

**OVERSIGHT BOARD FOR SUCCESSOR AGENCY
TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY**

AGENDA

City Council Chambers
Montclair Civic Center
5111 Benito Street
Montclair, CA

Regular Meeting
Wednesday, July 8, 2015
6:00 p.m.

As a courtesy, please silence your cell phones, pagers, and other electronic devices while the meeting is in session. Thank you.

William Ruh – Chairman, Montclair Mayor Paul Eaton Appointee
Tenice Johnson – Vice Chairperson, County of San Bernardino Citizen Appointee
Terry Catlin – Inland Empire Utilities Agency Appointee
Kim Erickson – Chaffey Community College District Appointee
Phil Hillman – Ontario-Montclair School District Appointee
Mike Piotrowski – City of Montclair Employee Organization Alternate
John Richardson – County of San Bernardino Appointee

Page No.

I. PRELIMINARY MATTERS

- A. Call to Order
- B. Roll Call

II. PUBLIC COMMENT

Any person wishing to address the Oversight Board on any matter, whether or not it appears on this agenda, is requested to complete a "Speaker Request" form, available at the door. The form should be completed and submitted to the Secretary prior to the beginning of this meeting or prior to an individual agenda item being heard by the Oversight Board. Each speaker will be afforded five minutes to address the Oversight Board. No action will be taken on any item not listed on the agenda pursuant to the Ralph M. Brown Act.

III. APPROVAL OF MINUTES

- A. Minutes of the Oversight Board Meeting of February 11, 2015
- B. Minutes of the Oversight Board Meeting of April 8, 2015

IV. BUSINESS ITEMS

- A. Consider Adoption of Resolution No. 15-04 Approving the Actions of the Successor Agency to Approve Agreement No. 15-52, a Proposal for Appraisal Services Between the Successor Agency to the City of Montclair Redevelopment Agency and Integra Realty Resources to Perform an Update to the Appraisal of Vacant Property Located on

(Continued on next page)

the Southeast Corner of Ramona Avenue and State Street, and to Approve a Solicitation Process for Sale of the Property Through the Issuance of a Request for Proposals

V. COMMUNICATIONS

A. Staff

B. Chairman and Members

VI. ADJOURNMENT

The above actions of the Oversight Board shall not become effective for five business days, pending any request for review by DOF. If DOF requests review of the above Board actions, it will have sixty days from the date of the request to approve the Oversight Board action or return it to the Oversight Board for reconsideration; and the action, if subject to review by DOF, will not be effective until approved by DOF.

The next regularly scheduled Oversight Board meeting will be held on August 12, 2015, at 6:00 p.m. in the City Council Chambers.

Reports, backup materials, and additional materials related to any item on this Agenda distributed to the Successor Agency Board after distribution of the Agenda packet are available for public inspection in the Office of the Secretary located at 5111 Benito Street, Montclair, California, between 7:00 a.m. and 6:00 p.m., Monday through Thursday.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary at (909) 625-9416. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)

I, Andrea M. Phillips, Secretary, hereby certify that I posted, or caused to be posted, a copy of this agenda not less than 72 hours prior to this meeting on the bulletin board adjacent to the north door of Montclair City Hall on July 1, 2015.

AGENDA REPORT

SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO. 15-04 APPROVING THE ACTIONS OF THE SUCCESSOR AGENCY TO APPROVE AGREEMENT NO. 15-52, A PROPOSAL FOR APPRAISAL SERVICES BETWEEN THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY AND INTEGRA REALTY RESOURCES TO PERFORM AN UPDATE TO THE APPRAISAL OF VACANT PROPERTY LOCATED ON THE SOUTHEAST CORNER OF RAMONA AVENUE AND STATE STREET, AND TO APPROVE A SOLICITATION PROCESS FOR SALE OF THE PROPERTY THROUGH THE ISSUANCE OF A REQUEST FOR PROPOSALS

DATE: July 8, 2015

SECTION: BUSINESS ITEMS

ITEM NO.: A

FILE I.D.: OBO050

DEPT.: OVERSIGHT BOARD

REASON FOR CONSIDERATION: Successor Agency staff is requesting the Oversight Board approve the Successor Agency's action to approve Agreement No. 15-52 and re-engage the services of Integra Realty Resources to perform an update of the real property appraisal of the Successor Agency-owned property located on the southeast corner of Ramona Avenue and State Street.

In 2013, an original appraisal was performed by Integra Realty Resources associated with completion of the Long-Range Property Management Plan mandated by Section 34191.5 of the Health and Safety Code. In addition, staff is requesting that the Oversight Board approve the Successor Agency's action to develop a Request for Proposal package to send to developers and other interested parties to solicit proposals for the sale and development of the property located on the southeast corner of Ramona Avenue and State Street.

The property on the southeast corner of Ramona Avenue and State Street is shown on Exhibit A. A copy of the proposal, Agreement No. 15-52, submitted by Integra Realty Resources is attached for the Oversight Board review and consideration.

With approval of the Successor Agency and Oversight Board, staff would develop a Request for Proposal package to solicit proposals for the sale of the subject property. Proposals would not be accepted until the updated appraisal was completed.

BACKGROUND: One major component of the Dissolution legislation requires successor agencies to dispose of real property assets. Section 34177(e) of the Health and Safety Code states that the successor agency is required to dispose of assets and "the disposal is to be done expeditiously and in a manner aimed at maximizing value." The legislation further required each successor agency to develop a Long-Range Property Management Plan to detail the disposition/use of assets for each former redevelopment agency real property asset after receiving a Notice of Completion. After

a successor agency has received its Finding of Completion from the state Department of Finance (DOF), the successor agency has six months to submit a Long-Range Property Management Plan to the DOF pursuant to Health and Safety Code Section 34191.5.

The Successor Agency to the City of Montclair Redevelopment Agency received its Notice of Completion from DOF on May 15, 2013. Staff then began working on the Long Range Property Management Plan. One of the requirements of the Long-Range Property Management Plan is to provide an estimate of current real property values including appraised values.

The Successor Agency to the City of Montclair Redevelopment Agency had three properties appraised for the purpose of establishing value for the Long-Range Property Management Plan. One of the sites appraised was the vacant property located on the southeast corner of Ramona Avenue and State Street. Integra Realty Resources delivered the appraisal of the site to the Successor Agency on October 3, 2013. The Long Range Property Management Plan identified the site as a property that should be sold. The Successor Agency initially submitted its Long Range Property Management Plan to DOF on November 14, 2013. DOF finally approved the Long Range Property Management Plan on February 12, 2015 and, thereby authorized sale of the Ramona Avenue property. It should be noted that DOF must also approve the method of sale, value, and any sale agreement.

The Ramona Avenue property was purchased by the Redevelopment Agency in 1999 for the Ramona Avenue Grade Separation project. The property was originally approximately 5.4 acres. A portion of the property was sold to Monte Vista Water District for a blending station and a portion of the site was used for the grade separation. As a consequence of the grade separation project and the sale of land to Monte Vista Water District, a remnant parcel of approximately 2.65 acres was created. The property is zoned MIP Manufacturing Industrial.

Staff is aware of several recent property sales in the general vicinity of the Ramona Avenue site which may cause an increase in the value of the property. It is recommended that the Oversight Board approve the Successor Agency Board of Director's action to authorize an update of the appraisal of the subject site by Integra Realty Resources. The original appraisal was prepared by Integra Realty Resources.

Resolution No. 15-04 would also approve the action of the Successor Agency Board of Director's to authorize staff to prepare a Request for Proposal to solicit proposals from developers for their purchase and development of the Ramona Avenue property. Staff anticipates that the Request for Proposal would evaluate proposals based on the following criteria:

- Proposed use and overall design concept that conforms to the General Plan, zoning, and all other applicable law.
- The timeframe for closing a purchase transaction and development of the site.
- The purchase price and financial capacity of the bidder.
- The economic benefit of the development to the city, other taxing entities, and

the community including employment generation.

If Resolution No. 15-04 is approved by the Oversight Board, the Resolution would be submitted to DOF for consideration.

If DOF approves the update to the appraisal and the Request for Proposal process, any proposals received for sale and development of the Ramona Avenue site would be submitted to the Successor Agency and the Oversight Board for consideration. The selection of a developer through the Request for Proposal process would also be subject to action by DOF.

FISCAL IMPACT: The cost to prepare of an update of the appraisal for the Ramona Avenue property by Integra Realty Resources is \$2,300. Costs incurred for appraisal services would be listed as an expense on the Recognized Obligation Payment Schedule.

Future proceeds of a sale of the Ramona Avenue property would be used to defease Redevelopment Project Area No. V Tax Allocation Bonds.

RECOMMENDATION: Staff recommends the Oversight Board of Directors adopt Resolution No. 15-04 approving the Successor Agency's actions to approve Agreement No. 15-52, a Proposal for Appraisal Services between the Successor Agency and Integra Realty Resources to perform an update of the appraisal of vacant property located on the southeast corner of Ramona Avenue and State Street, and to approve the solicitation process for the sale of the property through the issuance of a Request for Proposals.

U.P.R.R. RIGHT OF WAY

STATE STREET

RAMONA AVENUE

44'

35'

44'

35'

701.15'

631.14'

N00°38'45"W

N06°21'32"E 205.10'

N12°20'18"E 218.06'

N00°11'10"W 128.40'

PORTION OF LOT 34
SAN ANTONIO TRACT,
M.B. 3/16
AND RE-SUBDIVISION
OF LOT 34, M.B.
15/30

115,635 SQ. FT.
2.65 ACRES

R=50.00
L=77.61
Tan=49.08
Δ=88°56'12"

N37°27'50"W
23.22'

N88°31'45"E 201.97'

N88°31'45"E

338.16'

N88°31'45"E
27.35'

N89°48'50"E

341.02'

100.0'

158.40'

N00°11'10"W

128.40'

N89°48'50"E 181.48'

N00°24'27"W

N00°24'27"W

457.40'

693.55'

60'

80'

30'

30'

RESOLUTION NO. 15-04

A RESOLUTION OF OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S ACTIONS TO APPROVE AGREEMENT NO. 15-52, A PROPOSAL FOR APPRAISAL SERVICES BETWEEN THE SUCCESSOR AGENCY AND INTEGRA REALTY RESOURCES TO UPDATE THE REAL PROPERTY APPRAISAL OF VACANT PROPERTY LOCATED ON THE SOUTHEAST CORNER OF RAMONA AVENUE AND STATE STREET, AND TO APPROVE THE SOLICITATION PROCESS FOR THE SALE OF THE PROPERTY THROUGH THE ISSUANCE OF REQUEST FOR PROPOSALS

WHEREAS, Assembly Bill 1X 26 ("AB 26") was signed by the Governor on June 28, 2011 and upheld as constitutional by the California Supreme Court. On June 27, 2012, the Governor signed Assembly Bill 1484 ("AB 1484"). AB 26 and AB 1484 (together called the "Dissolution Bills") eliminated California redevelopment agencies statewide, established successor agencies to pay, perform, and effectuate the enforceable obligations of the former redevelopment agencies and to wind down the affairs of the former redevelopment agencies; and

WHEREAS, the City of Montclair Redevelopment Agency ("Agency") is now a dissolved redevelopment agency pursuant to the Dissolution Bills; and

WHEREAS, by Resolution considered and approved by the City Council of the City of Montclair at an open public meeting, the City chose to become and serve as the "Successor Agency" to the dissolved Agency 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 is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the 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 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

WHEREAS, pursuant to Section 34179 of the Health and Safety Code, the Successor Agency's Oversight Board was formed and the initial meeting occurred on April 25, 2012; and

WHEREAS, pursuant to Section 34191.5 of the Health and Safety Code a Community Redevelopment Property Trust Fund is established to be administered by the successor agency to serve as the repository of a dissolved redevelopment agency's real properties; and

WHEREAS, Section 34191.5(b) provides that a successor agency shall prepare a long-range property management plan that addresses the disposition and use of the

real properties of a former redevelopment agency and the report shall be submitted to the oversight board and the Department of Finance ("DOF") for approval no later than six months following the issuance of a finding of completion; and

WHEREAS, the Successor Agency received a Finding of Completion from DOF on May 15, 2013 and the Successor Agency's deadline for submittal of the Oversight Board-approved Long-Range Property Management Plan was November 14, 2013; and

WHEREAS, in order to prepare said Long-Range Property Management Plan, the Successor Agency engaged and the Oversight Board approved the services of an appraisal firm; and

WHEREAS, Successor Agency staff submitted Requests for Proposals to appraisal firms and received responses from three appraisal companies; and

WHEREAS, the Successor Agency has approved the selection of the firm of Integra Realty Resources to provide appraisal services on August 19, 2013; and

WHEREAS, Integra Realty Resources provided the Successor Agency with an appraisal of the property located on the southeast corner of Ramona Avenue and State Street dated October 6, 2013 that was used in the Long-Range Property Management Plan; and

WHEREAS, the Successor Agency prepared the Long-Range Property Management Plan and it was approved by the Oversight Board on November 13, 2013, and the Successor Agency submitted said Long-Range Property Management Plan to DOF on November 14, 2013; and

WHEREAS, DOF staff requested changes to the Long-Range Property Management Plan, and its amendment, the "Amended Long-Range Property Management Plan" was approved by Oversight Board Resolution No. 14-06 on August 13, 2014; and

WHEREAS, DOF staff requested additional changes to the Amended Long-Range Property Management Plans approved in Oversight Board Resolution No. 14-06, and those additional changes were approved pursuant to Oversight Board Resolution No. 15-03 on February 11, 2015; and

WHEREAS, on February 12, 2015, DOF issued its letter approving the transfer of disposition of assets pursuant to the "Amended Long-Range Property Management Plan" as approved by the Oversight Board in Resolution No. 15-03; and

WHEREAS, the Successor Agency is working toward the disposition of assets found indicated in the "Amended Long-Range Property Management Plan"; and

WHEREAS, in order to arrive at a fair market value for the property located on the southeast corner of Ramona Avenue and State Street, Successor Agency staff believes the appraisal of this site should be revised because of recent real estate transactions in the general area; and

WHEREAS, Successor Agency staff is recommending that an updated appraisal of the southwest corner of Ramona Avenue and State Street be conducted by Integra Realty Resources, the firm that conducted the original appraisal; and

WHEREAS, Section 34177(e) of the Health and Safety Code states that a successor agency must ensure "the disposal (of assets) is to be done expeditiously and is in a manner aimed at maximizing value;" and

WHEREAS, the Successor Agency has approved development of a Request for Proposal process to solicit bids for the sale and development of the property located on the southeast corner of Ramona Avenue and State Street to maximize sale proceeds and future property taxes for the taxing entities; and

WHEREAS, pursuant to the Dissolution Act, the actions of the Successor Agency must be approved by the Oversight Board; and

WHEREAS, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for five (5) business days pending any request for review by DOF; and if DOF requests review hereof, it will have sixty days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, would not be effective until approved by DOF.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency does hereby find and determine as follows:

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

Section 2. At its meeting of July 6, 2015, the Successor Agency authorized the services of Integra Realty Resources to provide re-appraisal services in relation to the southwest corner of Ramona Avenue and State Street as a part of the disposition of assets pursuant to the Amended Long-Range Property Management Plan.

Section 3. The Oversight Board approves the actions of the Successor Agency in retaining the services of Integra Realty Resources to provide re-appraisal services.

Section 4. At its meeting of July 6, 2015, the Successor Agency approved the authorized the solicitation process for the sale of the property on the southeast corner of Ramona Avenue and State Street through the issuance of Request for Proposals.

Section 5. The Oversight Board hereby approves the actions of the Successor Agency in authorizing the solicitation process for the sale of the subject property.

Section 6. The Oversight Board hereby directs the Successor Agency Executive Director or his designee to take any and all action necessary to carry out the purposes of this Resolution and comply with applicable law.

Section 7. The approval of this Resolution does not result in any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 8. The Secretary of the Oversight Board shall certify to the adoption of this Resolution and shall maintain this Resolution on file as a public record as approved hereby.

Section 9. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance; therefore, this Resolution shall become effective five (5) business days after its adoption, pending a request for review by the State of California Department of Finance. The period for this review may be extended by up to sixty (60) days pursuant to Health and Safety Code Section 34181(f).

APPROVED AND ADOPTED this XX day of XX, 2015.

Chairman

ATTEST:

Secretary

I, Andrea M. Phillips, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 15-04 was duly adopted by the Oversight Board of Directors at a regular meeting thereof held on the XX day of XX, 2015, and that it was adopted by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Andrea M. Phillips
Secretary

Agreement No. 15-52



June 29, 2015

Ms. Marilyn J. Staats
Deputy City Manager/Executive Director
Office of Economic Development
City of Montclair
5111 Benito Street
Montclair, CA 91763

SUBJECT: Proposal to provide real estate appraisal services

NEC Ramona Avenue and Dale Street
Montclair, California 91762

APN: 1012-141-18

Sent via E-mail

Dear Ms. Staats:

In response to your recent request for proposal, this writing expresses our interest and availability for the completion of appraisal services concerning the property referenced above. The property which is the subject of this proposal includes approximately 2.65 acres of vacant land located at the northeast corner of Ramona Avenue and Dale Street within the City of Montclair.

The purpose is to update a previous appraisal.

Scope of Services

Upon receiving authorization to proceed, we would complete a re-inspection of the subject property and review available information about its history and allowable uses. We would conduct an independent investigation of market factors, including investigations into comparable sale properties that would be relevant in the valuation process. We would analyze this data and develop an opinion of the current market value of the subject property.

We could prepare a letter stating our opinion of the current market value of the property, and attach to it a summary of recent comparable land sales along with a map and aerial

photos of the comps. The letter would reference our 2013 appraisal of the property for additional detail.

Our letter would be in full compliance with the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Fee and Timing

For our services as described above, our fee for the completion of an appraisal report is proposed at **\$2,300**. We propose to have our report completed within **2.5 weeks** of receiving notice to proceed.

Supplemental Services

Additional services requested for consultation, special studies, negotiations, preparation of or appearance for testimony, and similar services will be provided upon request and will be billed additionally at the hourly rates set forth as Exhibit A to this proposal. Fees will be billed monthly based on the work actually completed.

General Issues

Payment for the completion of reports will be due upon their completion. To the extent that supplemental services are requested, these will be billed on a monthly basis. For these services, if provided, an advance retainer may be requested. For these services, if provided, payment is due within 30 days of the invoice date. Fees unpaid after 30 days are subject to a finance charge equal to 1.5% per month on all unpaid balances.

This proposal is valid for 45 days.

Our appraisal analysis will incorporate the Assumptions and Limiting Conditions which are attached to this proposal. To the extent that we prepare a written appraisal report, these Assumptions and Limiting Conditions (or a set which is effectively equivalent) will be incorporated into the appraisal report.

Fees quoted herein are for the provision of professional services and are not in any way contingent upon the valuation reported or the outcome of any pending matter for which valuation is required. In the event of any controversy, claim, or dispute between us related to this agreement, or the breach thereof, enforcement of this agreement will be governed by and construed in accordance with the laws of the State of California. The venue for any action to enforce or interpret this agreement shall be in the County of Los Angeles, State of California.

Damages (if any) for which the appraiser and/or appraisal firm would be liable will be limited to the amount of compensation paid as the fee for providing services.

If this proposal meets with your approval, our receipt of a signed copy of this letter will serve as our notice to proceed.



Ms. Marilyn J. Staats
June 29, 2015
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Thank you for the opportunity of submitting this proposal. If you have any questions or comments about it, please call me.

Sincerely,

Integra Realty Resources – Los Angeles



John G. Ellis, MAI, CRE, FRICS
Senior Managing Director

JGE/mt

Enclosures: Exhibit A (Hourly Rates)
Exhibit B (Assumptions and Limiting Conditions)
Professional Qualifications of John G. Ellis, MAI, CRE, FRICS

AGREED & ACCEPTED THIS 6th DAY OF JULY, 2015

BY: SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY

PAUL M. EATON,
CHAIR, SUCCESSOR AGENCY BOARD
NAME (PRINT)

AUTHORIZED SIGNATURE



Exhibit A

Schedule of Hourly Rates

John G. Ellis, MAI, CRE, FRICS: (Senior Managing Director)	\$360 per hour for appraisal and consulting \$450 per hour for trial preparation and expert testimony
Beth B. Finestone, MAI, AI-GRS, FRICS: (Managing Director)	\$335 per hour for appraisal and consulting \$375 per hour for trial preparation and expert testimony
Adam M. Bogorad, MAI: (Director)	\$260 per hour for appraisal and consulting \$300 per hour for trial preparation and expert testimony
Other Directors/Senior Consultants:	\$210 to \$260 per hour
Senior Analysts:	\$185 to \$250 per hour
Analysts:	\$140 to \$180 per hour
Researchers:	\$90 to \$135 per hour
Administrative Staff: (For supplemental documentation requests)	\$75 per hour

Effective for the six-month period starting July 1, 2015



Exhibit B

Assumptions and Limiting Conditions

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
5. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
2. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
3. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
4. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
5. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
6. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
7. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
8. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
9. Except as provided in the Agreement, neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.
10. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
11. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
12. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
13. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
14. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.



15. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
16. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to ADA. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible noncompliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
17. Except as provided in the Agreement, the appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. Except as provided in the Agreement, it may not be used or relied upon by any other party. Except as provided in the Agreement, all parties who use or rely upon any information in the report without our written consent do so at their own risk.
18. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
19. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
20. Integra is not a building or environmental inspector. Integra does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
21. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Integra Realty Resources – Los Angeles, an independently owned and operated company shall prepare the appraisal for the specific purpose so stated elsewhere in this proposal. The intended use of the appraisal is stated in the General Information section of the report. Except as provided in the Agreement, the use of the appraisal report by anyone other than the Client is prohibited. Accordingly, except as provided in the Agreement, the appraisal report will be addressed to and shall be solely for the Client's use and benefit.
23. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public record, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
24. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the course of the assignment, additional assumptions may be required in order to complete the assignment, which additional assumptions shall be reasonably satisfactory to Client and shall be stated in full in the report. The appraisal shall also be subject to those assumptions.



John G. Ellis, MAI, CRE, FRICS

Experience

Mr. Ellis, the Senior Managing Director of INTEGRAL REALTY RESOURCES – LOS ANGELES, has provided real estate appraisal services in Southern California continuously since 1980. Property types which he has appraised include office buildings, shopping centers, industrial buildings, apartment and condominium complexes (including affordable housing projects), subdivisions, mobile home parks, hotels, motels, restaurants, healthcare properties, religious facilities, bowling alleys, golf courses, auto dealerships, gas stations, carwashes, motion picture and performing arts theaters, cold storage and food processing facilities, parking structures, transit-oriented development projects, shipping terminals and other types of waterfront property, industrial, commercial and residential acreage, agricultural land, mountainous and hillside acreage, utility and transportation corridors (in fee and as easements), designated open space, and single-family residences including beachfront homes and major estates.

He has completed a wide range of specialized studies including value diminution (from both internal and external influences), market demand, feasibility, severance damages and project benefits, investment analysis, assessment allocation, reuse analysis, minority interest studies, and the valuation of leasehold, leased fee, and possessory interests. He has also appraised partial interests in real estate and in limited partnerships and holding companies that own real estate. In addition, Mr. Ellis, a past president of the Southern California Chapter of the Appraisal Institute (SCCAI) with more than 20 years of volunteer service to SCCAI, is a published author on appraisal topics. He has given expert testimony in federal and superior courts on more than two dozen occasions. He also provides appraisal reviews and consultation services when needed, and is an experienced arbitrator. Mr. Ellis serves a client base that includes lending institutions, public agencies, corporate and individual property owners, and the legal profession.

From 1980 to 1996 Mr. Ellis was with the Los Angeles-based real estate appraisal firm of Lea Associates, Inc., most recently as Principal and Senior Vice President. He founded the firm of Ellis Group in 1996, which became INTEGRAL REALTY RESOURCES – LOS ANGELES in 1999.

Professional Activities

- Member: Appraisal Institute (MAI No. 7337)
(Over 20 years of volunteer work on boards and committees of the Appraisal Institute; past president of the Southern California Chapter of the Appraisal Institute; recognized as "Volunteer of Distinction" for Region VII in 2013)
- Member: The Counselors of Real Estate (CRE No. 11254)
- Fellow: Royal Institution of Chartered Surveyors (FRICS No. 1250862)
- Member: International Right of Way Association
- Licensed: California Certified General Real Estate Appraiser No. AG007279
- Licensed: California Real Estate Broker No. 01213329

Expert Testimony

Mr. Ellis is qualified as an expert witness in real estate valuation matters and has testified before:

- Superior Courts within the California counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, Kern, and Imperial; and within the Third Judicial District of Alaska
- United States District Court
- United States Bankruptcy Courts: Central, Northern, and Southern Districts of California
- Tax Appeal Boards: Los Angeles, Orange, Riverside, San Bernardino, and Contra Costa counties
- Arbitration testimony at hearings in Los Angeles, Orange, San Diego, and Sacramento counties
- Rent Control Boards: cities of Santa Monica, West Hollywood, and Carson (MRRB)

He has also been appointed by the Superior Court of Los Angeles County on several occasions to assist in reconciling the disparate opinions of opposing, privately retained valuation experts.

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John G. Ellis, MAI, CRE, FRICS

Seminar Presentations and Speaking Engagements

- *Which Way Is the Wind Blowing?* (IRWA Chapter 67, Orange County, January 13, 2015)
- *Subdivision Analysis in Southern California: Methodology and Discount Rates* (SCCAI, Subdivision Land Seminar, August 21, 2014)
- Chairman/Moderator of the Annual Litigation Seminar of the Southern California Chapter of the Appraisal Institute (2013, 2005, and 1999)
- *Examination of Appraisal Practices in Tax Appeal Hearings* (SCCAI, 46th Annual Litigation Seminar, Los Angeles, November 15, 2013)
- *Real Estate Market Trends: Winter 2013* (IRWA Chapter 67, Orange County, January 8, 2013; SCCAI Market Trends Seminar, January 24, 2013)
- *Current Issues in Real Estate Appraisals* (Lorman Education Services, live audio conference, March 8, 2012)
- *Real Estate Market Trends: Has the Storm Passed?* (IRWA Chapter 67, Orange County, January 10, 2012; IRWA Chapter 57, Inland Empire, February 1, 2012)
- *Underwriting Sustainable Commercial Properties* (2011 National Association of Realtors Conference, November 12, 2011)
- *Commercial Property Valuation Issues and Trends* (2011 IAAO-LA Spring Appraisal Seminar, April 6, 2011)
- *The Assessment Appeals Process: Practical Perspectives* (SCCAI, 43rd Annual Litigation Seminar, November 17, 2010)
- *Orange County Real Estate and Economic Trends* (IRWA Chapter 67, September 14, 2010)
- *Legal Issues in Appraisals: What and When to Ask the Attorney* (IRWA Right of Way and the Law Seminar, June 22, 2010)
- *Current Issues in the Economy and Residential and Commercial Real Estate* (The Housing Authority of the City of Los Angeles, May 24, 2010)
- *Current Issues in the Economy, Commercial Real Estate, and Real Estate Appraisals* (MCLE-approved presentation, April 15, 2010)
- *The Role of the Appraiser in Construction Defect Litigation* (MCLE-approved presentations, February 10 and March 4, 2010)
- *Real Estate Values: Have We Hit Bottom Yet?* (IRWA Chapter 1, 2009 Annual Fall Seminar, October 20, 2009)
- *Impact of Use Restrictions in Market Value and Market Rent Appraisals* (SCCAI, Special Purpose Properties Seminar, October 20, 2009)
- *Rent Re-Setting Via Litigation* (Integra Academy, September 14, 2009)
- *Industrial Property Trends: Los Angeles County and the Inland Empire* (SCCAI, 15th Annual Summer Conference, July 16, 2009)
- *Current Issues in the Economy, Commercial Real Estate, and Real Estate Appraisals* (District 7 of California Department of Transportation, March 18, 2009)
- *Industrial Property Trends: Los Angeles County and the Inland Empire* (SCCAI, 14th Annual Summer Conference, July 31, 2008)
- *California School Districts' Property and Acquisition and Disposition Update* (IRWA Chapter 1, Annual Valuation Conference, April 22, 2008)
- *A Market in Flux: Los Angeles and Orange Counties Retail Properties* (Urban Land Institute Conference, Reinventing Retail, February 14, 2008)
- *California Property in a Global Economy* (Global Property Valuation Excellence, Appraisal Institute/RICS Americas Joint Valuation Conference, September 25, 2007)
- *Considering the Contributory Value of Interim Use Improvements* (SCCAI, Special Purpose Properties Seminar, May 25, 2007)
- *Partial Takings in Multi-Property Appraisal Assignments* (IRWA Chapter 1, Annual Valuation Conference, April 26, 2005)
- *Appraiser's Role in Redevelopment* (Appraisal Institute, 1998)
- *Deposition and Cross-Examination Skills* (IRWA, April 1997)
- *Entertainment Properties* (Moderator, 1997)
- *Land Valuation in Southern California* (SCCAI, 1996)

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John G. Ellis, MAI, CRE, FRICS

Published Texts and Articles

- "Lease Renewal—The Periodic Setting of Market Rent in a Long-Term Lease," in *Applications in Litigation Valuation: A Pragmatist's Guide* (Chicago: Appraisal Institute, 2012).
- "Los Angeles Industrial Market Highlights," *Western Real Estate Business*, October 2008.
- "Los Angeles Apartment Trends," *Western Real Estate Business*, November 2007.
- "Can Downtown Support Another High-Rise?" *Real Estate Southern California*, March 2007.
- "The Special Nature of Property Tax Appraisals" (co-authored with Kathy Spletter and Cris K. O'Neill), Institute for Professionals in Taxation, June 2006.

Education

B.A., Business/Economics, University of California, Los Angeles (1981)

Mr. Ellis is currently certified by the Appraisal Institute's program of continuing education for its designated members. He successfully completed the following courses and other requirements of the MAI designation through the Appraisal Institute and American Institute of Real Estate Appraisers:

- Comprehensive Examination
- Income Property Demonstration Report
- Real Estate Investment Analysis
- Case Studies in Real Estate Valuation
- Capitalization Theory and Techniques, Parts I, II, III
- Standards of Professional Practice
- Report Writing and Valuation Analysis
- Basic Valuation Procedures
- Real Estate Appraisal Principles

He has attended (and in some cases participated in) the following courses, seminars, workshops:

- Inland Empire Market Trends Seminar (Appraisal Institute, 2014, 2005, 2000)
- Litigation Seminar (Appraisal Institute, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2006, 2005, 2004, 2003, 2001, 1999)
- IRS Valuation Summit (Appraisal Institute, 2013)
- Business Practices and Ethics (Appraisal Institute, 2012, 2007)
- Fractional Interests (Appraisal Institute, 2012)
- Annual Summer Conference: Commercial Session (Appraisal Institute, 2011, 2010, 2008)
- Special Purpose Properties Seminar (Appraisal Institute, 2011, 2007, 2005)
- Historic and Notable Homes Tour in the San Gabriel Valley (Appraisal Institute, 2010)
- Mastering Cap Rates in Today's Market (Appraisal Institute, December 2009)
- The Appraiser's Role in Public Acquisitions (Appraisal Institute, February 2009)
- Appraising Distressed Commercial Real Estate (November 2008)
- Private Developers Going Public...Is This a Trend? (January 2008)
- Public Real Estate Education Symposium (IRWA, 2007)
- Uniform Appraisal Standards for Federal Land Acquisitions (Appraisal Institute, 2006)
- Contemporary Approaches to Land Valuation (Appraisal Institute, 2005)
- Operating Expense Seminar (Appraisal Institute, 2005)
- Real Estate Outlook (CSUN Center for Real Estate, 2005)
- Case Studies in Limited Partnership and Common Tenancy Valuation (Appraisal Institute, 2004)
- Market Trends in Ventura and Santa Barbara Counties (Appraisal Institute, 2003)
- Market Rent, Lease Revaluation and Leasehold Interests (Appraisal Institute, 2001)
- Real Estate Capital Markets Symposium (Appraisal Institute, 2001)
- Charitable Gift Giving in Real Estate (Appraisal Institute, 2001)
- Past and Present Building and Land Values Along Ventura Boulevard (Appraisal Institute, 2000)
- Southern California Market Trends Seminar (Appraisal Institute)
- The Entitlement Process (Appraisal Institute)
- Analysis of Retail Properties (Appraisal Institute)
- Appraisal of Residential Subdivisions (Appraisal Institute)
- California Real Estate Law (UCLA)
- Construction Cost Analysis (Appraisal Institute)
- Valuation of Minority Interests (Appraisal Institute)
- Financing for Real Estate Projects (Appraisal Institute)
- Impact of Detrimental Conditions (Appraisal Institute)

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**MINUTES OF THE REGULAR MEETING OF THE
OVERSIGHT BOARD FOR THE SUCCESSOR
AGENCY TO THE CITY OF MONTCLAIR REDE-
VELOPMENT AGENCY HELD ON WEDNESDAY,
FEBRUARY 11, 2015, AT 6:00 P.M. IN THE CITY
COUNCIL CHAMBERS, 5111 BENITO STREET,
MONTCLAIR, CALIFORNIA**

I. PRELIMINARY MATTERS

A. Call to Order

Chairman Ruh called the meeting to order at 6:00 p.m. and asked that everyone please silence their electronic devices as a courtesy to others while the meeting is in session.

B. Roll Call

Present: Chairman Ruh; Board Members Catlin, Erickson, and Piotrowski; Deputy City Manager/ Economic Development Executive Director Staats; Finance Director Parker; Secretary Phillips

Absent: Vice Chairperson Johnson (excused); Board Members Hillman and Richardson (both excused)

II. PUBLIC COMMENT - None

III. APPROVAL OF MINUTES

A. Minutes of Regular Oversight Board Meeting of September 10, 2014

Board Member Erickson indicated her abstention on this item because she was not in attendance at the September 10, 2014 meeting.

In the absence of a quorum of Board Members present to approve the minutes, Chairman Ruh noted this item would be tabled and returned for Oversight Board approval at the next regular meeting.

IV. BUSINESS ITEMS

A. Consider Adoption of Resolution No. 15-01, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving a Recognized Obligation Payment Schedule for July 1, 2015, Through December 31, 2015, Pursuant to California Health and Safety Code Section 34179, Division 24, Part 1.85, and Authorizing Posting and Transmittal Thereof

Board Member Catlin asked how the items on the Recognized Obligation Payment Schedule (ROPS) that have been disputed by the **Department of Finance (DOF)** will be funded.

Finance Director Parker advised that those expenses cannot be funded on the ROPS as reimbursement items; however, he noted the Successor Agency has filed litigation against **DOF** to resolve that issue by hopefully winning the lawsuit.

Board Member Catlin inquired if the costs are being incurred by the City's coffers.

Finance Director Parker concurred, noting the City is funding the preparation of these required documents and is not being reimbursed for those administrative costs due to rejection by **DOF**.

Moved by Board Member Catlin and seconded by Board Member Erickson that Resolution No. 15-01, entitled, "**A Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving a Recognized Obligation Payment Schedule for July 1, 2015, Through December 31, 2015, Pursuant to California Health and Safety Code Section 34179, Division 24, Part 1.85, and Authorizing Posting and Transmittal Thereof,**" be read by number and title only, further reading be waived, and it be declared adopted.

The Oversight Board waived the reading of the Resolution.

Resolution No. 15-01 was adopted by the following vote:

AYES: Catlin, Erickson, Piotrowski, Ruh
NOES: None
ABSTAIN: None
ABSENT: Hillman, Richardson, Johnson

B. Consider Adoption of Resolution No. 15-02, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving the Successor Agency's Proposed Administrative Budget for July 1, 2015, through December 31, 2015, Pursuant to California Health and Safety Code Section 34177(j)

Moved by Board Member Erickson and seconded by Board Member Catlin that Resolution No. 15-02, entitled, "**A Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving the Successor Agency's Proposed Administrative Budget for July 1, 2015, Through December 31, 2015, Pursuant to California Health and Safety Code Section 34177(J),**" be read by number and title only, further reading be waived, and it be declared adopted.

The Oversight Board waived the reading of the Resolution.

Resolution No. 15-02 was adopted by the following vote:

AYES: Catlin, Erickson, Piotrowski, Ruh
NOES: None
ABSTAIN: None
ABSENT: Hillman, Richardson, Johnson

C. Consider Adoption of Resolution No. 15-03, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Amending Oversight Board Resolution No. 14-06 Approving and Adopting a Revised Long-Range Property Management Plan Pursuant to Section 34191.5 of the Health and Safety Code

Deputy City Manager/Executive Director of Economic Development Staats requested that this item be pulled because staff has received verbal confirmation from **DOF** that the previous Long Range Property Management Plan (LRPMP) would be approved by **DOF** rather than having to go back to the Oversight Board, and that the Montclair Transcenter property that was previously being challenged is no longer being disputed.

Chairman Ruh pulled the item, noting it would be brought back at a future meeting if staff determines it is necessary.

V. COMMUNICATIONS

- A. Staff - None
- B. Chairman and Members - None

VI. CLOSED SESSION

A. Closed Session Pursuant to Government Code Section 54956.8 Regarding Real Property Negotiations

Property: 4960 Palo Verde Street - Located on the North Side of Palo Verde Street, east of the entrance to the eastbound I-10 Freeway (APN # 1008-332-04)

Agency Negotiator: Marilyn J. Staats, Deputy City Manager

Negotiating Parties: Successor Agency to the City of Montclair Redevelopment Agency and Press On Properties, LLC

Under Negotiation: Recommendations Regarding Purchase Price

At 6:15 p.m., the Oversight Board went into Closed Session regarding pending litigation and real property negotiations

pursuant to respective Government Code Sections 54956.9(d)(1) and 54956.8.

VII. CLOSED SESSION ANNOUNCEMENTS

VIII. ADJOURNMENT

At 6:29 p.m., Chairman Ruh adjourned the Oversight Board of Directors.

Submitted for Oversight Board approval,


Andrea M. Phillips
Secretary

SUBMITTED FOR APPROVAL

MINUTES OF THE REGULAR MEETING OF THE
OVERSIGHT BOARD FOR THE SUCCESSOR
AGENCY TO THE CITY OF MONTCLAIR REDE-
VELOPMENT AGENCY HELD ON WEDNESDAY,
APRIL 8, 2015, AT 6:00 P.M. IN THE CITY
COUNCIL CHAMBERS, 5111 BENITO STREET,
MONTCLAIR, CALIFORNIA

I. PRELIMINARY MATTERS

A. Call to Order

Chairman Ruh called the meeting to order at 6:00 p.m. and asked that everyone please silence their electronic devices as a courtesy to others while the meeting is in session.

B. Roll Call

Present: Chairman Ruh; Vice Chairperson Johnson; Board Members Catlin, Hillman, Piotrowski, and Richardson; Deputy City Manager/Economic Development Executive Director Staats; Finance Director Parker; Oversight Board Counsel Kotkin; Secretary Phillips

Absent: Board Member Erickson (excused)

II. PUBLIC COMMENT - None

III. APPROVAL OF MINUTES

A. Minutes of Regular Oversight Board Meeting of September 10, 2014

Board Member Richardson indicated his abstention because he was not in attendance at the September 10, 2014 meeting.

Moved by Board Member Catlin, seconded by Vice Chairperson Johnson, and carried to approve the minutes of the regular Oversight Board meeting of September 10, 2014, noting the abstention of Board Member Richardson.

B. Minutes of Regular Oversight Board Meeting of February 11, 2015

Vice Chairperson Johnson and Board Members Hillman and Richardson indicated their abstentions on this item because both were not in attendance at the February 11, 2015 meeting.

In the absence of a quorum of Board Members present to approve the minutes of the February 11, 2015 meeting, Chairman Ruh noted this item would be tabled and returned for Oversight Board approval at the next regular meeting.

IV. PUBLIC HEARINGS

- A. **Consider Adoption of Resolution No. 15-03, a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving and Authorizing Execution of Agreement No.15-17, a Purchase and Sale Agreement Between the Successor Agency to the City of Montclair Redevelopment Agency (City of Montclair) and Press On Properties, LLC, Regarding Property Located at 4960 Palo Verde Street, Montclair, CA (1008-332-04)**

Chairman Ruh declared it the time and place set for public hearing related to adoption of Resolution No.15-03 approving and authorizing execution of Agreement No. 15-17, a Purchase and Sale Agreement between the Successor Agency to the City of Montclair Redevelopment Agency (City of Montclair) and Press On Properties, LLC, regarding property located at 4960 Palo Verde Street, Montclair, CA (1008-332-04) and invited comments from the public.

There being no one in the audience wishing to speak, Chairman Ruh closed the public hearing and returned the matter to the Oversight Board for its consideration.

Moved by Board Member Richardson and seconded by Board Member Catlin that Resolution No. 15-03, entitled, "**a Resolution of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency Approving and Authorizing Execution of Agreement No.15-17, a Purchase and Sale Agreement Between the Successor Agency to the City of Montclair Redevelopment Agency (City of Montclair) and Press On Properties, LLC, Regarding Property Located at 4960 Palo Verde Street, Montclair, CA (1008-332-04),**" be read by number and title only, further reading be waived, and it be declared adopted.

The Oversight Board waived the reading of the Resolution.

Resolution No. 15-03 was adopted by the following vote:

AYES:	Richardson, Piotrowski, Hillman, Catlin, Johnson, Ruh
NOES:	None
ABSTAIN:	None
ABSENT:	Erickson

V. COMMUNICATIONS

A. Staff

1. Finance Director Parker reported the following:

(a) He stated the **California Department of Finance**

(DOF) rejected the percentage calculation of staff salaries reported on the last Recognized Obligation Payment Schedule (ROPS) for administrative costs and has requested the Successor Agency develop an estimated computation based upon hours and costs for disposal of the three remaining properties. He stated that he notified DOF that those costs would be difficult to estimate in advance but staff would make an attempt to do so, and gave an estimate of \$40,000. He advised that DOF then revised the number down to \$32,000.

He stated he advised DOF that the Successor Agency will cease to perform any administrative tasks as soon as it depletes the money approved in the ROPS for administrative costs. He noted he hopes the money authorized will be enough to administer the disposal of the remaining properties.

- (b) He noted the **State Controller's Office** is currently auditing the Successor Agency's payments made under the ROPS, and as far as he knows everything is going fine. He advised the audit process should be complete within the next two weeks.

B. Chairman and Members

1. Board Member Richardson asked if DOF is required by law to perform the audit.

Finance Director Parker stated it is loosely required by law, which states DOF has the authority to perform the audits. He noted he assumed it would have only applied to the transferred asset review that was completed, but apparently DOF determined they had the time and money to perform additional reviews.

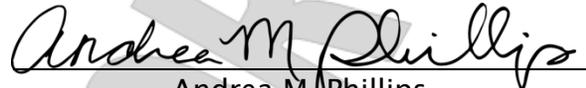
Finance Director Parker noted DOF has just proposed budget trailer language that transfers the audit authority to the Counties, so it seems DOF will not be performing the audits for much longer.

Oversight Board Counsel Kotkin noted the **League of California Cities (LCC)** has taken an aggressive position against the legislation, noting many city councils and county boards of supervisors have spoken out against the legislation, which would complicate an already troubled process. He advised Oversight Board members should visit LCC's website for the analysis on the legislation.

VI. ADJOURNMENT

At 6:17 p.m., Chairman Ruh adjourned the Oversight Board of Directors.

Submitted for Oversight Board approval,


Andrea M. Phillips
Secretary

SUBMITTED FOR
APPROVAL