DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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December 31, 2015

Mr. Bill R. Manis, Deputy City Manager
City of San Bernardino
300 North D Street
San Bernardino, CA 92418

Dear Mr. Manis:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the San Bernardino City Successor Agency (Agency) submitted an Oversight Board (OB) approved Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on September 15, 2015. The Agency subsequently submitted a revised LRPMP to Finance on December 28, 2015. Finance has completed its review of the LRPMP, which included obtaining clarification for various items.

The Agency received a Finding of Completion on December 22, 2015. Further, based on our review and application of the law, Finance is 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 following items:

- Item No. 6 – The San Manuel Stadium. The permissible use as stated in the LRPMP matrix is Governmental Use. However, the Agency provided two alternatives in case Governmental Use was not allowable. Finance has determined that Governmental Use is not allowable, with Sale of the Stadium remaining as the only alternative in line with the Dissolution Statutes. When sold, the Agency should remit the sale proceeds to the San Bernardino County Auditor-Controller for distribution to the affected taxing entities, or retain the sales proceeds to fulfill enforceable obligations.

- As stated in Section II, LRPMP: Property Inventory Data/Matrix, in the event of contradictions between the Property Inventory Matrix and the LRPMP Narrative, information contained in the Property Inventory Matrix shall govern the disposition of all properties in the LRPMP.

- The plan states the Agency will transfer future development properties to the City of San Bernardino (City) subsequent to securing a compensation agreement with the affected taxing entities. However, Finance reminds the Agency that the transfer of properties is deemed effective upon Finance's approval of the LRPMP.

- Costs incurred in the implementation of the approved LRPMP are subject to Finance's review and approval on a subsequent Recognized Obligation Payment Schedule before they can be considered enforceable.

In accordance with HSC section 34191.4 (a), 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 (a) 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.

Furthermore, the Dissolution Act does not provide an opportunity for a Meet and Confer related to Finance's review of the LRPMP.

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

Sincerely,

for

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Lisa Connor, Project Manager, City of San Bernardino
Ms. Linda Santillano, Property Tax Manager, San Bernardino County