review and approval.

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

Sincerely,

for

JUSTYN HOWARD
Program Budget Manager

cc: Mr. Arthur W. Morgan, Economic Development Manager, City of Colton
Ms. Altheia Franklin, Senior Accountant. City of Colton
Ms. Linda Santillano, Property Tax Manager, San Bernardino County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State Controller's Office
California State Controller's Office