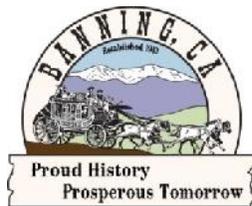




2013 LONG RANGE PROPERTY MANAGEMENT PLAN



Prepared for the:
Successor Agency to the dissolved
Community Redevelopment Agency
of the City of Banning
99 E. Ramsey St.
Banning, CA 92220
www.banning.ca.us

July 2013
REVISED
June 2014
CORRECTED
DECEMBER 2014

Prepared by:

Urban Futures Inc.
Corporate Office
3111 North Tustin Street,
Suite 230
Orange, CA 92865
(714) 283-9334 • FAX (714) 283-5465

Northern California Office
1470 Maria Lane, Suite 315
Walnut Creek, CA 94596
(925) 478-7450 • FAX (925) 658-2583
www.urbanfuturesinc.com

UFI URBAN FUTURES | Incorporated





2013 LONG RANGE PROPERTY MANAGEMENT PLAN

CITY COUNCIL/ SUCCESSOR AGENCY BOARD

Debbie Franklin, *Mayor*

Art Welch, *Mayor Pro Tem*

Jerry Westholder, *Councilmember*

Edward Miller, *Councilmember*

Don M. Peterson, *Councilmember*

CITY STAFF

Homer Croy, *Interim, City Manager*

Bill R. Manis, *Director of Economic
Development/Public Information Officer*





2013 LONG RANGE PROPERTY MANAGEMENT PLAN

Table of Contents

I. INTRODUCTION.....	1
II. SUMMARY OF SUCCESSOR AGENCY PROPERTIES	4
III. PROPERTY TO BE RETAINED FOR GOVERNMENTAL USE	5
IV. PROPERTY TO BE RETAINED FOR FUTURE DEVELOPMENT	12
V. PROPERTY TO BE USED TO FULFILL AN ENFORCEABLE OBLIGATION	25
VI. PROPERTY INVENTORY PER HSC 34191.5.(c)(1)	30
Exhibit A – Successor Agency/City Property Disposition Procedures.....	31
Exhibit B – Health & Safety Code	34
Exhibit C – DOF Finding Of Completion	37
Exhibit D – Resolution of the Oversight Board	39
Exhibit E – Resolution of the Successor Agency Board.....	46
Exhibit F – Assessor Parcel Maps	53
Exhibit G – Zoning Information	61
Exhibit H – DOF Correspondence.....	64

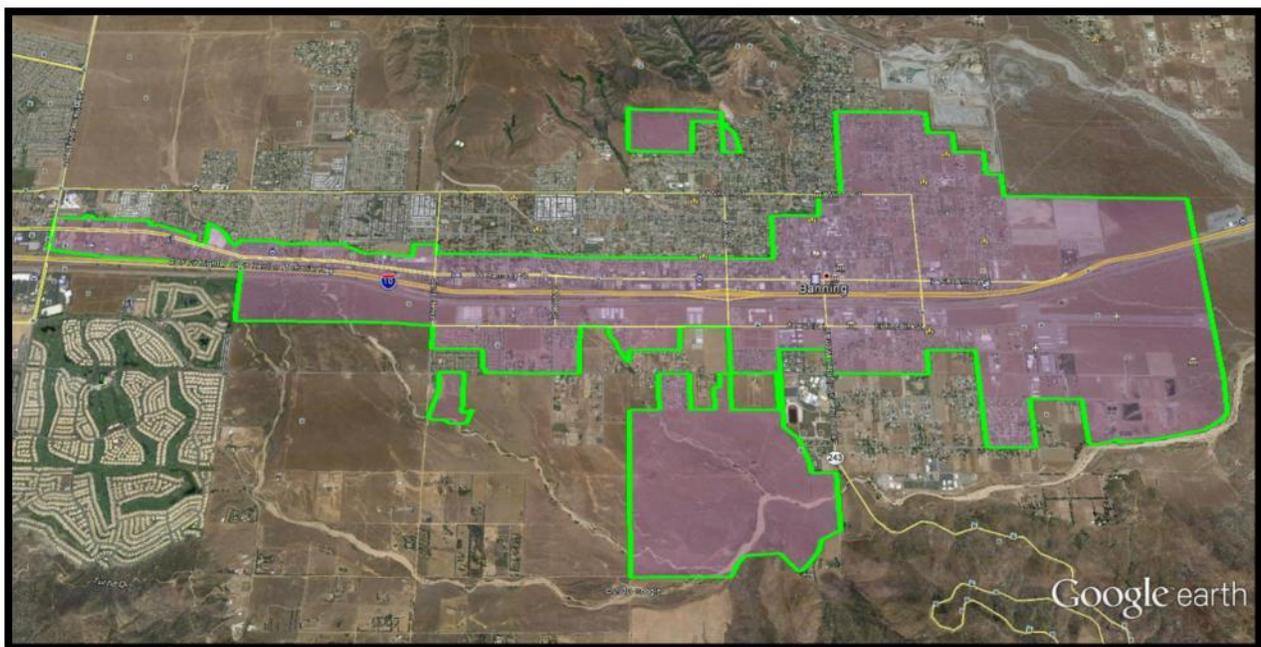




I. INTRODUCTION

The City of Banning (the “City”) incorporated on February 6, 1913, and has grown to 23.10 square miles. It is located in Riverside County, lies across Interstate 10 in the San Geronio Pass, and is approximately 30 miles west of Palm Springs and 90 miles east of downtown Los Angeles. The California Department of Finance (the “DOF”) reports the City’s population to be 30,170 as of January 1, 2013.

The City is named for Phineas Banning, stagecoach line owner and the “Father of the Port of Los Angeles.” Initially, Banning served as a stagecoach and railroad stop between the Arizona territories and Los Angeles.



Former Redevelopment Agency

The former City of Banning Community Redevelopment Agency (the “Agency”) was organized (1983) pursuant to § 33000 *et seq.* of the California Health and Safety Code (the “HSC”) and was responsible for the administration of redevelopment activities within the City. The Redevelopment Plan for the Downtown Project was adopted on June 12, 1978, and amended in 1979, 1980, 1993, and 1994. The Redevelopment Plan for the Midway Project was adopted on June 10, 1986, and amended in 1993 and 1994. The Redevelopment Plan for the Highland Springs Project was adopted in August 1987 and terminated on April 15, 1992. On February 26, 2002, the Downtown Project and Midway Project were merged. The total acreage of the Merged Downtown and Midway Project is 1,528.80.





The Redevelopment Plan is summarized as follows:

Plan Chronology and Time Limits											
Highland Springs Project	Merged Downtown and Midway Project										
	Downtown Project					Midway Project			Amend to Merge Downtown and Midway Project	Added Territory to Merged Project	
	Original Project	Amend No. 1	Amend No. 2	Amend No. 3	AB 1290 Amend	Original Project	Amend No. 1	AB 1290 Amend			
Plan Adoption											
Date of Adoption	Aug 1987	Jun 12, 1978	Jul 17, 1979	Jun 9, 1980	Apr 27, 1993	Dec 13, 1994	Jun 10, 1986	Dec 14, 1993	Dec 13, 1994	Feb 26, 2002	Feb 26, 2002
Ordinance Number	929	709	736	753	1115	1165	906	1143 ¹	1164	1280 ^{1, 2}	1280
Base Year	NA	1977-78	1978-79	1979-80	NA	NA	1985-86	2001-02	NA	NA	2001-02
Effectiveness of Plan	Terminated on or prior to April 15, 1992	35 years	35 years	35 years	NA	NA	30 years	30 years	NA	NA	30 years
Project Area Size (acres)	NA				NA	NA		28.8	NA	NA	1,500
Time Limits											
For Initiation of Eminent Domain	NA	February 26, 2014						February 26, 2014			Feb 26, 2014
Establishment of Indebtedness	NA	Jun 12, 2013	Jul 17, 2014	June 9, 2015	Estab'd new time limits	Estab'd new time limits	Jun 10, 2016	Dec 14, 2023	Estab'd new time limits	Estab'd new time limits	Feb 26, 2032
Effectiveness of Plan	NA	Jun 12, 2013	Jul 17, 2014	June 9, 2015			Jun 10, 2016	Dec 14, 2023			Feb 26, 2032
Repayment of Indebtedness	NA	Jun 12, 2023	Jul 17, 2024	June 9, 2025	Jun 10, 2026	Dec 14, 2033	Feb 26, 2047				
Financial Limits											
Maximum Lifetime Tax Increment for Pre-1994 Plans	NA	\$620,000,000			NA	NA	\$55,000,000	No Limit	NA	NA	No Limit
Maximum Bonded Debt Outstanding	NA	\$211,000,000									

1. Ordinance 1143 did not authorize the Agency to collect tax increment. Ordinance 1280 established 2001-02 as the base year for Amendment No. 1.
2. Ordinance 1280 established February 26, 2014 as the deadline for commencement of eminent domain proceedings for all plans (12 years after adoption of the ordinance).

Dissolution of Redevelopment Agencies

Trailer bills ABx1 26 and ABx1 27 were signed by the Governor of California on June 28, 2011, making certain changes to the HSC, including adding Part 1.8 (commencing with § 34161) (“Part 1.8”) and Part 1.85 (commencing with § 34170) (“Part 1.85”) to Division 24 of the HSC. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that ABx1 26 and ABx1 27 were unconstitutional. On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding ABx1 26, invalidating ABx1 27, and holding that ABx1 26 may be severed from ABx1 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations under HSC Part 1.85 arising before May 1, 2012 to take effect four months later while leaving the effective dates or deadline for performance of obligations under HSC Part 1.8 unchanged. Consistent with the applicable provisions of the HSC, the City Council elected to serve in the capacity of the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning, (the “Successor Agency”).





Further, on June 27, 2012, the Governor signed budget trailer bill AB 1484 into law, resulting in further procedural and substantive changes to the duties of and procedures to be followed by successor agencies, oversight boards, county auditor-controllers and the California Department of Finance (the “DOF”). This includes, but is not limited to, the manner in which the Successor Agency disposes of real property assets. Specifically, AB 1484 added HSC § 34191.5 that requires the Successor Agency to prepare a Long Range Property Management Plan (the “LRPMP”) as a prerequisite to the disposition of real property assets.

Long Range Property Management Plan

Per the applicable provisions of the HSC, no later than six (6) months after a successor agency receives its Finding of Completion from the DOF (per HSC § 34179.7), the Successor Agency must submit its LRPMP to the Oversight Board and the DOF for approval. The LRPMP must include an inventory (with specified information) about each property, and address the use or disposition of each property. Permitted uses for the property pursuant to AB 1484 include:

1. Retention of the property for governmental use;
2. Retention of the property for future development;
3. Sale of the property; and
4. Use of the property to fulfill an enforceable obligation.

Upon DOF’s approval of the LRPMP, the properties are to be placed in a Community Redevelopment Property Trust Fund administered by the Successor Agency in accordance with the approved LRPMP. If the LRPMP plan calls for use or liquidation (sale to obtain revenues) of a property for a project identified in an approved redevelopment plan, that property is to be transferred to the sponsoring community for that purpose. If the LRPMP calls for the liquidation of the property or use of revenues from the property for purposes other than a project identified in a redevelopment plan or other than to fulfill an enforceable obligation, the proceeds from the sale are to be distributed as property taxes to the taxing entities. A general outline of real property disposition procedure is included as Exhibit “A.”

This LRPMP was prepared in compliance with those pertinent sections of the HSC that govern the LRPMP’s prerequisites, content, and approval process. For ease of review, the pertinent sections of the HSC are included in Exhibit “B.”

The Successor Agency received its Finding of Completion from the DOF on April 26, 2013 (Exhibit “C”). The LRPMP was approved by Resolution of the Successor Agency on September 10, 2013 (Exhibit “D”) and by Resolution of the Oversight Board on September 26, 2013 (Exhibit “E”).

The Successor Agency and the Oversight Board originally approved the LRPMP on September 10, 2013 and September 24, 2103, respectively.

Revisions to the LRPMP are for the purpose of responding to DOF’s comments received from DOF staff, Justyn Howard, dated March 12, 2014 (Exhibit “H”).

The Revised LRPMP was approved by Resolution of the Successor Agency on July 8, 2014 (Exhibit “D”) and by Resolution of the Oversight Board on July 24, 2014 (Exhibit “E”).





II. SUMMARY OF SUCCESSOR AGENCY PROPERTIES

The Successor Agency owns 12 parcels consisting of six (6) sites, all of which are located within the boundaries of the Agency’s Project Area and are subject to the provision of the Agency’s 1994 Merged Downtown and Midway Project Area Redevelopment Plan and subsequent 2002 amendment, the Agency’s Five-Year Implementation Plan 2009/2010 through 2013/2014, and the City’s 2006 General Plan, Title 17 Zoning Ordinance, and land use regulations.

The parcels have been divided into six (6) sites as summarized in the table below:

<i>Summary of Successor Agency Properties</i>						
Site No.	Site Reference (x) ¹	Address	Assessor Parcel No. ²	Zone ³	Lot Size (acres)	Permissible Use
1	City Hall Parking Lot (1)	128 N San Gorgonio Av	541-141-013	DC	0.27	Governmental Use
2	City Hall Annex (3)	60 E Ramsey Street	541-181-014, 021, & 023	DC	0.41	Governmental Use
3	Ramsey St Property (1)	646 W Ramsey St	540-191-008	DC	0.22	Future Development
4	Airport Property (2)	Westward Av	532-180-034 532-130-011	I	49.43	Future Development
5	Justice Center Office Complex (4)	W Ramsey St E Williams St	541-150-025 & 026 541-150-027 & 028	DC	3.30	Future Development
6	Banning Ventures Property (1)	2301 W Ramsey St	538-162-016	HSC	1.45	Fulfill Enforceable Obligation

¹ (x) The number in parenthesis reflects the number of parcels that constitute the site.

² See Exhibit “F” for Assessor Parcel Maps

³ See Exhibit “G” for zoning map

DC – Downtown Commercial

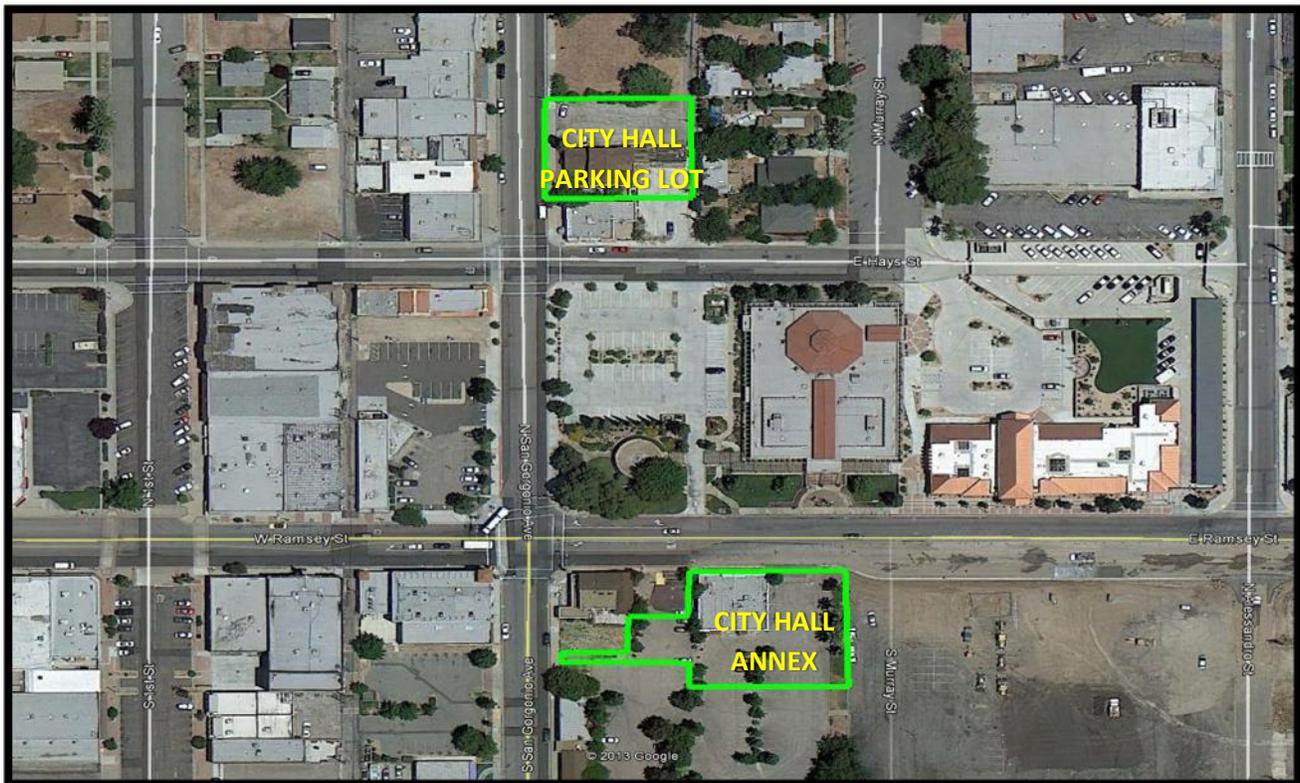
HSC – Highway Serving Commercial

I – Industrial





III. PROPERTY TO BE RETAINED FOR GOVERNMENTAL USE





Site No. 1
City Hall Parking Lot
128 N San Gorgonio Av
APN 541-141-013



A. Permissible Use (HSC 34191.5(c)(2)):

Site No. 1 is the City Hall Parking Lot property and is proposed to be retained by the City of Banning for governmental use as a City Hall parking lot pursuant to HSC 34181(a).

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)):

The former redevelopment agency purchased the City Hall Parking Lot property in November 2008 for \$481,061 (which is the Successor Agency's book value). The acquisition was financed through a Note (the "2008-Note") secured by a Deed of Trust. The property is slated for the development of a City Hall employee parking lot, thereby releasing existing City Hall parking for use by the clientele of the new State Courthouse which is currently under construction within the Project Area. The property's current estimated value ("ECV") is -\$86,155 (i.e., negative \$86,155), as further explained below in Section D.

C. Site Information (HSC 34191.5(c)(1)(C)):

The City Hall Parking Lot property consists of one (1) 0.27-acre parcel (APN 541-141-013) located at 128 N. San Gorgonio Avenue. A 4,000 sf vacant 2-story building is located on the property. The property is zoned downtown commercial (DC) per the City's General Plan/Zoning Ordinance. The DC zoning designation applies to the City's traditional commercial core with primary uses as small scale commercial retail and office, services, governmental services, restaurants, and entertainment.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)):

The ECV of the City Hal Parking Lot property is -\$86,155 (i.e., a negative \$86,155). To determine the ECV for the City Hall Parking Lot property, a fair market value appraisal was obtained from Integra Realty Resources. The two appraisers assigned to the project both hold MAI designations. The appraisal is dated June 11, 2014 and reflects a value date of June 2, 2014. The appraisers used the sales comparison approach with an offset for the estimated \$25,000 cost to demolish the dilapidated structure on the property (based on Marshall and Swift data). The appraisal did not take into consideration the cost of a required environmental study and the cost of site remediation for lead-based paint and asbestos abatement prior to demolition of the structure on the property, which must be considered in determining the ECV, as described herein. The appraiser did not include any other offsets. Based on this, the appraisers determined the market value of the property





as of June 2, 2014 to be \$90,000. However, in order to determine the ECV, it was necessary to deduct from the appraiser’s value the following: (i) the unpaid balance of the note secured by a deed of trust recorded against the property; (ii) the cost of an environmental study; and (iii) the cost of site remediation for lead-based paint and asbestos abatement that must be performed prior to demolition of the structure on the property. After accounting for the additional costs, the ECV is effectively -\$86,155 (i.e., a negative \$86,155), as depicted below:

Appraised Value:	\$90,000
Unpaid Balance on Note:	(135,655)
Environmental Analysis:	(9,500)
<u>Lead-Based Paint and Asbestos Abatement:</u>	<u>(30,000)</u>
Total (ECV):	(\$86,155)

In addition, it is important to note that once the property is transferred to the City of Banning at no cost, the City will assume the note and the responsibility for the environmental analysis and the abatement of the lead-based paint and asbestos. Further, the City will also assume the estimated \$25,000 demolition cost and the cost of developing the property into a City Hall parking lot, which the City’s Public Works Department has estimated to cost approximately \$94,000. All together, the City’s costs are estimated to be \$294,155, or approximately \$300,000.

E. Site Revenues (HSC 34191.5(c)(1)(E):

There is no revenue generated from the City Hall Parking Lot property.

F. History of Environmental Contamination ((HSC 34191.5 (c)(1)(F)):

Except for the presence of lead-based paint and asbestos within the structure on the property, there is no history of any other environmental contamination. Once the property is transferred to the City, the City will assume the responsibility for testing and abating the building of lead-based paint and asbestos consistent with the current standards for such abatement work.



G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):

The property will be used for City Hall employee parking and therefore, does not have any direct potential as a TOD site.

The City Hall Parking Lot property, once developed for parking by the City, will advance the planning objectives of the City and the Successor Agency by facilitating ease of access to public services in the Downtown Core by creating a City Hall employee parking lot, thereby releasing existing City Hall parking for use by the clientele of the new Courthouse, and investing in public improvements that support businesses that create new, quality jobs (e.g. State Courthouse).

H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):

In 2007, funding for the Banning Courthouse was initiated through the State Budget Act of 2007. In November 2008, the State acquired a 4.86-acre site on Ramsey Street, between Martin and East Williams Streets, from the City of Banning. The Courthouse is currently under construction and is





expected to be completed in 2014. As noted in Section B above, the City Hall Parking Lot property was purchased by the former redevelopment agency in November 2008.

I. Sale of Property:

The City Hall Parking Lot property is to be transferred to the City at no cost for future development of a City Hall Parking Lot. The Property as an ECV of -\$86,155 (i.e., a negative \$86,155) and it is estimated that the City will assume additional costs of approximately \$300,000 to retire the existing debt on the property, study and abate lead-based paint and asbestos within the existing structure, demolish the existing structure, and develop the parking lot.

J. Implementation of the Long-Range Property Management Plan:

Following the approval of the LRPMP by the DOF, the Successor Agency will transfer the City Hall Parking Lot property to the City of Banning at no cost.



Site No. 2
City Hall Annex
60 E. Ramsey Street
APN 541-181-014, 021, & 023



A. Permissible Use (HSC 34191.5(c)(2)):

Site No. 2 is the City Hall Annex and is proposed to be retained by the City of Banning for governmental use as a City Hall Annex pursuant to HSC 34181(a).

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)):

The City Hall Annex property was purchased by the former redevelopment agency in April 1996 for \$3,845 (which is the Successor Agency's book value), to alleviate blight within the Project Area. In 2005, the City Hall Annex was leased to the Banning Chamber of Commerce as a part of a relocation plan with respect to the development of the City's new Police Station, which is east of and adjacent to City Hall. The matter of the relocation plan and the property's estimated current value ("ECV") of \$10,000.00, are further explained below in Section D.

C. Site Information (HSC 34191.5(c)(1)(C)):

The City Hall Annex property consists of three (3) parcels totaling 0.41 acres (APN 541-181-014, 021, & 023) located at 60 E. Ramsey Street. The property, which includes a 3,360 sf building, is leased to the Banning Chamber of Commerce through June 14, 2055. The property is zoned downtown commercial (DC) per the City's General Plan/Zoning Ordinance. The DC zoning designation applies to the City's traditional commercial core with primary uses as small scale commercial retail and office, services, governmental services, restaurants, and entertainment.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)):

To determine the ECV for the City Hall Annex property, a fair market value appraisal was obtained from Integra Realty Resources. The two appraisers assigned to the project both hold MAI designations. The appraisal is dated June 11, 2014 and reflects a value date of June 2, 2014. The appraisers used the income capitalization approach to value the property. Based on the net present value of \$1.00 per year of rental income over the next 41 years, plus an allocation for the value of reversion to land, the appraisers determined the market value of the property as of June 2, 2014 to be \$10,000.

Based on the foregoing, the \$10,000 ECV of the City Hall Annex property is based on the assumption that the current tenant, the Banning Chamber of Commerce, remains in place through June 14, 2055, which is the expiration date of the lease. In addition, the Banning Chamber of Commerce sub-leases a portion of the property to the Southern California Gas Company as a utility





bill payment center. Therefore, if for any reason the lease and the sub-lease are terminated early without cause by the Successor Agency or the City (depending on which entity would theoretically take such an action), then as a result of the obligation to make legally required relocation and loss of goodwill payments, the ECV could be as much as -\$10,000,000 (i.e., a negative \$10 million). Most of this estimate would consist of payments for the bonus value of the current lease.

The estimated value of a theoretical relocation of the Banning Chamber of Commerce and the Gas Company was prepared by Urban Futures, Inc. (“UFI”), the City of Banning’s financial advisors. In preparing this estimate, UFI considered the cost for compensation, reimbursement, assistance, including, but not limited to, the fair market value of real and personal property, loss of good will (i.e., bonus value of the lease), loss of profits, actual and reasonable expenses for moving a business, loss of tangible personal property as a result of moving the business, expenses incurred in searching for a replacement site for the business, expenses to re-establish the business at the new site, “in-lieu payments,” and other such benefits under the California Relocation Assistance Act, Title 25 of the California Code of Regulations, Article 1, Section 9 of the California Constitution, the California Eminent Domain law, or other similar local, state, or federal statute, ordinance, regulation, rule, or decisional law.

Given the estimated costs for early termination of the lease, the City of Banning would occupy the property once the lease expires according to its own terms, thus saving the tax-payers an estimated \$10 million.

E. Site Revenues (HSC 34191.5(c)(1)(E):

Pursuant to the lease with the Banning Chamber of Commerce, the Successor Agency receives \$1 per year in rent. There is no contractual agreement for the use of the \$1.00 annual lease payment.



F. History of Environmental Contamination ((HSC 34191.5 (c)(1)(F)):

There is no history of environmental contamination.

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):

The property in question will be used as a City Hall Annex and therefore, does not have any direct potential as a TOD site.

Prior to the expiration of the lease (i.e., June 14, 2055), the property will continue to be occupied by the Banning Chamber of Commerce. The Chamber’s continued occupancy of the property will advance the planning objectives of the City and the Successor Agency by facilitating the ease of which businesses access the Chamber’s services in the Downtown Core. The Chamber is considered a major partner with the City in the retention, expansion, and attraction of businesses. The planning objectives to enhance and grow the City’s economy are spurred on by the Chamber as they support the economic development and tourism efforts of the City and the region. Upon





the expiration of the lease, the property will be utilized by the City of Banning for its purposes to serve the community.

H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):

Prior to occupying the City Hall Annex property, the Chamber of Commerce was located at 125 E. Ramsey Street. As a part of the development plan for the new Police Station, during 2005 it was necessary to relocate the Chamber from the 125 E. Ramsey Street property. As a part of the relocation plan for the new Police Station, the former redevelopment agency relocated the Chamber to its current location. As a part of that relocation program, the former redevelopment agency entered into a 50-year lease with the Chamber for the property in lieu of paying any relocation/loss of goodwill costs. The Chamber has served the City in its current location for the past 9 years.

I. Sale of Property:

The Property is to be transferred to the City at no cost for future use as a City Hall Annex. The Property has an ECV of \$10,000 and the City will assume all of the landlord's responsibilities with respect to the Property for the remaining 41-year term of the lease with the Chamber of Commerce. The City will also assume any costs associated with the renovation and/or reconstruction of the site for its adaptation for City use purposes.

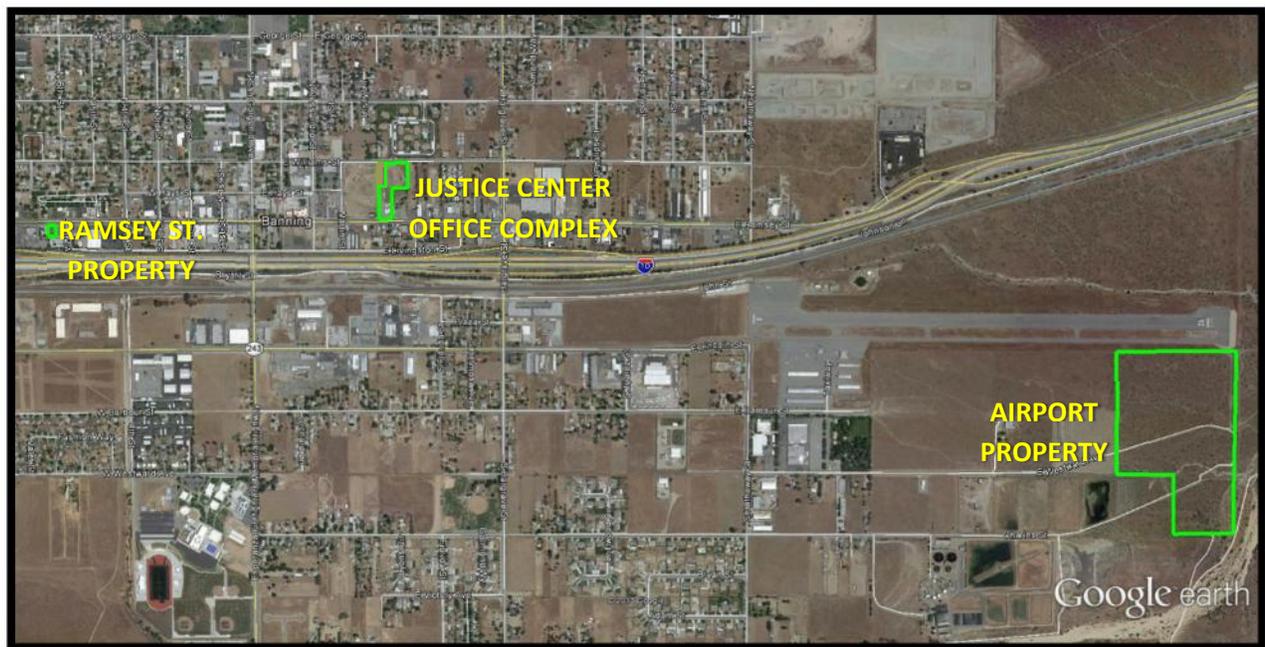
J. Implementation of the Long-Range Property Management Plan:

Following the approval of the LRPMP by the DOF, the Successor Agency will transfer the City Hall Annex property to the City of Banning at no cost.





IV. PROPERTY TO BE RETAINED FOR FUTURE DEVELOPMENT





Site No. 3
Ramsey St. Property
646 W. Ramsey Street
APN 540-191-008



A. Permissible Use (HSC 34191.5(c)(2)):

Site No. 3 is the Ramsey St. Property and is proposed to be retained by the City of Banning for future development pursuant to HSC 34191.5(c)(2).

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)):

The former redevelopment agency acquired the Ramsey St. Property in July 2002 for \$25,896 (which is the Successor Agency's book value). The purpose of the acquisition was to further the former redevelopment agency's goal to create pedestrian friendly circulation within the downtown area and keep to the character of the downtown with small scale commercial retail and office uses, services, restaurants, and entertainment retail thus alleviating the existing blight in the area. The property's estimated current value (the "ECV") is approximately \$144,300.

C. Site Information (HSC 34191.5(c)(1)(C)):

The Property consists of one (1) 0.22-acre parcel (APN 540191-008) located at 676 W. Ramsey St. The Property is zoned downtown commercial (DC) per the City's General Plan/Zoning Ordinance. The DC zone applies to the City's traditional commercial core with primary land uses aimed towards small scale commercial retail and office, services, governmental services, restaurants, and entertainment.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)):

To determine an ECV for the Ramsey St. Property, in June 2013 a sales comparable analysis was conducted through the National Data Collective.¹ The ECV was determined to be approximately \$144,300.

E. Site Revenues (HSC 34191.5(c)(1)(E)):

No revenue is generated from the Ramsey St. Property.

F. History of Environmental Contamination ((HSC 34191.5 (c)(1)(F)):

There is no history of environmental contamination.

¹ www.ndcdata.com





G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):

There is no potential for a TOD in conjunction with Ramsey St. Property. The retention of the Ramsey St. Property for future development advances the planning objectives of the City and the Successor Agency as found in the 5-Year Implementation Plan and 2006 General Plan of ensuring that the development of this property will further the goal of creating pedestrian friendly circulation within the downtown area and keep to the character of the downtown with small scale commercial retail and office uses, services, restaurants, and entertainment retail.

H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):
None.

I. Sale of Property:

The City proposes to issue an RFP in accordance with the Successor Agency's policies and procedures for property disposition located in Exhibit "A" for the future sale and development of the Ramsey St. Property.

The ECV is approximately \$144,300.

Date of estimated current value – July 2013

Value Basis – The ECV was determined by a sales comparable analysis using the National Data Collective. The ECV is approximately \$144,300.

Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.

Proposed sale date – To be determined and subject to the Successor Agency's implementation of its policies and procedures for property disposition as shown in Exhibit "A."

Proposed sale value – To be determined and subject to a fair market appraisal conducted by a licensed appraiser. Any proceeds of the sale would be used for enforceable obligations or distributed as property tax to the taxing entities.

J. Implementation of the Long-Range Property Management Plan:

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP.

1. For properties to be retained for future development, implementation will include securing an HSC §34180(f)(1) compensation agreement (the "Compensation Agreement") with the affected taxing entities. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. Waiting until DOF's approval is received will ensure that the legal and staff time committed to preparing for and processing a Compensation Agreement is not wasted in the event that DOF decides not to approve the LRPMP. The City is concerned that it will not be fruitful to attempt to engage numerous taxing agencies in discussions about proceeds from the sale of properties when the timing of sale is not known and the price has not been determined. Further, this approach will also ensure that the affected





- taxing entities do not waste their legal and staff time reviewing a Compensation Agreement that would otherwise become mute in the event of a DOF denial. However, if DOF approves the LRPMP, then prior to the transfer of the property to the City, the City will prepare a Compensation Agreement and diligently seek the approval of the affected taxing entities. If the Compensation Agreement is approved, then the transfer of the property to the City will occur thereafter consistent with the provisions of the Compensation Agreement. If for any reason the Compensation Agreement is not approved by all affected taxing entities, then the property will be sold, thus completely eliminating the need for a Compensation Agreement. Any proposed sale will be brought to the Oversight Board for review and approval after the pricing and timing of sale is known.
2. For properties to be sold, implementation will include distribution of any land sales proceeds for enforceable obligations and/or distributed as property tax to the taxing entities. Due to the vagaries associated with the sale of land, such as uncertainties concerning the timing of sale and the price that would be realized, it is not feasible to precisely state in the LRPMP how the funds will be used. In that regard, once an agreement is reached with respect to the purchase and sale of a property, the agreement will be presented to the Oversight Board for concurrence. The Oversight Board's approval will be evidenced by a resolution that will be submitted to DOF and, per the HSC, is subject to DOF's review. That resolution will include or refer to a staff report which describes with greater particularity, once more facts are known, how the proceeds of sale will be distributed. As noted in Section I – Introduction of the LRPMP, the LRPMP provides that proceeds of the sale may be used for enforceable obligations and/or distributed as property tax to the taxing entities through the County Auditor-Controller. The need to retain some or all of the proceeds of sale for enforceable obligations will depend on whether there is a short-fall in RPTTF in the ROPS cycle during which the escrow is anticipated to close. If a short-fall were to occur in the RPTTF at that time, then all or a portion of the sale proceeds should be used to fulfill an enforceable obligation with any remaining sale proceeds then distributed as property tax to the taxing entities through the County Auditor-Controller. If there is not a short-fall in RPTTF at the time of close of escrow, then land sale proceeds would be distributed as property tax to the taxing entities through the County Auditor-Controller in a manner described at the time of Oversight Board approval as to a particular property sale. Since it is impossible to foresee when and if a short-fall in the RPTTF may occur, or when the property will be sold, the use of the sale proceeds cannot be specifically determined at this time and, therefore, cannot be stated with greater particularity in the LRPMP. However, it is clear that at the time a sale takes place, the sale will be brought back to the Oversight Board and will be subject to review.



Site No. 4
Airport Property
Westward Avenue
APN 532-130-011
APN 532-180-034



A. Permissible Use (HSC 34191.5(c)(2)):

Site No. 4 is the Airport Property is proposed to be retained by the City of Banning for future development pursuant to HSC 34191.5(c)(2). In that regard, it is anticipated that a future development will include the Morongo Band of Mission Indians to create an “Inland Port” in conjunction with the City-owned Banning Airport property and Morongo Tribal lands.

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)):

The former redevelopment agency acquired the Airport Property in October and December 2007 for a total of \$3,283,270 (which is the Successor Agency’s book value). The estimated current value (“ECV”) is approximately \$644,700.

C. Site Information (HSC 34191.5(c)(1)(C)):

The Airport Property consists of two (2) parcels (APN 532-130-011 and APN 532-180-034) totaling 49.43 acres and are locate adjacent to and southeast of the Banning Airport. In the City’s General Plan/Zoning Ordinance, the property is zoned Industrial (I). Land uses in this zone are directed towards light and medium intensity manufacturing operations, warehousing and distribution, mini-storage, and associated offices; commercial recreation facilities are also appropriate along with auto storage and repair. In addition, due to the type of development proposed, it is possible a portion of this property may be re-zoned to Airport Industrial (AI). Land uses in AI must be focused on airport-related and transportation-related functions, including machining, manufacturing, warehousing, flight schools, restaurants, and office uses. Aircraft maintenance, repair, and catering services are also appropriate.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)):

In June 2013 a sales comparable analysis was conducted through the National Data Collective to determine an ECV for the Airport Property of approximately \$644,750. Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.





E. Site Revenues (HSC 34191.5(c)(1)(E):

There is no revenue generated from the Airport Property.

F. History of Environmental Contamination ((HSC 34191.5 (c)(1)(F)):

There is no history of environmental contamination.

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):

There is no potential for a TOD in conjunction with the Airport Property. The retention of the Airport Property for future development advances the planning objectives of the City and the Successor Agency as found in the 5-Year Implementation Plan and 2006 General Plan. Those objectives are: (i) managing the industrial development of the Airport Property surrounding the Banning Airport; (ii) addressing physical and economic blight from inadequate public improvements; (iii) creating an industrial base convenient to the railroad and airport, which provides quality jobs for City residents; (iv) providing for land uses related to and compatible with the airport; (v) developing the under-utilized assets surrounding the airport; (vi) tapping into the economic development opportunities that the Airport Property affords the City; (vii) capitalizing on the Municipal Airport to attract businesses to the City; and (viii) taking advantage of economic partnership opportunities with the Morongo Band of Mission Indians (the "Morongo Tribe") to expand and enhance the function of the airport and the Airport Property. The future development of the Airport Property is crucial to the continued industrial development of the City and will provide the taxing entities with future taxing benefits upon disposition of the property to a developer and increasing property taxes revenue as the development is completed.

H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):

Lands surrounding the airport have a great potential for industrial development. These lands are owned by private parties, the City, Riverside County, and the Morongo Tribe. The City has also conferred with the Morongo Tribe regarding potential joint venture opportunities for commercial/industrial development on these lands.

Currently the City is negotiating an Exclusive Right to Negotiate Agreement ("ERNA") with a developer for the Airport Property to develop an Inland Port. The proposed development includes both Successor Agency parcels and the Banning Municipal Airport parcel. The negotiations include the following factors:

The Proposal

"...*The Site:* The City owns three (3) certain parcels of land located immediately east of Hathaway Street and along Barbour Avenue, Banning, California, which is more particularly described in Exhibit "A" hereto (the "Site"). The Site consists of (i) the Banning Municipal Airport (127.15 acres) that is improved as a municipal airstrip (the "Airport Parcel"), and (ii) two (2) adjacent parcels (39 acres and 20 acres, respectively) that are partially improved (the "Industrial Parcels"). The Airport Parcel has a General Plan designation of "Public Facilities" and a Zoning designation of "PF-A." The Industrial Parcels have a General Plan and Zoning designation of "Industrial." The Airport Parcel includes 5,200 feet of runway, one (1) terminal building, one (1) facility capable of housing a fixed base operator, six (6) T-hangers, three (3) conventional hangers, and fueling facilities.





Site as Centrally Located/or Intermodal Freight Transport: The Site is proximate to the Interstate 10, State Route 60, and freight railway systems that constitute critical freight/shipping corridors from the Los Angeles and Long Beach ports to mid- and eastern United States. This makes the Site a prime location for a logistics/intermodal freight distribution center. Logistics is a key industry in Southern California and a critical element of its economy. The Inland Empire region is uniquely positioned and has special geographic advantages in the goods movement industry. For example, the Site lies in the San Geronio Pass, which is the only geographic corridor accessible for major freight distribution between the San Bernardino Mountains on the north and the San Jacinto Mountains to the south. Such a use of the Site could provide for economic growth in the City of Banning to the extent it:

- Provides for a land use and infrastructure plan that will support the creation of a major job center in the City;
- Establish Banning as a prime location for the logistics industry;
- Provides a balanced approach to the City's fiscal viability, economic expansion and environmental integrity;
- Significantly improves the City's jobs to housing balance; and
- Provides new, local construction jobs.

Proposed Project: In order to achieve the above-described goal of enhancing Site use, the City and Developer are considering a conceptual plan to design and construct a "logistics center" upon the Site and certain adjacent property as described as the "Project." The Project contemplates design and construction of at least 1,000,000 square feet of warehouse and trailer/container storage space serving cargo and bulk freight distribution; manufacturing; retail store space; office space and secondary business facilities serving the intermodal logistics center (such as restaurant and fueling services). The Project is proposed to provide substantial economic and employment opportunities for the community, with a goal of generating at least 1,300 new jobs. The Project shall maintain highest standards of development, including "Cal-Green" and LEED building standards, strict adherence to building codes, best practices for environmental protection, energy efficiency, water conservation, and reduced greenhouse gas emissions. The Project will also include necessary street and utility infrastructure."

I. Sale of Property:

If the ERNA is not signed, then the City proposes to issue an RFP in accordance with the Successor Agency's policies and procedures for property disposition located in Exhibit "A" for the future disposition and development of the Airport Property.

The ECV is approximately \$644,700

The following process was used in determining the ECV of the Airport Property:

Date of estimated current value – June 2013

Value Basis – The ECV was determined by a sales comparable analysis using the National Data Collective. The ECV is approximately \$644,750.





Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.

Proposed sale date – To be determined and subject to the Successor Agency’s implementation of its policies and procedures for property disposition as shown in Exhibit “A.”

Proposed sale value – To be determined and subject to a fair market appraisal conducted by a licensed appraiser. Any proceeds of the sale would be used for enforceable obligations or distributed as property tax to the taxing entities.

J. Implementation of the Long-Range Property Management Plan:

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP.

1. For properties to be retained for future development, implementation will include securing an HSC §34180(f)(1) compensation agreement (the “Compensation Agreement”) with the affected taxing entities. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. Waiting until DOF’s approval is received will ensure that the legal and staff time committed to preparing for and processing a Compensation Agreement is not wasted in the event that DOF decides not to approve the LRPMP. The City is concerned that it will not be fruitful to attempt to engage numerous taxing agencies in discussions about proceeds from the sale of properties when the timing of sale is not known and the price has not been determined. Further, this approach will also ensure that the affected taxing entities do not waste their legal and staff time reviewing a Compensation Agreement that would otherwise become mute in the event of a DOF denial. However, if DOF approves the LRPMP, then prior to the transfer of the property to the City, the City will prepare a Compensation Agreement and diligently seek the approval of the affected taxing entities. If the Compensation Agreement is approved, then the transfer of the property to the City will occur thereafter consistent with the provisions of the Compensation Agreement. If for any reason the Compensation Agreement is not approved by all affected taxing entities, then the property will be sold, thus completely eliminating the need for a Compensation Agreement. Any proposed sale will be brought to the Oversight Board for review and approval after the pricing and timing of sale is known.
2. For properties to be sold, implementation will include distribution of any land sales proceeds for enforceable obligations and/or distributed as property tax to the taxing entities. Due to the vagaries associated with the sale of land, such as uncertainties concerning the timing of sale and the price that would be realized, it is not feasible to precisely state in the LRPMP how the funds will be used. In that regard, once an agreement is reached with respect to the purchase and sale of a property, the agreement will be presented to the Oversight Board for concurrence. The Oversight Board’s approval will be evidenced by a resolution that will be submitted to DOF and, per the HSC, is subject to DOF’s review. That resolution will include or refer to a staff report which describes with greater particularity, once more facts are known, how the proceeds of sale will be distributed. As noted in Section I – Introduction of the LRPMP, the LRPMP provides that proceeds of the sale may be used for enforceable obligations and/or distributed as property tax to the taxing entities through the County Auditor-Controller. The need to retain some or all of the proceeds of sale for enforceable obligations will depend on





whether there is a short-fall in RPTTF in the ROPS cycle during which the escrow is anticipated to close. If a short-fall were to occur in the RPTTF at that time, then all or a portion of the sale proceeds should be used to fulfill an enforceable obligation with any remaining sale proceeds then distributed as property tax to the taxing entities through the County Auditor-Controller. If there is not a short-fall in RPTTF at the time of close of escrow, then land sale proceeds would be distributed as property tax to the taxing entities through the County Auditor-Controller in a manner described at the time of Oversight Board approval as to a particular property sale. Since it is impossible to foresee when and if a short-fall in the RPTTF may occur, or when the property will be sold, the use of the sale proceeds cannot be specifically determined at this time and, therefore, cannot be stated with greater particularity in the LRPMP. However, it is clear that at the time a sale takes place, the sale will be brought back to the Oversight Board and will be subject to review.



Site No. 5
Justice Center Office Complex
W. Ramsey Street
APN 541-150-025 & 026
E. Williams Street
APN 541-150-027 & 028



A. Permissible Use (HSC 34191.5(c)(2)):

Site No. 5 is the Justice Center Office Complex property and is proposed to be retained by the City of Banning for future development pursuant to HSC 34191.5(c)(2).

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)):

The former redevelopment agency acquired the Justice Center Office Complex property in April 2008 for \$3,786,678. One parcel was subsequently sold to the State of California for the new courthouse project in 2010 for \$2,420,287 leaving a book value of \$1,366,391 for the remaining four (4) parcels. The property was acquired to alleviate blight in the downtown. The estimated current value (“ECV”) is approximately \$440,000.

C. Site Information (HSC 34191.5(c)(1)(C)):

The Justice Center Office Complex property consists of four (4) parcels totaling 3.30 acres (APN 541-150-025, 026, 027, & 028) situated on W. Ramsey Street and W. Williams Street. In the City’s General Plan/Zoning Ordinance, the property is zoned downtown commercial (DC). The DC zoning designation applies to the City’s traditional commercial core with primary uses as small scale commercial retail and office, services, governmental services, restaurants, and entertainment.





D. Estimated Current Value (HSC 34191.5 (c)(1)(D)):

To determine an ECV for the Justice Center Office Complex property, in July 2013 a sales comparable analysis was conducted through the National Data Collective. The ECV was determined to be approximately \$440,000.

Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.

E. Site Revenues (HSC 34191.5(c)(1)(E)):

There is no revenue generated from the Justice Center Office Complex property.

F. History of Environmental Contamination ((HSC 34191.5 (c)(1)(F)):

There is no history of environmental contamination.

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):

There is no potential for a TOD in conjunction with Justice Center Office Complex property. The future development of the Justice Center Office Complex property advances the planning objectives of the City and the Successor Agency, as found in the 5-Year Implementation Plan and 2006 General Plan, by enhancing the community image, keeping to the character of the downtown with mixed use (residential land uses in combination with commercial businesses, are also encouraged), small scale commercial retail and office uses, services, restaurants, and entertainment retail thus alleviating the existing blight in the area. The community benefits that will result from guiding this development include, but are not limited to, job creation, increased employment opportunities for the City's residents, higher paying jobs, and increased property values.

H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):

The potential for this property is market-driven and it is predicted that office demand/operations in the Inland Empire will record additional improvement this year expanding office jobs by 5,900.² The development of the Justice Center Office Complex property will act as an economic catalyst to stimulate office, retail related, and service uses.

I. Sale of Property:

The City proposes to issue an RFP in accordance with the Successor Agency's policies and procedures for property disposition located in Exhibit "A" for the future sale and development of the Ramsey St. Property.

The ECV is approximately \$440,000.

The following process was used in determining the ECV of the Justice Center Office Complex property:

Date of estimated current value – June 2013

Value Basis – The ECV was determined by a sales comparable analysis using the National Data Collective. The ECV is approximately \$440,000.

² 2013 Market Outlook, Marcus & Millichap





Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual value.

Proposed sale date – To be determined and subject to the Successor Agency’s implementation of its policies and procedures for property disposition as shown in Exhibit “A.”

Proposed sale value – To be determined and subject to a fair market appraisal conducted by a licensed appraiser. Any proceeds of the sale would be used for enforceable obligations or distributed as property tax to the taxing entities.

J. Implementation of the Long-Range Property Management Plan:

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP.

1. For properties to be retained for future development, implementation will include securing an HSC §34180(f)(1) compensation agreement (the “Compensation Agreement”) with the affected taxing entities. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. Waiting until DOF’s approval is received will ensure that the legal and staff time committed to preparing for and processing a Compensation Agreement is not wasted in the event that DOF decides not to approve the LRPMP. The City is concerned that it will not be fruitful to attempt to engage numerous taxing agencies in discussions about proceeds from the sale of properties when the timing of sale is not known and the price has not been determined. Further, this approach will also ensure that the affected taxing entities do not waste their legal and staff time reviewing a Compensation Agreement that would otherwise become mute in the event of a DOF denial. However, if DOF approves the LRPMP, then prior to the transfer of the property to the City, the City will prepare a Compensation Agreement and diligently seek the approval of the affected taxing entities. If the Compensation Agreement is approved, then the transfer of the property to the City will occur thereafter consistent with the provisions of the Compensation Agreement. If for any reason the Compensation Agreement is not approved by all affected taxing entities, then the property will be sold, thus completely eliminating the need for a Compensation Agreement. Any proposed sale will be brought to the Oversight Board for review and approval after the pricing and timing of sale is known.
2. For properties to be sold, implementation will include distribution of any land sales proceeds for enforceable obligations and/or distributed as property tax to the taxing entities. Due to the vagaries associated with the sale of land, such as uncertainties concerning the timing of sale and the price that would be realized, it is not feasible to precisely state in the LRPMP how the funds will be used. In that regard, once an agreement is reached with respect to the purchase and sale of a property, the agreement will be presented to the Oversight Board for concurrence. The Oversight Board’s approval will be evidenced by a resolution that will be submitted to DOF and, per the HSC, is subject to DOF’s review. That resolution will include or refer to a staff report which describes with greater particularity, once more facts are known, how the proceeds of sale will be distributed. As noted in Section I – Introduction of the LRPMP, the LRPMP provides that proceeds of the sale may be used for enforceable obligations and/or distributed as property tax to the taxing entities through the County Auditor-Controller. The





need to retain some or all of the proceeds of sale for enforceable obligations will depend on whether there is a short-fall in RPTTF in the ROPS cycle during which the escrow is anticipated to close. If a short-fall were to occur in the RPTTF at that time, then all or a portion of the sale proceeds should be used to fulfill an enforceable obligation with any remaining sale proceeds then distributed as property tax to the taxing entities through the County Auditor-Controller. If there is not a short-fall in RPTTF at the time of close of escrow, then land sale proceeds would be distributed as property tax to the taxing entities through the County Auditor-Controller in a manner described at the time of Oversight Board approval as to a particular property sale. Since it is impossible to foresee when and if a short-fall in the RPTTF may occur, or when the property will be sold, the use of the sale proceeds cannot be specifically determined at this time and, therefore, cannot be stated with greater particularity in the LRPMP. However, it is clear that at the time a sale takes place, the sale will be brought back to the Oversight Board and will be subject to review.



V. PROPERTY TO BE USED TO FULFILL AN ENFORCEABLE OBLIGATION





Site No. 6
Banning Ventures Property
2301 W. Ramsey Street
APN 538-162-016



A. Permissible Use (HSC 34191.5(c)(2)):

Site No. 6 is the Banning Ventures Property and is to be sold to fulfill an enforceable obligation (Disposition and Development Agreement, dated May 24, 2011) of the former redevelopment agency and the City of Banning with Banning Ventures, LLC.

B. Acquisition of Property (HSC 34191.5 (c)(1)(A) and 34191.5(c)(1)(B)):

The former redevelopment agency acquired the Banning Ventures Property on July 13, 2009, by purchase from Patrick Michael DeZorzi for \$1,203,271. The acquisition was financed through a purchase money note given by the former redevelopment agency to DeZorzi (the “2009-Note”), which is secured by a Deed of Trust. The Property was purchased to alleviate blight within the Project Area. The property’s current estimated value (the “ECV”) is \$0.00, as further explained below in Section D.

C. Site Information (HSC 34191.5(c)(1)(C)):

The Banning Ventures Property consists of one (1) 1.45-acre parcel (APN 541-162-016) located at 2301 W. Ramsey Street. In the City’s General Plan/Zoning Ordinance, the Property is zoned Highway Serving Commercial (HSC). The HSC zone allows land uses geared toward the Interstate 10 traveler, including restaurants, hotels and motels, auto related retail, repair and services, including gas stations, convenience stores and similar uses.

D. Estimated Current Value (HSC 34191.5 (c)(1)(D)):

On August 24, 2011, the former redevelopment agency, the City, and Banning Ventures, LLC entered into a Lease Agreement that contained an option to purchase the Property. Section 9.06 Purchase Price; Escrow of the Lease Agreement states: “Assuming all conditions precedent to the Lessee’s exercise of the Option to Purchase are met, the Lessor shall convey fee Title to the Premises to the Lessee for a purchase price of zero dollars. The Lessor’s conveyance of the Premises to Lessee for a land payment of zero dollars is consistent with the difference between the Premises’ fair market value and its fair re-use value as the Business, and such zero-dollar land payment qualifies as Project financial assistance from the lessor to the lessee.” Therefore, the ECV is \$0.00.





E. Site Revenues (HSC 34191.5(c)(1)(E)):

There are no site revenues generated from the Banning Ventures Property. However, on August 24, 2011, the City, former redevelopment agency, and Banning Ventures, LLC, entered into a 10-year Lease Agreement to develop a Project on the 1.45-acre parcel. In exchange for certain site improvements, maintaining business operations and meeting certain tax ratable milestones, Banning Ventures, LLC was not required to pay any lease payments. At the end of 10 years, if the Lessee has not exercised the Option to Purchase, the Lessee and Lessor may, without obligation, negotiate a new lease to continue Lessee's occupation of the premises.

F. History of Environmental Contamination ((HSC 34191.5 (c)(1)(F)):

There is no history of environmental contamination.

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC 34191.5 (c)(1)(G)):

No potential exists for a TOD in conjunction with the Banning Ventures Property.

The Banning Ventures Property advances the planning objectives of the City and the Successor Agency, as found in the 5-Year Implementation Plan and 2006 General Plan, by facilitating the transfer of this Property to Banning Ventures, LLC, the alleviation of blight in the project area, and the creation of quality jobs.



H. History of Previous Development Proposals and Activity (HSC 34191.5 (c)(1)(H)):

- 2009, July 29th** The Agency acquired APN 541-162-016 from Patrick Michael DeZorzi (2301 W. Ramsey Street) in an “as is” condition and subject to a deed of trust securing a first lien note in an amount of \$1,020,000.
- 2011, March 8th** The Agency and the City entered into a Property transfer agreement transferring certain properties to the City and obligating the City to undertake certain redevelopment activities.
- 2011, May 24th** The Agency and the City entered into a Disposition and Development Agreement (the “DDA”) with Banning Ventures (the “Developer”) to construct new improvements on the Site and/or rehabilitate and maintain existing improvements for the purpose of establishing and maintaining a retail all-terrain and recreational vehicle supply and dealership business. The DDA also allowed the Agency and City to enter into a Lease Agreement with the Developer that granted the Developer a ten (10) year rent-free lease of the site, which Lease provides Developer with an option to purchase the Site. The Developer may exercise its Option to Purchase the Site within the period which is six (6) years following the commencement of the Lease, but not later than ten (10) years following the commencement of the Lease. The DDA further includes terms providing financial assistance to Developer in the form of a \$300,000





forgivable loan to be used solely for Project construction. The Agency loan shall be completely forgiven if, Developer has met all the criteria to exercise the Option to Purchase.

2014, February 2nd In a letter dated February 4, 2014 (Exhibit “H”), the DOF approved the sale of the property located at 2301 West Ramsey Street to the Developer. The Successor Agency paid the 2009-DeZorzi Note in June 2014 and is in escrow with the Developer for the sale of the Property.

The Project The Project consists of the Lessee’s construction of new improvements on the premises and/or Lessee’s rehabilitation of maintenance of existing improvements located upon the Premises, for the purpose of establishing and maintain a retail all-terrain and recreational vehicle supply and dealership business be owned by the Lessee. The Lessor desires to convey the Premises to Lessee in order to complete such Project build-out and maintenance.

I. Sale of Property:

The Successor Agency is in the process of selling the Property in accordance with Lease/Option Agreement terms and conditions to the Developer per DOF letter dated February 2, 2014 approving the sale of the Property.

J. Implementation of the Long-Range Property Management Plan:

The Property is in the process of being sold consistent with the terms and conditions of the Lease/Option Agreement. The Lease provides for the conveyance of the Premises to the Lessee through a ten (10) “rent-free” lease with an option to purchase the Premises within six (6) years following the commencement date of the Lease, but not later than ten (10) years following the commencement date of the Lease, provided that the Sales Tax Threshold has been met as provided in the Lease.

Use of land sales proceeds:

For properties to be retained for future development, implementation will include securing an HSC §34180(f)(1) compensation agreement (the “Compensation Agreement”) with the affected taxing entities. The City will seek a Compensation Agreement with the affected taxing entities after the LRPMP is approved by DOF. Waiting until DOF’s approval is received will ensure that the legal and staff time committed to preparing for and processing a Compensation Agreement is not wasted in the event that DOF decides not to approve the LRPMP. The City is concerned that it will not be fruitful to attempt to engage numerous taxing agencies in discussions about proceeds from the sale of properties when the timing of sale is not known and the price has not been determined. Further, this approach will also ensure that the affected taxing entities do not waste their legal and staff time reviewing a Compensation Agreement that would otherwise become mute in the event of a DOF denial. However, if DOF approves the LRPMP, then prior to the transfer of the property to the City, the City will prepare a Compensation Agreement and diligently seek the approval of the affected taxing entities. If the Compensation Agreement is approved, then the transfer of the property to the City will occur thereafter consistent with the provisions of the Compensation Agreement. If for any reason the Compensation Agreement is not approved by all affected taxing entities, then the property will be sold, thus completely eliminating the need for a Compensation Agreement.





Any proposed sale will be brought to the Oversight Board for review and approval after the pricing and timing of sale is known.





VI. PROPERTY INVENTORY PER HSC 34191.5.(c)(1)

Site No.	Property Type	HSC 34191.5 (c)(2)	HSC 34191.5 (c)(1)(A)					Sale of Property		HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)				HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)
		Permissible Use	Date Acq'd	Value When Acq'd	Est. Current Value (ECV ¹)	Value Basis	Date of ECV	Sale Value	Sale Date	Purpose Acq'd	Address	APN	Lot Size (ac)	Zoning	ECV ¹	Est. of Income / Revenue (Annual)	Contract req'd for use of income / revenue	History Envrn Contamination	TOD	Adv of SA Planning Objectives	Previous develop. proposals / activities
1	RP (Fee)	Government	Nov 2008	\$481,061	(\$86,155)	Appraisal	Jun 2013	N/A	N/A	Employee Parking	128 N San Gorgonio Av	541-141-013	0.27	DC	(\$86,155)	None	None	No	No	Yes	No
2	RP (Fee)	Government	April 1996	\$3,845	\$10,000	Appraisal	Jun 2013	N/A	N/A	Alleviate Blight	60 E Ramsey St	541-181-014	0.17	DC	\$10,000	None	None	No	No	Yes	No
												541-181-021	0.07								
												541-181-023	0.17								
3	RP (Fee)	Future Development	Jul 2002	\$25,896	\$144,300	Sales Comps	Jun 2013	N/A	N/A	Alleviate Blight	646 W Ramsey St	541-191-008	0.22	DC	\$144,300	None	None	No	No	Yes	No
4	RP (Fee)	Future Development	Dec 2007	\$3,283,270	\$644,700	Sales Comps	Jul 2013	TBD	TBD	Alleviate Blight	Westward Av	532-180-034	10.33	I	\$644,700	None	None	No	No	Yes	Yes
												532-130-011	39.10								
5	RP (Fee)	Future Development	Apr 2008	\$1,366,391	\$440,000	Sales Comps	Jul 2013	TBD	TBD	Alleviate Blight	W Ramsey St E Williams St	541-150-025	1.01	DC	\$440,000	None	None	No	No	Yes	Yes
												541-150-026	0.22								
												541-150-027	1.05								
												541-150-028	0.80								
6	RP (Fee)	Fulfill Enforceable Obligation	Jul 2009	\$1,203,271	\$0.00	Lease Agreement	Jun 2013	N/A	N/A	Alleviate Blight	2301 W Ramsey St	538-162-016	1.45	HSC	\$0.00	None	None	No	No	Yes	Yes

¹ Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and may not be relied upon as a basis for actual Value.

TBD – To Be Determined





Exhibit A – Successor Agency/City Property Disposition Procedures

The following is only a general outline for the Purchase & Sale and Request for Proposals procedures of the Successor Agency for the disposition of real property. Property to be sold will be in accordance with Successor Agency Policies and Procedures and property to be retained for future development will be developed in accordance with City Policies and Procedures. It is anticipated that the Successor Agency will adopt policies and procedures that are more specific during the implementation phase of the LRPMP.

I. PURCHASE AND SALE PROCEDURES

These procedures apply only to those properties for which the Successor Agency will sell. These procedures do not apply to those properties that will be retained for future development or to fulfill an enforceable obligation.

1. Post notice on Successor Agency website:
“All persons interested in receiving solicitations for the disposition of Successor Agency property please email “xyz@cityofthefuture.org” (a newly established email for the disposition of property) with your contact information and “**Purchase and Sale of Successor Agency Property**” in the Subject line.”
2. Successor Agency will provide written solicitations for the sale of its real estate assets, which may be a single parcel or a grouping of parcels (the “Property”). Such formal solicitations will include, but not be limited to:
 - a. APN(s)
 - b. Property location
 - c. Zoning
 - d. Acreage
 - e. Listing Price (The listing price shall either be (i) not less than fair market value under an appraisal procured by the Successor agency or (ii) another amount approved for such purpose by the Oversight Board
 - f. Purchase Price shall be all cash at close of escrow, no seller financing.
 - g. Deadline to receive offers (prior to selection, offers are confidential)
 - h. Offer submittal guidelines:
 - i. All offers must be in writing (California Association of Realtor forms are acceptable);
 - ii. Successor Agency will provide courtesy to brokers equal to one-half of the customary commission if the ultimate buyer is represented by said real estate broker as buyer’s broker at the time the original offer is submitted.
 - iii. Provided that allowance of brokerage commissions will be subject to Oversight Board approval in each case;
 - iv. Approval of each sale may be subject to DOF approval;
 - v. Type of financing identified (i.e., buyer’s cash, buyer’s loan proceeds, etc.);
 - vi. All buyers are to be listed – no silent partners; and
 - vii. Offers will be reviewed for conflict of interest between offeror and Successor Agency/City officials, staff and consultants.
 - i. Some properties for sale consist of multiple parcels. Only offers that include all parcels identified by Successor Agency on a particular site may be accepted, i.e., no less than whole purchases.
3. Method of Solicitations:
 - a. Property posting
 - b. Successor Agency website posting



- c. Local real estate brokers
 - d. All persons requesting solicitations
 - e. Workshops and/or e-mail notifications
4. All property sales are in an “**AS IS, WHERE IS**” condition.
 5. The Successor Agency will be reimbursed from the sale proceeds of the property for any costs related to the appraisal, escrow and title fees (cost of CLTA policy only), and any other costs associated with the sale.
 6. An offer may be rejected if it does not meet the Successor Agency’s price threshold. Acceptance of a purchase and sale offer is subject to approval of the Successor Agency’s Board of Directors.

II. REQUEST FOR PROPOSAL PROCEDURES

Costs incurred by the Successor Agency and/or the City in the implementation of these Disposition Procedures shall be treated as an Enforceable Obligation for purposes of the Recognized Obligation Payments Schedule (“ROPS”) of the Successor Agency to be recovered from land sales proceeds. The City shall provide the Successor Agency an estimate of such costs at such times and in a form sufficient for the Successor Agency to include such costs on one or more ROPS, as appropriate. Included in such costs are: staff time in the performance of such duties; costs and fees of consultants, attorneys, appraisers, title insurers and escrow; costs and fees in connection with the disposition of property(ies), such as unpaid and outstanding tax liens or judgments and other costs incurred in order to deliver merchantable title. Where possible, the Successor Agency is to recover costs at the time of close of escrow.

A) INTENT AND PURPOSE

A Request for Proposals (“RFP”) will be prepared by the Successor Agency and posted to the City’s website, and/or sent to developers or parties that have requested such RFPs, and other developers or parties at the Successor Agency’s discretion. The number of properties as to which an RFP is requested is subject to the discretion of the Successor Agency.

B) PROPOSAL SUBMITTAL

1. Interested parties may submit a development proposal by the deadline specified in the RFP or other announcement.
2. Proposal requirements may include, but not be limited to, the following:
 - a. The proposed total consideration for the property(ies) and information supporting the offer price;
 - b. Any proposed alterations to the terms and conditions of sale;
 - c. Construction and development pro forma, a detailed site plan, a business/operating plan, developer qualifications, experience and references, a narrative description of the market support for the proposed project, an operating pro forma, as applicable, and an explanation of the economic benefits of the proposed project to the City, other affected taxing agencies and the community;
 - d. The proposed uses are to conform to the requirements, intent, goals, and objectives of the City General Plan/Zoning Ordinance, other applicable development standards, and other applicable federal, state and local laws, codes and regulations.
 - e. A statement that no financial assistance is being requested from any governmental agency in connection with the proposal, or a statement that financial assistance is being requested from a governmental agency in connection with the proposal, indicating the amount that will be requested, the anticipated timing for consideration of such request, and a description of any discretionary process required by the governmental agency from which assistance will be requested, together with an acknowledgment that conditioning a proposal upon receipt of assistance from a governmental agency may result in the rejection of such proposal;



3. Interested parties to provide such additional information as may be reasonably requested by Successor Agency.
4. Subsequent to review, applicants will be advised regarding the development proposals submitted complying with the requirements of the RFP or whether additional information is required.

C) PROPOSAL REVIEW

1. The Successor Agency will review all proposals received and determined by Successor Agency staff to be complete.
2. Among other things, the Successor Agency's review will consider the value of the asset in question being maximized as well as the proposal furthering the objectives of the Successor Agency's General Plan.
3. Nothing in these Procedures prohibits the Successor Agency or the City from requiring information that is in addition to the foregoing or obligate the Successor Agency in selecting any proposal. Neither the City nor the Successor Agency will bear any responsibility for the costs associated with preparing and submitting a proposal.

D) NEGOTIATING AGREEMENTS

The Successor Agency may enter into an Exclusive Right to Negotiate Agreement ("ERNA") with a selected project proponent. The purpose of the ERNA is to establish a time period during which the chosen applicant shall have the right to negotiate with the Successor Agency the terms and conditions of a sales and development contract. Therefore, a Disposition and Development Agreement may follow the ERNA if applicable.



Exhibit B – Health & Safety Code

HSC § 34191.1, reads as follows:

The provisions of this chapter shall apply to a City upon that agency's receipt of a finding of completion by the Department of Finance pursuant to Section 34179.7.

HSC § 34191.3, reads as follows:

Notwithstanding Section 34191.1, the requirements specified in subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be suspended, except as those provisions apply to the transfers for governmental use, until the Department of Finance has approved a long-range property management plan pursuant to subdivision (b) of Section 34191.5, at which point the plan shall govern, and supersede all other provisions relating to, the disposition and use of the real property assets of the former redevelopment agency. If the department has not approved a plan by January 1, 2015, subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be operative with respect to that City.

HSC § 34191.4, reads as follows:

The following provisions shall apply to any City that has been issued a finding of completion by the Department of Finance:

- (a) All real property and interests in real property identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5 shall be transferred to the Community Redevelopment Property Trust Fund of the City upon approval by the Department of Finance of the long-range property management plan submitted by the City pursuant to subdivision (b) of Section 34191.7 unless that property is subject to the requirements of any existing enforceable obligation.
- (b) (1) Notwithstanding subdivision (d) of Section 34171, upon application by the City and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created by the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

(2) If the oversight board finds that the loan is an enforceable obligation, the accumulated interest on the remaining principal amount of the loan shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund. The loan shall be repaid to the city, county, or city and county in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund. The annual loan repayments provided for in the recognized obligations payment schedules shall be subject to all of the following limitations:

(A) Loan repayments shall not be made prior to the 2013-14 fiscal year. Beginning in the 2013-14 fiscal year, the maximum repayment amount authorized each fiscal year for repayments made pursuant to this subdivision and paragraph (7) of subdivision (e) of Section 34176 combined shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to paragraph (4) of subdivision (a) of Section 34183 in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012-13 base year. Loan or deferral repayments made pursuant to this subdivision shall be second in priority to amounts to be repaid pursuant to paragraph (7) of subdivision (e) of Section 34176.

(B) Repayments received by the city, county or city and county that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Fund of the former redevelopment agency for purposes of the Supplemental Educational Revenue Augmentation Fund and shall be distributed to the Low and Moderate Income Housing Asset Fund established by subdivision (d) of Section 34176.

(C) Twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to the Low



and Moderate Income Housing Asset Fund, after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the Supplemental Educational Revenue Augmentation Fund have been paid.

(c) (1) Bond proceeds derived from bonds issued on or before December 31, 2010, shall be used for the purposes for which the bonds were sold.

(2) (A) Notwithstanding Section 34177.3 or any other conflicting provision of law, bond proceeds in excess of the amounts needed to satisfy approved enforceable obligations shall thereafter be expended in a manner consistent with the original bond covenants. Enforceable obligations may be satisfied by the creation of reserves for projects that are the subject of the enforceable obligation and that are consistent with the contractual obligations for those projects, or by expending funds to complete the projects. An expenditure made pursuant to this paragraph shall constitute the creation of excess bond proceeds obligations to be paid from the excess proceeds. Excess bond proceeds obligations shall be listed separately on the Recognized Obligation Payment Schedule submitted by the City.

(B) If remaining bond proceeds cannot be spent in a manner consistent with the bond covenants pursuant to subparagraph (A), the proceeds shall be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation

HSC §34191.5, reads as follows:

(a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the City, to serve as the repository of the former redevelopment agency's real properties identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5.

(b) The City shall prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency. The report shall be submitted to the oversight board and the Department of Finance for approval no later than six months following the issuance to the City of the finding of completion.

(c) The long-range property management plan shall do all of the following:

(1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

(B) The purpose for which the property was acquired.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the City.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

(2) Address the use or disposition of all of the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an



enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill

an enforceable obligation or other than that specified in subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a City, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

Note: HSC § 34191.2 does not exist and therefore is not included above.



Exhibit C – DOF Finding Of Completion



April 26, 2013

Ms. June Overholt, Administrative Services Director
City of Banning
99 East Ramsey Street
Banning, CA 92220-0998

Dear Ms. Overholt:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Banning Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Mr. Bill Manis, Economic Development Director, City of Banning
Ms. Pam Elias, Chief Accountant, Property Tax Division, Riverside County
Auditor Controller
California State Controller's Office



Exhibit D – Resolution of the Oversight Board

RESOLUTION NO. 2014-05 OB

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE REVISED 2013 LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5

WHEREAS, the Banning Community Redevelopment Agency was dissolved February 1, 2012; and

WHEREAS, the Oversight Board for the Successor Agency of the Banning Community Redevelopment Agency (the "Oversight Board") has been established pursuant to Health and Safety Code (the "HSC") § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, on April 26, 2013, the Successor Agency of the Banning Community Redevelopment Agency (the "Successor Agency") received its Finding of Completion (the "FOC") from the California Department of Finance (the "DOF") pursuant to HSC § 34179.7; and

WHEREAS, within six (6) months of the date of the FOC, HSC § 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan (the "2013 LRPMP") to address the disposition and use of the real property assets held by the Successor Agency; and

WHEREAS, on September 10, 2013, the Successor Agency approved Successor Agency Resolution No. 2013-10 SA recommending the approval of the 2013 LRPMP; and

WHEREAS, on September 26, 2013, the Oversight Board approved Oversight Board Resolution No. 2013-06 OB approving the 2013 LRPMP; and

WHEREAS, the Successor Agency submitted the 2013 LRPMP to the DOF on September 26, 2013; and

WHEREAS, on March 12, 2014, the DOF advised the Successor Agency of several issues that prevented its approval of the LRPMP and requested that the Successor Agency amend its LRPMP in response to the DOF's comments and resubmit it for further consideration; and

WHEREAS, in accordance with HSC § 34191.5, the Successor Agency has prepared its Revised 2013 LRPMP, which is attached as Exhibit "A" to this Resolution, which is responsive to the comments made by the DOF; and

WHEREAS, subject to approval by the Oversight Board, the Revised 2013 LRPMP will be submitted to the DOF; and

WHEREAS, once the Revised 2013 LRPMP has been approved by the DOF, the Successor Agency may act upon its implementation; and

WHEREAS, consistent with the applicable provisions of the HSC, it is recommended that the Oversight Board approve the attached Revised 2013 LRPMP; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

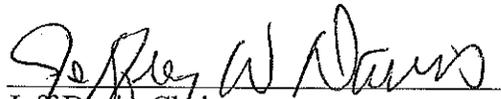
NOW, THEREFORE, BE IT RESOLVED by the Oversight Board for the Successor Agency of the Banning Community Redevelopment Agency, as follows:

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

Section 2. The Revised 2013 Long-Range Property Management Plan attached to this Resolution as Exhibit "A" is hereby approved.

Section 3. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED AND ADOPTED by the Oversight Board at a regular meeting held on the 24th day of July 2014.



Jeff Davis, Chair
Banking Oversight Board

ATTEST:



Marie A. Calderon
Secretary to the Oversight Board

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, seating as Secretary of the Oversight Board to the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning, do hereby certify that the foregoing Resolution No. 2014-05 OB was duly adopted by the Oversight Board to the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning, at a meeting thereof held on the 24th day of July 2014, by the following vote:

AYES: Boardmembers Guillot, Hernandez, Smith, Spires, Welch, Chairman Davis

NOES: None

ABSENT: Boardmember Williams

ABSTAIN: None



Marie A. Calderon, Secretary
Oversight Board
City of Banning, California

RESOLUTION NO. 2013-06 OB

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5

WHEREAS, the Community Redevelopment Agency of the City of Banning was dissolved February 1, 2012; and

WHEREAS, the Oversight Board for the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning ("Oversight Board") has been established pursuant to Health and Safety Code ("HSC") § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, on April 26, 2013, the Successor Agency received its Finding of Completion (the "FOC") from the California Department of Finance (the "DOF") pursuant to HSC § 34179.7; and

WHEREAS, within six (6) months of the date of the FOC, HSC § 34191.5)b) requires the Successor Agency to prepare a Long-Range Property Management Plan ("LRPMP") to address the disposition and use of the real property assets held by the Successor Agency; and

WHEREAS, in accordance with HSC § 34191.5, the Successor Agency has prepared its LRPMP, which is attached as Exhibit "A" to this Resolution that identifies the disposition and uses of Successor Agency properties including, but without limitation, the use of land sale proceeds as more particularly described in HSC 34191.5(c)2; and

WHEREAS, subject to approval by the Oversight Board the LRPMP will be submitted to the DOF; and

WHEREAS, once the LRPMP has approved by the DOF, the Successor Agency may act upon its implementation; and

WHEREAS, consistent with the applicable provisions of the HSC, it is recommended that the Oversight Board approve the attached LRPMP; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

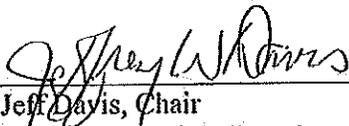
NOW, THEREFORE, BE IT RESOLVED that the Oversight Board for the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning as follows:

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

SECTION 2. The Long-Range Property Management Plan attached to this Resolution as Exhibit "A" is hereby approved.

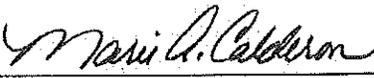
SECTION 3. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED, AND ADOPTED by the Oversight Board at a regular meeting held on the 26th date of September, 2013.



Jeff Davis, Chair
Banning Oversight Board

ATTEST:



Marie A. Calderon, Secretary
Oversight Board

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, sitting as the Secretary to the Oversight Board to the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning, do hereby certify that the foregoing Resolution No. 2013-06 OB was duly adopted by at a regular meeting thereof held on the 26th day of September, 2013, by the following vote, to wit:

AYES: Boardmembers Botts, Guillot, Hernandez, Smith, Spires, Williams, Chairman Davis

NOES: None

ABSENT: None

ABSTAIN: None



Marie A. Calderon, Secretary to the Oversight Board
City of Banning, California



Exhibit E – Resolution of the Successor Agency Board

RESOLUTION NO. 2014-09 SA

RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING APPROVING THE REVISED 2013 LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, the Community Redevelopment Agency of the City of Banning was dissolved February 1, 2012; and

WHEREAS, consistent with the provisions of the California Health and Safety Code (the "HSC"), the City Council elected to serve as the Successor Agency to the Community Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, on April 26, 2013, the Successor Agency received its Finding of Completion (the "FOC") from the California Department of Finance (the "DOF") pursuant to HSC § 34179.7; and

WHEREAS, within six (6) months of the date of the FOC, HSC § 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan (the "2013 LRPMP") to address the disposition and use of the real property assets held by the Successor Agency; and

WHEREAS, on September 10, 2013, the Successor Agency approved Successor Agency Resolution No. 2013-10 SA recommending the approval of the 2013 LRPMP; and

WHEREAS, on September 26, 2013, the Oversight Board approved Oversight Board Resolution No. 2013-06 OB approving the 2013 LRPMP; and

WHEREAS, the Successor Agency submitted the 2013 LRPMP to the DOF on September 26, 2013; and

WHEREAS, on March 12, 2014, the Successor Agency received a letter from the DOF advising the Successor Agency of several issues that prevented its approval of the LRPMP and requested the Successor Agency to amend its LRPMP in response to the DOF's comments and to resubmit the revised version for further consideration; and

WHEREAS, in accordance with HSC § 34191.5, the Successor Agency has prepared its Revised 2013 LRPMP, which is attached as *Exhibit "A"* to this Resolution, which is responsive to the comments made by the DOF; and

WHEREAS, subject to approval by the Oversight Board, the Revised 2013 LRPMP will be submitted to the DOF; and

WHEREAS, once the Revised 2013 LRPMP has been approved by the DOF, the Successor Agency may act upon its implementation; and

WHEREAS, consistent with the applicable provisions of the HSC, it is recommended that the Successor Agency approve the attached Revised 2013 LRPMP; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED that the Successor Agency to the Community Redevelopment Agency of the City of Banning hereby finds, resolves, approves, determines, and directs as follows:

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

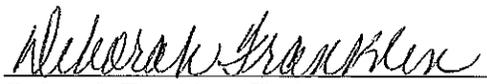
SECTION 2. The Revised 2013 Long-Range Property Management Plan attached to this Resolution as *Exhibit "A"* is hereby approved.

SECTION 3. The City Manager, as Executive Director of the Successor Agency, or designee, is hereby authorized to transmit the Revised 2013 Long-Range Property Management Plan attached to this Resolution as *Exhibit "A"* to the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning for their review and consideration.

SECTION 4. Subsequent to the approval of the Revised 2013 Long-Range Property Management Plan by the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning, the City Manager, as Executive Director of the Successor Agency, or designee, is hereby authorized and directed to transmit the Revised 2013 Long-Range Property Management Plan to the California Department of Finance and to take such actions and execute such documents as are necessary to implement the Revised 2013 Long-Range Property Management Plan and to effectuate the intent of this Resolution.

SECTION 5. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED AND ADOPTED this 8th day of July, 2014.

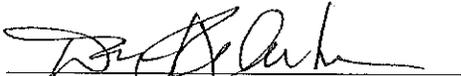

Deborah Franklin, Chairperson
Successor Agency

ATTEST:



Marie A. Calderon Secretary
Successor Agency

**APPROVED AS TO FORM
AND LEGAL CONTENT:**



David J. Aleshire, Agency Counsel
Aleshire & Wynder, LLP

CERTIFICATION

I, Marie A. Calderon, Secretary of the Successor Agency do hereby certify that the foregoing Resolution No. 2014-09 SA was duly adopted by the Successor Agency Board at a joint meeting thereof held on the 8th day of July, 2014, by the following vote, to wit:

AYES: Boardmembers Miller, Peterson, Welch, Westholder, Chairperson Franklin

NOES: None

ABSENT: None

ABSTAIN: None



Marie A. Calderon, Secretary
Successor Agency
City of Banning, California

RESOLUTION NO. 2013-10 SA

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, the Community Redevelopment Agency of the City of Banning (the "Agency") was dissolved February 1, 2012; and

WHEREAS, consistent with the provisions of the California Health and Safety Code ("HSC"), the City Council elected to serve as the Successor Agency to the Community Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, on April 26, 2013, the Successor Agency received its Finding of Completion (the "FOC") from the California Department of Finance (the "DOF") pursuant to HSC § 34179.7; and

WHEREAS, within six (6) months of the date of the FOC, HSC § 34191.5 requires the Successor Agency to prepare a Long-Range Property Management Plan ("LRPMP") to address the disposition and use of the real property assets held by the Successor Agency; and

WHEREAS, in accordance with HSC § 34191.5, the Successor Agency has prepared its LRPMP, which is attached as Exhibit "A" to this Resolution that identifies the disposition and uses of Successor Agency properties; and

WHEREAS, subject to approval by the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning, the LRPMP will be submitted to the DOF; and

WHEREAS, once the LRPMP has received approvals from the Oversight Board and the DOF, the Successor Agency may act upon its implementation; and

WHEREAS, consistent with the applicable provisions of the HSC, it is recommended that the Successor Agency approve the attached LRPMP; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED that the Successor Agency to the Community Redevelopment Agency of the City of Banning hereby finds, resolves, approves, determines, and directs as follows:

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

SECTION 2. The Long-Range Property Management Plan attached to this Resolution as Exhibit "A" is hereby approved.

SECTION 3. The City Manager, as Executive Director of the Successor Agency, or designee, is hereby authorized to transmit the Long-Range Property Management Plan attached to this Resolution as Exhibit "A" to the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning for their review and consideration.

SECTION 4. Subsequent to the approval of the Long-Range Property Management Plan by the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Banning, the City Manager, as Executive Director of the Successor Agency, or designee, is hereby authorized and directed to transmit the Long-Range Property Management Plan to the California Department of Finance and to take such actions and execute such documents as are necessary to implement the Long-Range Property Management Plan and to effectuate the intent of this Resolution.

SECTION 5. This Resolution shall take effect upon the date of its adoption.

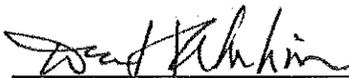
PASSED, APPROVED, AND ADOPTED this 10th day of September, 2013.


Deborah Franklin, Chairperson
Successor Agency

ATTEST:


Marie A. Calderon, Secretary
Successor Agency

**APPROVED AS TO FORM
AND LEGAL CONTENT:**


David J. Aleshire, General Counsel
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, Secretary of the Successor Agency of the dissolved Community Redevelopment Agency of the City of Banning, do hereby certify that the foregoing Resolution No. 2013-10 SA was duly adopted by the Successor Agency to the dissolved Community Redevelopment Agency of the City of Banning, California, at a joint meeting thereof held on the 10th day of September, 2013 by the following vote, to wit:

AYES: Boardmembers Botts, Miller, Peterson, Welch, Chairperson Franklin

NOES: None

ABSENT: None

ABSTAIN: None



Marie A. Calderon, Secretary
Successor Agency
City of Banning, California



Exhibit F – Assessor Parcel Maps

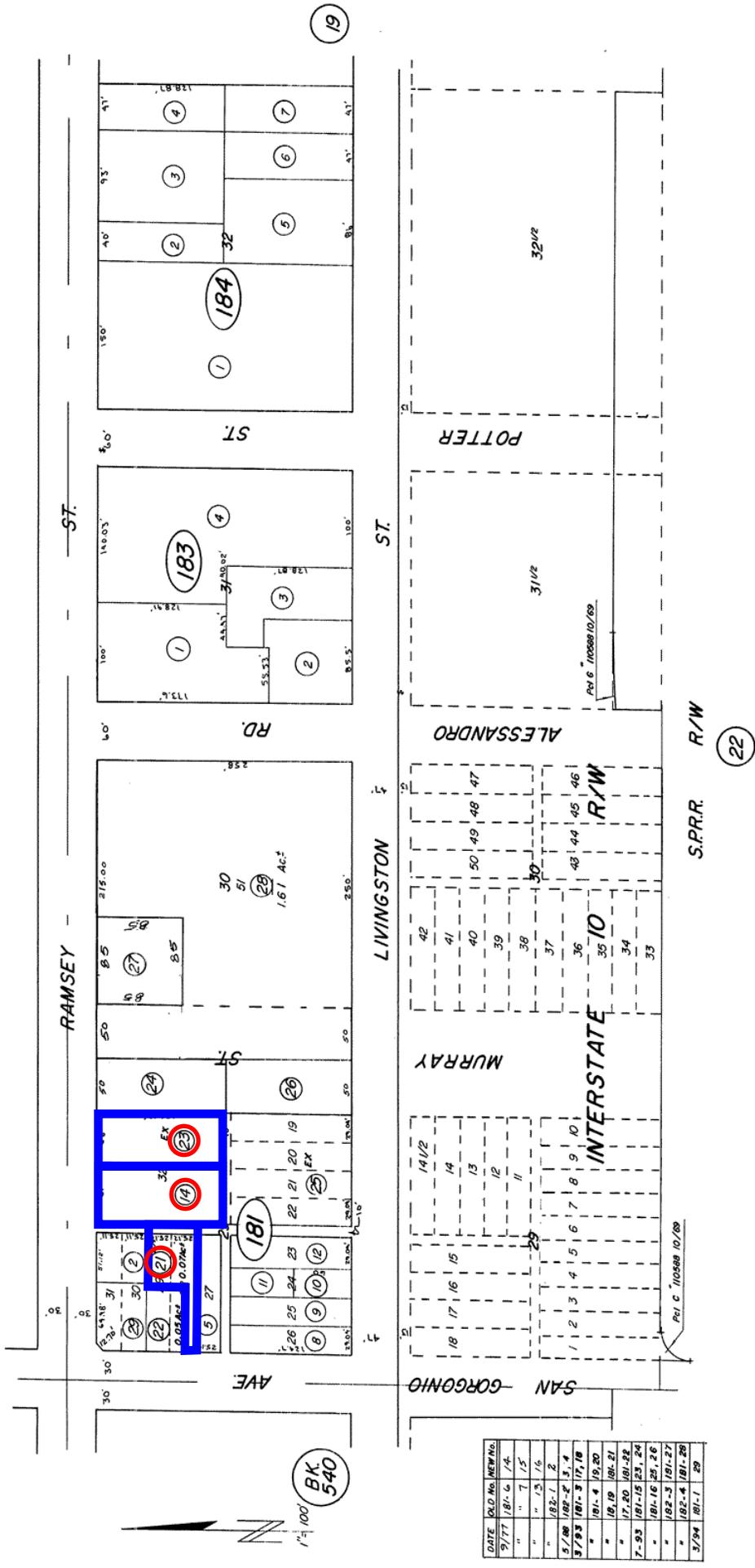
541-18
24-5

T.C.A. 102

POR. N.1/2 S.W.1/4 SEC. 10, T. 3 S., R. 1 E.

THIS MAP IS FOR
ASSESSMENT PURPOSES ONLY

14



BK. 540

DATE	D.O. No.	NEW No.
9/77	181-6	14
"	"	7, 15
"	"	15, 16
"	182-1	2
5/88	182-3, 4	
3/93	181-3, 17, 18	
"	181-4	19, 20
"	18, 19	181-21
"	17, 20	181-22
7-93	181-15	23, 24
"	181-16	25, 26
"	182-3	181-27
"	182-4	181-28
3/94	181-1	29

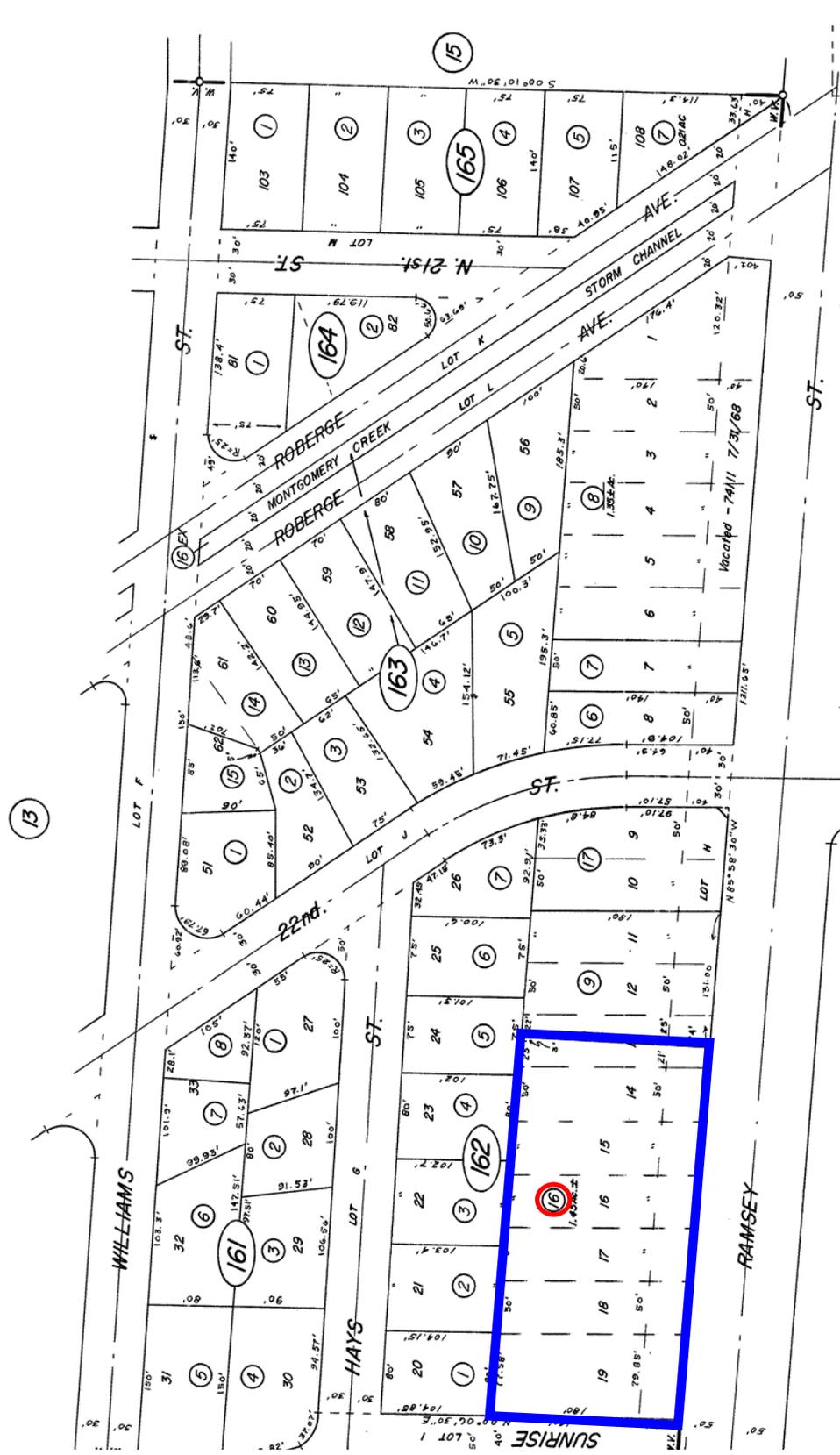
M.B. 9/44 S.B. AMENDED MAP of the BANNING LAND COMPANY

ASSESSOR'S MAP, BK. 541 PG. 18
RIVERSIDE COUNTY, CALIF.

9-2

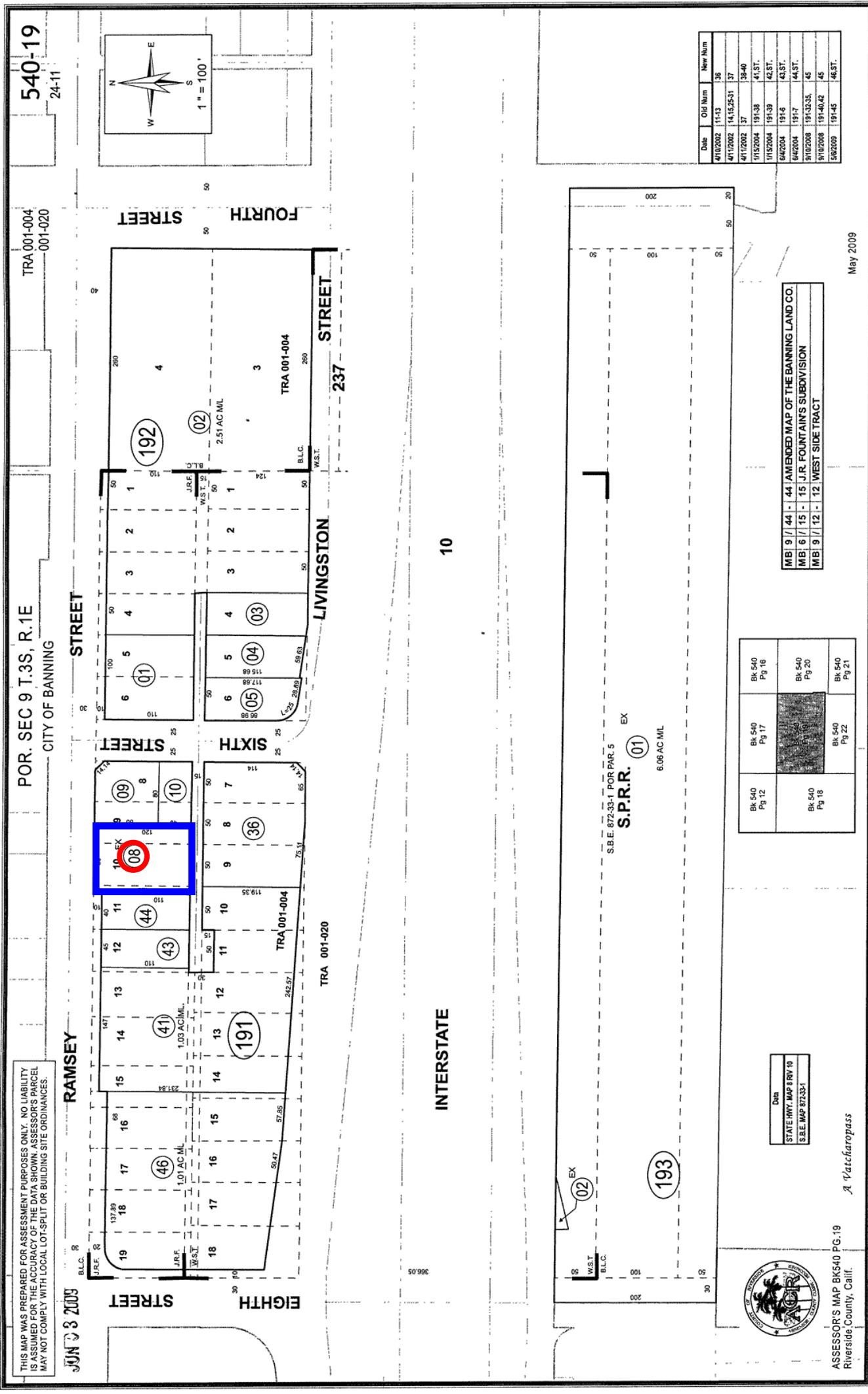
T.C.A. 100

POR. E 1/2 SEC. 8, T.3S., R.1E.



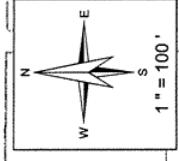
20170 Westhaven Village
M.B. 12/92
R 562/51

ASSESSOR'S MAP BK. 538 PG. 16
RIVERSIDE COUNTY CALIF.



THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

JUN 3 2009



Date	Old Num	New Num
4/10/2002	11-13	36
4/11/2002	14, 15, 25-31	37
4/11/2002	37	38-40
7/15/2004	191-38	41, 51, 52
7/15/2004	191-39	43, 51, 52
6/4/2004	191-6	43, 51, 52
3/10/2008	191-33, 35, 45	44, 51, 52
9/10/2008	191-46, 42	45
5/6/2009	191-45	46, 51, 52

MBI 9 / 44 - 44 AMENDED MAP OF THE BANNING LAND CO.
 MBI 6 / 15 - 15 J.R. FOUNTAIN'S SUBDIVISION
 MBI 9 / 12 - 12 WEST SIDE TRACT

Bk 540 Pg 12	Bk 540 Pg 16
Bk 540 Pg 18	Bk 540 Pg 20
Bk 540 Pg 22	Bk 540 Pg 21

Date
 STATE HWY MAP RIV 10
 S.B.E. MAP 872-33-1



ASSESSOR'S MAP BK540 PG.19
 Riverside County, Calif.

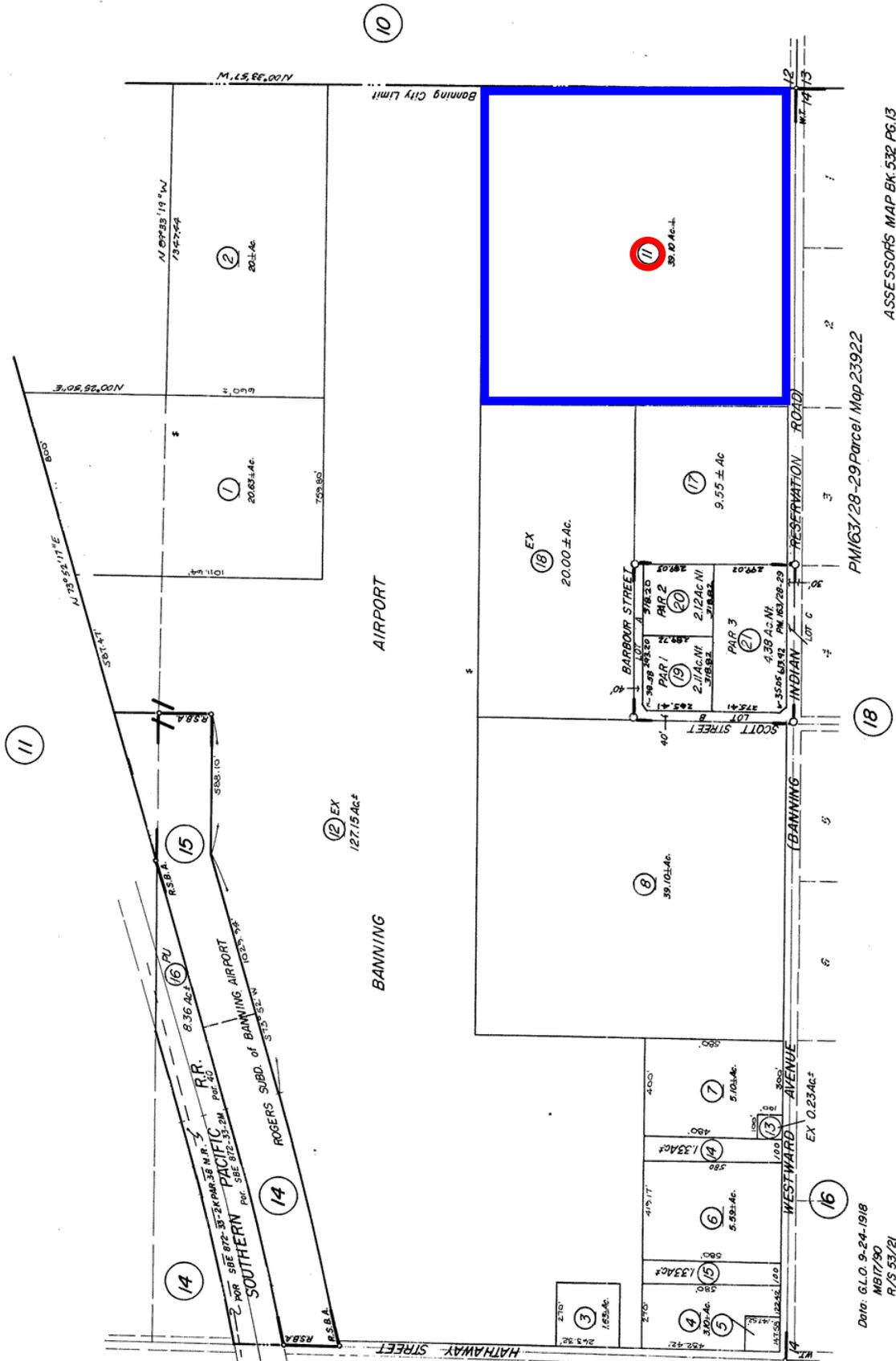
A Watchdogpass

May 2009

T.C.A. 104

S1/2SEC II T.3 S. R.1 E.

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY.



Date: G.L.O. 9-24-1918
M/17/80
R/S 53/21
SEPT. 1969

PM163/28-29 Parcel Map 23922

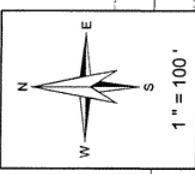
ASSESSOR'S MAP BK 532 PG.13
RIVERSIDE COUNTY, CALIF

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES

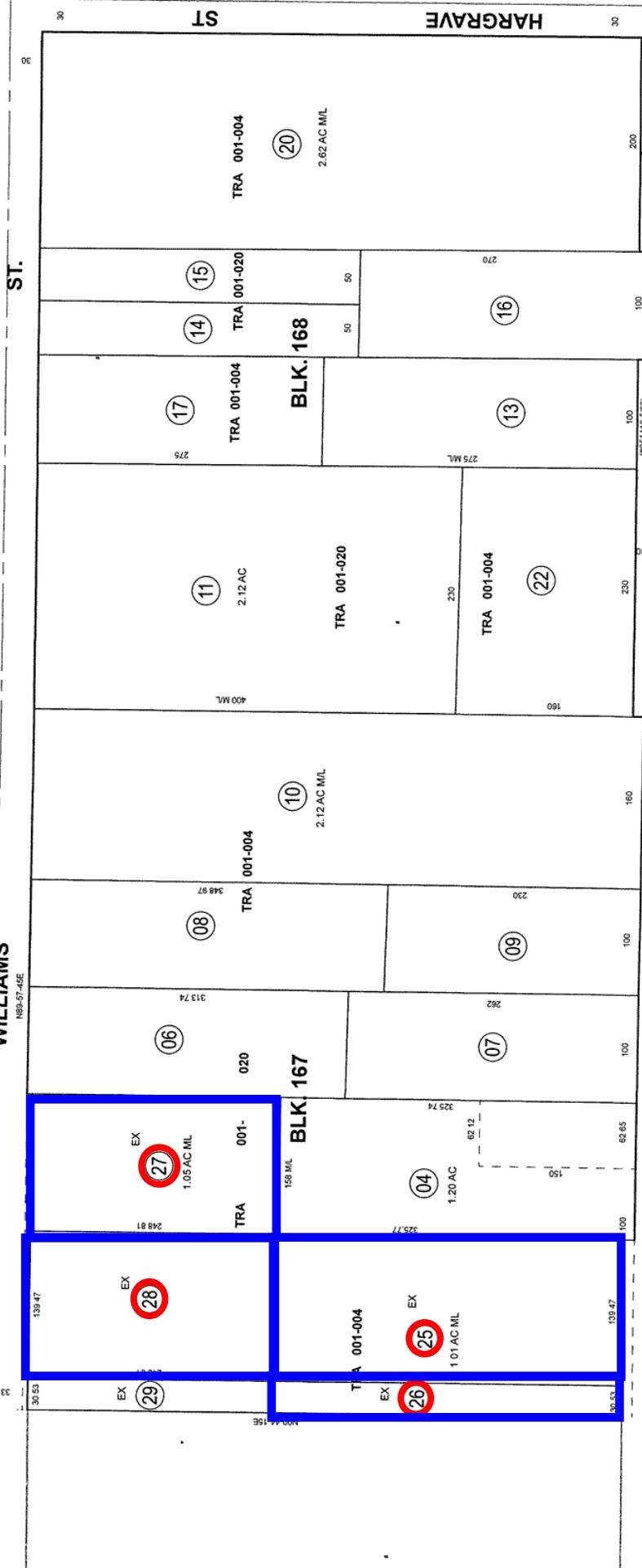
MAR 30 2009

POR. SEC 10, T. 3S., R. 1E.
CITY OF BANNING

541-15
24-4



WILLIAMS



RAMSEY

Pg10	Pg11	Pg12
Pg14	Pg15	Pg16
Pg18	Pg19	Pg20

Data
RS 437/14

ASSESSOR'S MAP BK541-PG.15
Riverside County, Calif.



MB 5 / 186 - 0 MAP OF PART OF BANNING COLONY LAND

Date	Old Number	New Number
9/1/1978	13	21
10/1/1982	12	22 ST
12/1/2002	21	23, 24
2/23/2009	23	24, 26 ST
2/23/2009	24	27, 28 ST



Exhibit G – Zoning Information

CITY OF BANNING GENERAL PLAN WITH ZONING OVERLAY



LEGEND

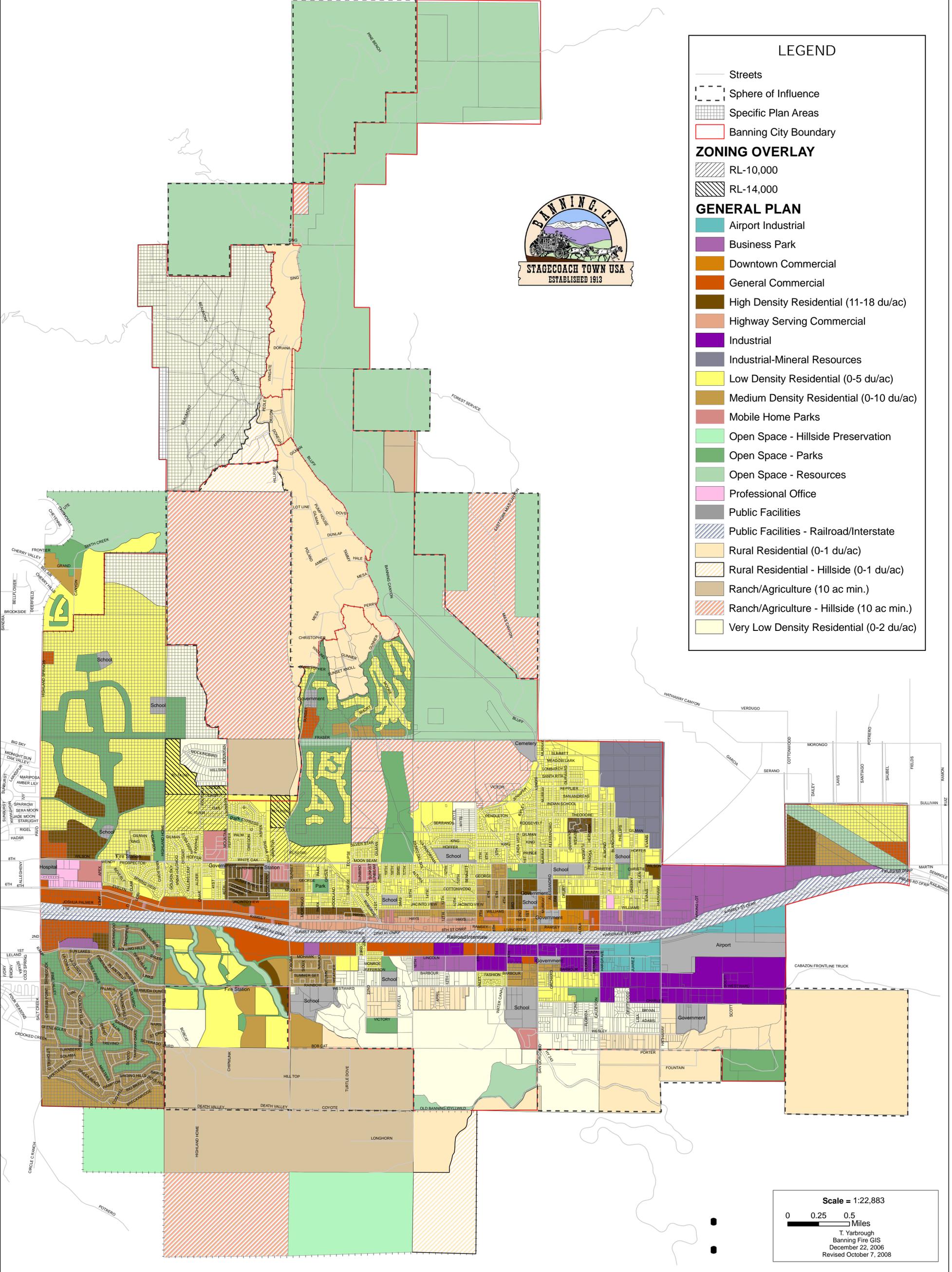
- Streets
- Sphere of Influence
- Specific Plan Areas
- Banning City Boundary

ZONING OVERLAY

- RL-10,000
- RL-14,000

GENERAL PLAN

- Airport Industrial
- Business Park
- Downtown Commercial
- General Commercial
- High Density Residential (11-18 du/ac)
- Highway Serving Commercial
- Industrial
- Industrial-Mineral Resources
- Low Density Residential (0-5 du/ac)
- Medium Density Residential (0-10 du/ac)
- Mobile Home Parks
- Open Space - Hillside Preservation
- Open Space - Parks
- Open Space - Resources
- Professional Office
- Public Facilities
- Public Facilities - Railroad/Interstate
- Rural Residential (0-1 du/ac)
- Rural Residential - Hillside (0-1 du/ac)
- Ranch/Agriculture (10 ac min.)
- Ranch/Agriculture - Hillside (10 ac min.)
- Very Low Density Residential (0-2 du/ac)



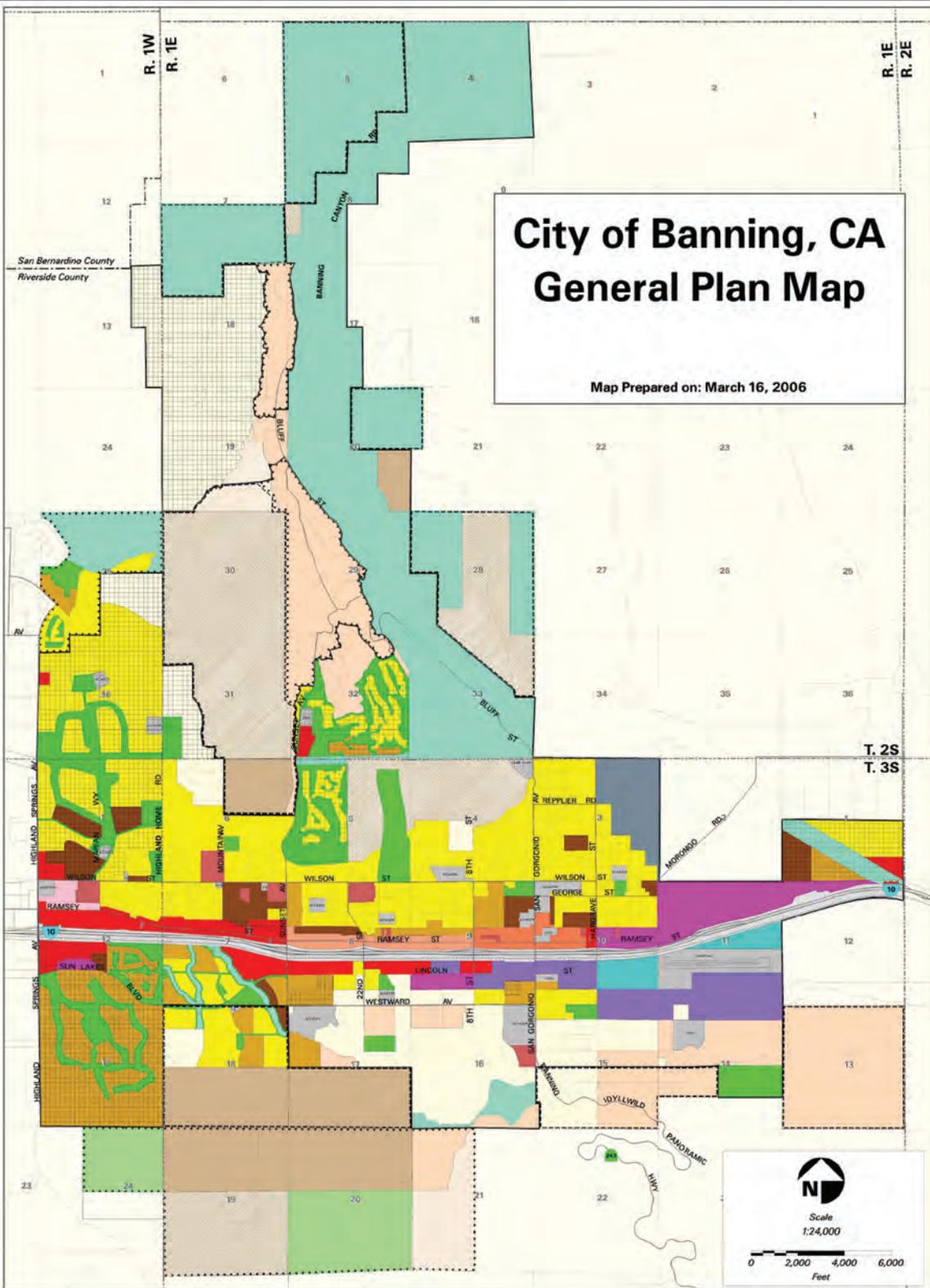
Scale = 1:22,883

0 0.25 0.5
Miles

T. Yarbrough
Banning Fire GIS
December 22, 2006
Revised October 7, 2008

City of Banning, CA General Plan Map

Map Prepared on: March 16, 2006



T. 2S
T. 3S



Scale
1:24,000

0 2,000 4,000 6,000
Feet

LEGEND			
— Banning City Limits	Ranch/Agriculture (10 ac min.)	Medium Density Residential (0-10 du/ac)	Professional Office
- - - Banning Sphere of Influence	Ranch/Agriculture - Hillside (10 ac min.)	High Density Residential (11-18 du/ac)	Business Park
... Banning Planning Area	Rural Residential (0-1 du/ac)	Mobile Home Parks	Industrial
--- County Line	Rural Residential - Hillside (0-1 du/ac)	General Commercial	Airport Industrial
--- Township/Range Lines	Very Low Density Residential (0-2 du/ac)	Downtown Commercial	Industrial Mineral Resources
--- Section Line	Low Density Residential (0-5 du/ac)	Highway Serving Commercial	Public Facilities
— Major Roads			Public Facilities - RR/Interstate
— Minor Roads			Open Space - Resources
— Railroads			Open Space - Parks
			Open Space - Public
			Open Space - Hillside Preservation
			Specific Plan Areas

Riverside County Vicinity Map

NOTE:
1. This map represents the best available information and is intended for general planning purposes only.
2. The data shown on this map was collected and compiled from the following sources:
City of Banning, California
City of Banning, California
County of Riverside
Metropolitan Band of Mission Indians
Southern California Association of Governments
Thomas Bros. Maps

TERRA NOVA
Planning & Research, Inc.



Exhibit H – DOF Correspondence



February 4, 2014

Ms. June Overholt, Deputy City Manager/Administrative Services Director
City of Banning
99 East Ramsey Street
Banning, CA 92220

Dear Ms. Overholt:

Subject: Approval of Oversight Board Action

The City of Banning Successor Agency (Agency) notified the California Department of Finance (Finance) of its January 23, 2014 Oversight Board (OB) resolution on January 23, 2014. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution 2014-03 approving the sale of property located at 2301 West Ramsey Street, Banning, California, to Coyne Motorsports (Developer), is approved.

On May 24, 2011 the former Redevelopment Agency (RDA) entered into a Disposition and Development Agreement (DDA) with the Developer to improve and maintain the property for establishing a retail and recreational vehicle supply and dealership business. The DDA allowed the RDA to enter into a Lease Agreement (Lease) with the Developer that granted the Developer an option to purchase the RDA owned dealership property. The DDA and Lease also included provisions allowing the Developer for an early exercise of the option to purchase the property which have been satisfied according to the information provided by the Agency.

Please direct inquiries to Beliz Chappuie, Supervisor, or Anna Kyumba, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Bill Manis, Economic Development Director, City of Banning
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State
Controller's Office
California State Controller's Office



March 12, 2014

Ms. June Overholt, Deputy City Manager/Administrative Services Director
City of Banning
99 East Ramsey Street
Banning, CA 92220

Dear Ms. Overholt:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Banning Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 1, 2013. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

HSC section 34191.5 defines the requirements of the LRPMP. Based on our review and application of the law, the Agency's LRPMP is not approved as follows:

- The Agency intends to transfer the Civic Center Parking Lot (Property No. 1) and the Chamber of Commerce (Property No. 2) properties to the City of Banning (City) for governmental purposes. Our review indicates that the properties are not exclusively used for governmental purposes. HSC section 34181 (a) authorizes the OB to transfer ownership of assets that were constructed and used for a governmental purpose such as roads, schools buildings, parks, police and fire stations, libraries, and local agency administrative buildings. Therefore, the transfer of these properties to the City for governmental purposes is not allowed.

If the Agency desires to transfer properties to the City that do not qualify for governmental use, HSC section 34180 (f) requires cities retaining properties or assets to reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax for the value of the property retained.

- The City plans to retain various properties for future development; however, the LRPMP or Oversight Board action does not include or make a reference to a compensation agreement. HSC section 34180 (f) states that if the sponsoring entity wishes to retain any properties for future development activities, funded from its own funds and under its own auspices, then it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their share of the base property tax for the value of the property retained. Specifically, the Agency should state the intention to enter into a compensation agreement for the following properties:
 - Property No. 3 – Ramsey Street Property

- Property No. 4 – Airport Property
- Property No. 5 – Justice Center Office Complex

As authorized by HSC section 34191.5 (b), Finance is not approving the LRPMP. The Dissolution Act does not allow a meet and confer for Finance's review of the LRPMP. Therefore, the Agency should revise the LRPMP to address the issues noted above and resubmit an OB approved revised LRPMP to Finance for approval.

Please direct inquiries to Beliz Chappuie, Supervisor, or Anna Kyumba, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Bill Manis, Economic Development Director, City of Banning
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State
Controller's Office
California State Controller's Office