RESOLUTION NO. 18

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING AN AMENDED AND RESTATED LONG-RANGE PROPERTY MANAGEMENT PLAN (PART II) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5.

THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK FINDS:

A. Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency.

B Through its adoption of Resolution No. 8, on February 4, 2013, the Oversight Board approved the Long Range Property Management Plan- Part I which involved solely the disposition of 600 N. San Fernando Blvd., Burbank, CA. Part I of this plan was approved by the Department of Finance ("DOF"). The Successor Agency prepared Part II of the Long Range Management Plan to address the disposition of the remaining properties; hereafter this part of the plan shall be referred to as the "Property Management Plan".

C. Health and Safety Code Section 34191.5(b) requires the Successor Agency to submit the Property Management Plan to the Successor Agency's Oversight Board and to DOF for approval no later than six months following the issuance to the Successor Agency of the finding of completion pursuant to Health and Safety Code Section 34179.7. The finding of completion letter was issued on May 16, 2013.

D. On October 28, 2013, the Oversight Board adopted Resolution No. 14, which approved Part II of the Property Management Plan to address the disposition of the remaining properties acquired by the former redevelopment agency.

E. Subsequent to the Oversight Board's approval of Part II of the Property Management Plan, DOF requested certain minor changes to the approved plan, and instructed the Implementing Official that the parcels being conveyed to the City for governmental purposes did not require any write down of City-Agency debt (specifically 374 E. Orange Grove and the North Hollywood Way remnant parcels). In addition, AB 471, effective February 18, 2014, modified certain provisions of Section 34191.5, which affected the 10 W. Magnolia parcel.

F. To reflect the aforementioned changes, the Successor Agency has prepared an Amended and Restated Property Management Plan (Part II) and submitted it to the Oversight Board for approval to address the disposition of the remaining

properties acquired by the former redevelopment agency, to reflect changes in the law and the concerns of DOF.

THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK RESOLVES:

1. The Findings set forth above are true and correct and are incorporated into this Resolution by this reference.

2. The approval of the Amended and Restated Property Management Plan (Part II) through this Resolution does not commit the Successor Agency or Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

3. The Oversight Board hereby approves the Amended and Restated Property Management Plan (Part II), as attached hereto as Exhibit A, and incorporated herein by this reference. The Successor Agency's Implementing Official may make minor changes, if required, to clarify the intent of the Board, after concurrence with Successor Agency Counsel. It is the Board's intent that this plan replaces in its entirety the previously approved plan for Part II.

4. The Implementing Official is hereby authorized and directed to take any action on behalf of the Oversight Board necessary to carry out the purposes of this Resolution and comply with applicable law regarding the Amended and Restated Property Management Plan (Part II), including submitting the Plan to the State of California Department of Finance, and posting the approved Plan on the Successor Agency's website.

PASSED and ADOPTED this 27th day of May, 2014.

Susan M. Georgino
Chair of the Oversight Board of the
Successor Agency to the Redevelopment
Agency of the City of Burbank

Approved as to Form
Office of Successor Agency Counsel

By Mary F Riley
Mary F. Riley, Sr. Asst. City Attorney

THE FOREGOING RESOLUTION IS APPROVED AND ADOPTED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK THIS 27th DAY OF May, 2014, BY THE FOLLOWING ROLL CALL VOTE:

AYES: Bonis, Dixon, Georgino, Swartz and Young

NOES: None

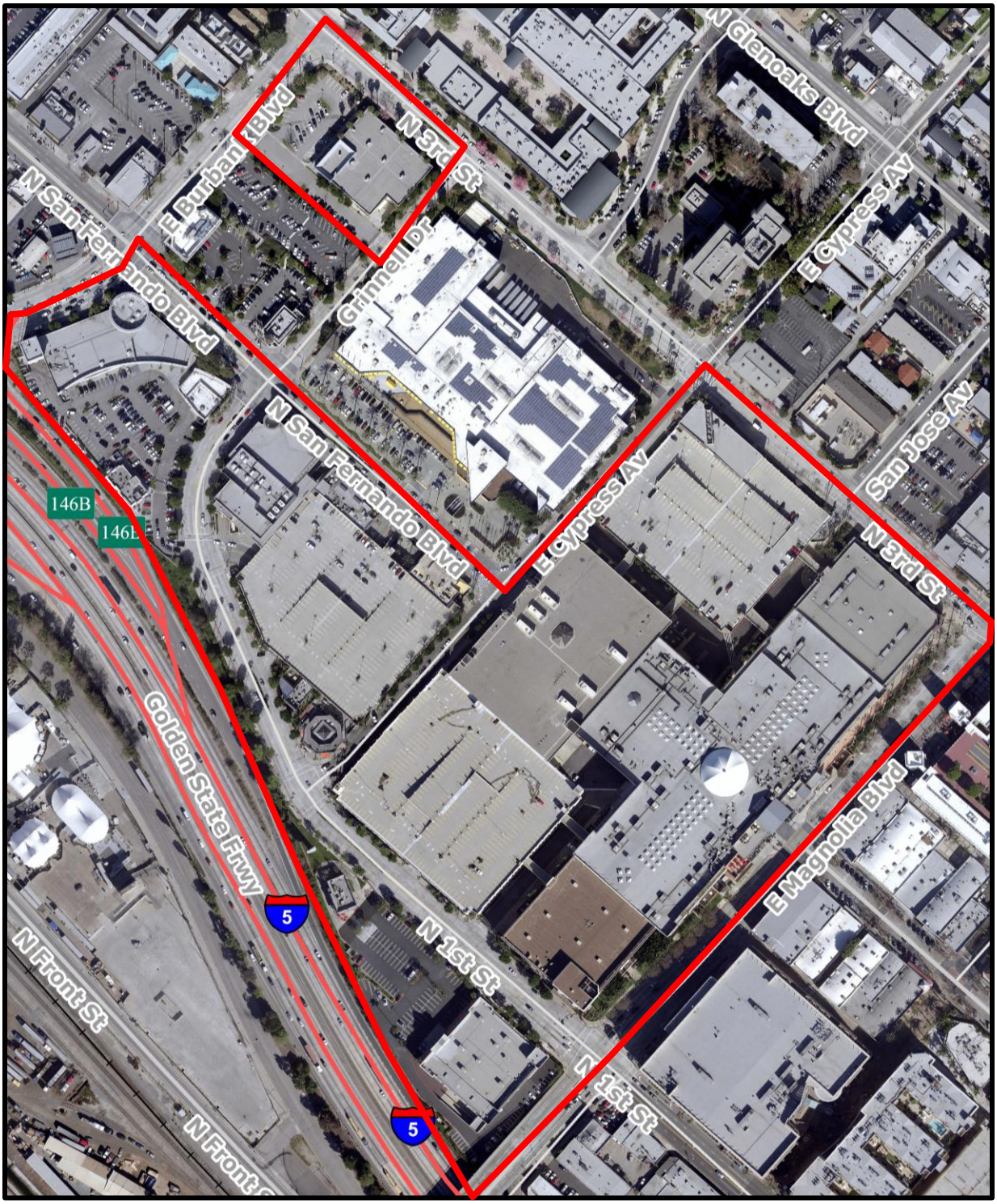
ABSENT: Sola

ABSTAIN: None

Implementing Official of
Successor Agency to the
Redevelopment Agency of the City of Burbank

Exhibit A

Amended and Restated Long Range Property Management Plan – Part II (Chapters 1-8)


N Glenoaks Blvd
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N San Fernando Blvd
Grinnell Dr
E Cypress Av
San Jose Av
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E Cypress Av
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146B
146B
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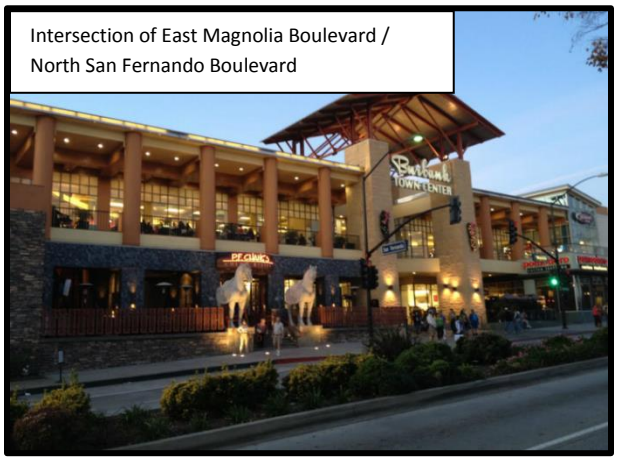
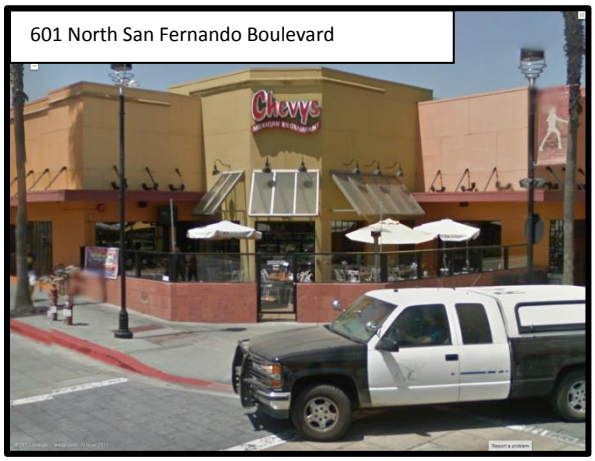
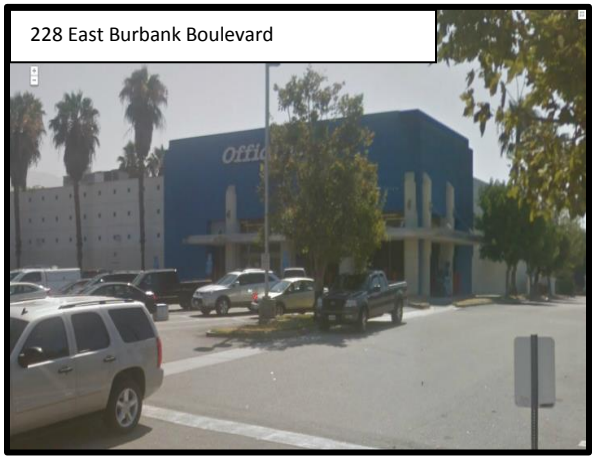
Intersection of East Magnolia Boulevard / North San Fernando Boulevard



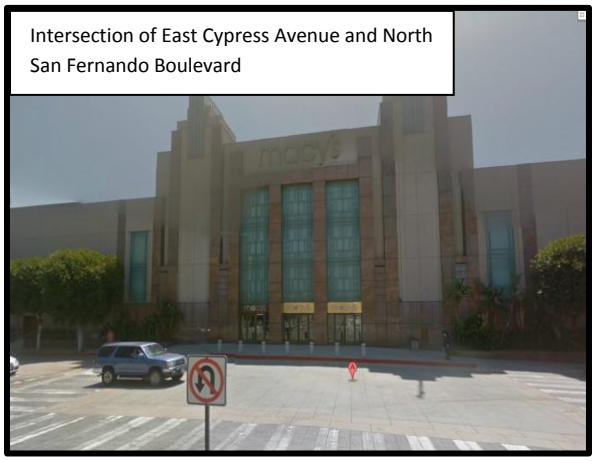
601 North San Fernando Boulevard



228 East Burbank Boulevard

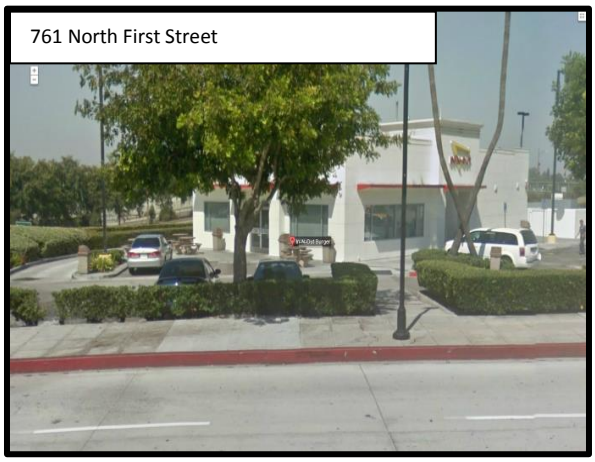


Intersection of East Cypress Avenue and North San Fernando Boulevard



Intersection of East Magnolia Boulevard and North First Street

761 North First Street



Parcels
The Mall-Related Parcels consist of the following APNs:

2460-023-045	2460-023-050	2460-023-056	2460-023-063
2460-023-046	2460-023-051	2460-023-057	2460-023-994
2460-023-047	2460-023-052	2460-023-060	2460-023-993
2460-023-048	2460-023-054	2460-023-061	
2460-023-049	2460-023-055	2460-023-062	

Acquisition & Valuation

Date of Acquisition:	July 1980 – April 1988
Site Assembly Costs:	$65,150,187[1]
Estimate of Current Value of Property:	$7,759,000[2]
Reason for Original Acquisition:	Development of Regional Shopping Mall
Lot Size:	35 acres

Land Use

Zoning:	PD No. 89-4
General Plan Designation:	Shopping Center
Specific Plan:	Burbank Center Plan

Current Encumbrances
The former Redevelopment Agency entered into a Ground Lease Agreement with Haagen-Burbank Partnership (Haagen), a California general partnership, for a term of 95 years (structured as an initial 55-year period, with four, 10-year option periods). The Ground Lease Agreement granted Haagen the exclusive rights to operate a regional shopping center on the site. Crown Realty & Development Corporation now owns the rights, as successor to Haagen. There are 71 years remaining on the Ground Lease.

Environmental History
Subsequent to the acquisition of the individual parcels that were assembled to create the subject site, the site parcels were investigated for potential contamination and to identify specific areas that required additional investigation and remediation. An Environmental Audit conducted on March 29, 1989 by GEOFON revealed that the subject site was impacted by six underground storage tanks, 36 residential cesspools, one gasoline transmission line, and at 401 North First Street (site currently occupied by Ashley Furniture) and 228 East Burbank Boulevard (site currently occupied by Office Depot) transite pipes encased in concrete. Numerous soil borings were conducted and sampled revealing toluene, ethylene, dichlorobenzene, acetone and petroleum based hydrocarbons were present.

[1] In addition to acquisition costs, the parcels also required extensive relocation, demolition, and engineering work, all of which contributed to the $65.2 million dollars in site assembly costs.
[2] The estimated current value of the property was derived from a October 2013 appraisal performed by BTI Appraisal. The property is encumbered by a 71-year ground lease that generates no income. This encumbrance considerably reduces the market value of the property.

During the remediation process, impacted soil was excavated and hauled to authorized landfills and soil recycling sites. As a part of these activities, six monitoring wells were drilled and used for sampling and monitoring activities. Accordingly, two environmental reports performed in 1993 and 1995 concluded that no further soil investigation, soil remediation, or removal of underground storage tanks appeared to be warranted within the subject site.

Transit-Oriented Development Potential & Advancement of Planning Objectives
The Mall-Related Parcels are within the Downtown Transit Center as defined in the Mobility Element of the General Plan.

The current use of the site is consisent with the land use designation and goals, objectives and policies of the Burbank Center Plan, the specific plan for the Downtown area of the City. These include: cohesive design to improve the appearance of arterial streets; enhanced streetscape plan for the Burbank Center Plan area; retaining regional draw through the provision of diverse shopping and entertainment activities; maintaining a pedestrian friendly environment, and maintaining employment opportunities. The use of the property is also consistent with the development standards that were approved under Planned Development No. 89-4[3] and with the General Plan designation for the area.

History of Development Activity
The subject site was aggregated from approximately 110 discreet parcels forming the original 41 acre site. In an effort to develop a retail shopping center on the site, the former Redevelopment Agency solicited and received several Proposals and Qualification Statements. Assemblage of the parcels making up the subject site began in 1980 and continued through 1988; as parcels were acquired, the site was razed. In addition to acquisition costs, the parcels also required extensive relocation, demolition, and engineering work, all of which contributed to the $65.2 million dollars in site assembly costs. Prior uses of the various parcels included residential, retail, commercial, manufacturing, schools, and churches.

On November 15, 1989, the former Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with the developer of the subject site, Haagen-Burbank Partnership. The developer agreed to develop the shopping mall and related adjacent improvements. In September 1990, an agreement was entered into with the developer for Phase II, which included: 1) development of a Bullocks (now Macy's) department store; and 2) an additional 50,000 square feet of mall space, for phased developments of a hotel and office component to be completed between 1992 and 1998 (these components were not developed and were replaced by "interim" retail/ restaurant uses). The current use is a regional Mall consisting of a theater and a multi-tenant shopping center.

[3] In the City of Burbank, Planned Developments are similar to specific plans in that they allow for specific uses and development standards in that zone. This Planned Development Zone originally authorized the development of a mixed-use regional shopping center, commercial office, and hotel development.

Proposed Disposition

A Purchase and Sale Agreement (PSA) with Crown Realty and Development will be considered. Crown Realty and Development is the current ground-lessee; Crown has 71 years remaining on the Ground Lease and currently holds a first right of refusal to purchase the property as provided in the Master Lease Agreement between the Redevelopment Agency and Haagen-Burbank Partnership (now assigned to Crown Realty and Development). The PSA will provide that the subject property be sold for fair market value as determined by a real property appraisal. All property sale proceeds will be transmitted to the Los Angeles County for distribution to the taxing entities.

Exhibit

A – Excerpt from Appraisal Document

EXHIBIT A

EXCERPT FROM APPRAISAL DOCUMENT

October 21, 2013

Ruth Davidson-Guerra
Assistant Community Development Director
City of Burbank
275 East Olive Avenue
Burbank, California 91510

Re: **Burbank Town Center Mall UD/2013**

Dear Ms. Davidson-Guerra:

At your request, we have performed a drive-by inspection of the Burbank Town Center excluding certain properties located at I-5 and Burbank Boulevard, Burbank, California 91501 We have prepared a self-contained appraisal report.

This was a drive-by appraisal, and no personal inspection of the property's interior or its grounds was made. We reserve the right to modify our value conclusions upon making such inspections, or if financial information is provided.

We have been asked to appraise the Burbank Town Center Mall, excluding IKEA (APN#2460-023-044) and any properties beginning with APN #2460-031. Please see highlighted subject aerial photograph provided by the client and the highlighted assessor map.

It is our opinion that based on the data and analysis contained in the accompanying report, the City of Burbank's Leased Fee Interest market value of the subject property on September 3, 2013 was Seven Million Seven Hundred Fifty Nine Thousand Dollars.

$7,759,000.00

1020
N Lake St
1020
1000
1016
1011
Victory Pl
1010
111
107
101
123
W Burbank
N Lake St
W Burbank Blvd
100

Intersection of West Burbank Boulevard and
North Victory Boulevard
Burbank Blvd
Victory Blvd

Parcel
The Multiple Remnant Parcels consist of the following addresses/APNs:

123 W. Burbank Blvd.	2462-020-908
111 W. Burbank Blvd.	2462-020-909
107 W. Burbank Blvd.	2462-020-910
101 W. Burbank Blvd.	2462-020-911

Acquisition & Valuation

Date of Acquisition:	June 2000 – September 2001
Value of Property at time of Acquisition:	$2,063,061
Estimate of Current Value of Property:	$550,000
Reason for Original Acquisition:	Street reconfiguration and widening of Burbank Blvd. bridge.
Lot Size (SF):	123 W. Burbank Blvd. (9,450 square feet) 111 W. Burbank Blvd. (2,760 square feet) 107 W. Burbank Blvd. (2,770 square feet) 101 W. Burbank Blvd. (2,760 square feet)

Land Use

Zoning:	M-1 Limited Industrial
General Plan Designation:	Corridor Commercial
Specific Plan:	N/A

Current Encumbrances
The site is periodically used for temporary construction staging and other temporary uses, such as the sale of Christmas trees benefiting a local non-profit organization. No lease revenues are generated.

Environmental History
In August 1998, a Phase I Environmental Site Assessment performed by Gradient Engineers, Inc. found no evidence of recognized environmental conditions in connection with the subject property. In January 2000, a Phase II Subsurface Investigation performed by Harding Lawson Associates revealed that a gasoline storage tank inspection occurred in 1949, and that four underground storage tanks were removed in January 1958. Five Geoprobe Borings were driven in December 1999 (GP-1 thru GP-5). No odors or discolored soils were noted in any of the borings.

The soil sampling analysis confirmed that one of the samples (GP-1-35) contained detectable concentrations of oil range organics (C22+); however, no other samples contained gasoline, diesel range organics, or Benzene, Toluene, Ethylbenzene, Xylenes (BTEX) compounds, and lead concentration was below Soluble Threshold Limit Concentration (STLC). No further action was recommended for this site.

Transit-Oriented Development Potential & Advancement of Planning Objectives
The site is within one block of the Downtown Transit Center as defined in the Mobility Element of the General Plan. The current zoning of the site is M-1 Limited Industrial zone. No plans currently exist for the development of the site.

History of Development Activity
Over the years, the subject site has been home to many uses. Businesses that operated included a service station, an animal hospital, and printing, construction and plastics manufacturing operations. In June 2001, the Redevelopment Agency funded the acquisition and the City of Burbank initially took title, and then later transferred to the Redevelopment Agency for the Five Point Realignment project and the widening of the Burbank Boulevard Bridge. The entire subject site is currently vacant land.

Proposed Disposition
Future proposed disposition of the site will occur pursuant to a negotiated sale to a private party at an amount equal to the fair market value. All property sale proceeds will be transmitted to the Los Angeles County for distribution to the taxing entities.

Exhibit
A – Excerpt from Appraisal Document

EXHIBIT A

EXCERPT FROM APPRAISAL DOCUMENT

February 27, 2012

Timothy Hou
Redevelopment Project Manager
City of Burbank
150 north 3rd Street
Burbank, California 91502

Re: **Burbank Boulevard Vacant Land**

Dear Mr. Hou:

At your request, we have physically inspected the vacant land located at 101-123 West Burbank Boulevard, Burbank, California 91502. We have prepared a summary appraisal report.

It is our opinion that based on the data and analysis contained in the accompanying report, the fee simple market value of the subject property on February 12, 2012 was Five Hundred Fifty Thousand Dollars.

$550,000.00

Very truly yours,

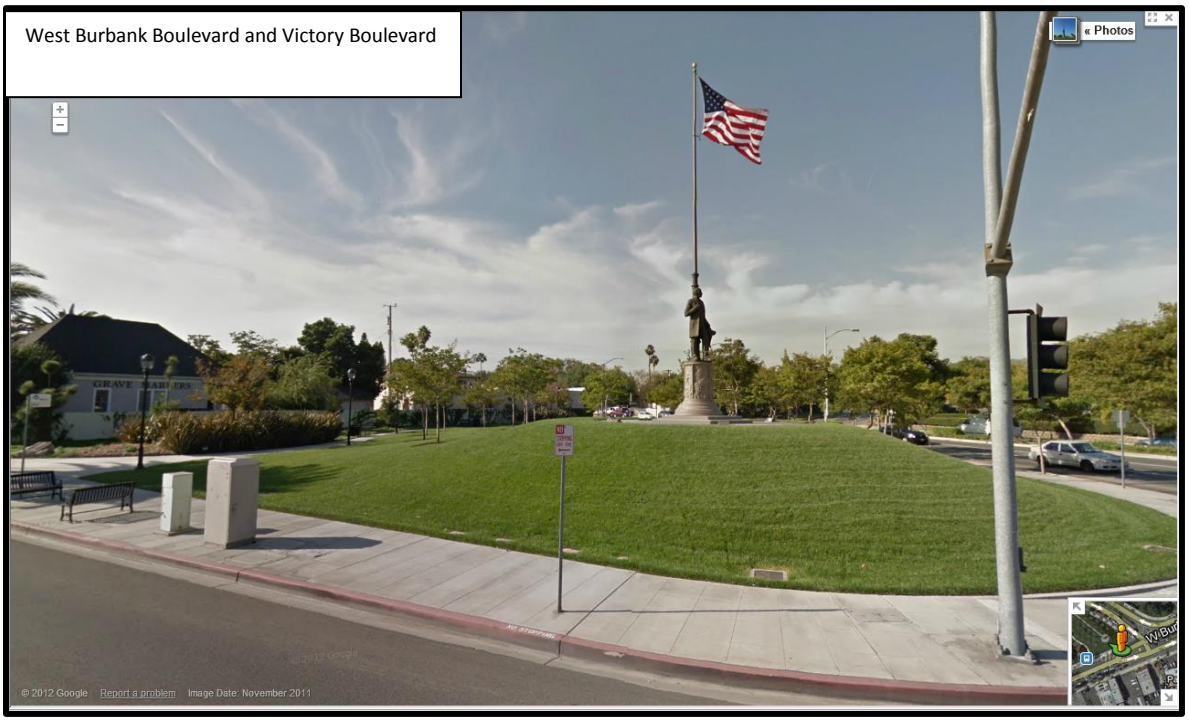
Ben F. Tunnell III
Chairman
Certified General Real Estate Appraiser
#AG006964

Alan R. Raxter
Vice President
Certified General Real Estate Appraiser
#AG031833

BT:kp
N3915.rpt

605 W. Olympic Boulevard Suite 820 Los Angeles, CA 90015 tel: (213) 532-3800 fax: (213) 532-3807 btiappraisal.com

101
1111
1115
1014
1022
W Burbank Blvd
W Burbank


West Burbank Boulevard and Victory Boulevard
« Photos
© 2012 Google
Report a problem
Image Date: November 2011

Acquisition & Valuation

Date of Acquisition:	October 2002
Value of Property at time of Acquisition:	$1,170,863
Estimate of Current Value of Property:	$0
Reason for Original Acquisition:	Five Points Intersection Realignment Project
Lot Size (SF):	26,695 square feet

Land Use

Zoning:	C-3 Commercial General Business
General Plan Designation:	Limited Commercial
Specific Plan:	N/A

Current Encumbrances

While not specifically encumbered by a lease or other measure, the configuration and location of this property eliminates any potential development at this site. As such, the property was improved and maintained by the City as park/open space. There are no lease revenues, however, the City has incurred maintenance costs.

Environmental History

In November 1999, a Phase I Environmental Site Assessment performed by Harding Lawson Associates revealed a possible underground storage tank. In June 2000, a Phase II Subsurface Investigation testing indicated no gasoline, diesel range organics, volatile organics, or lead was identified at or above their respective detection limits and confirmed no finding of an underground storage tank. As a result, no further action was recommended in the report for the site.

Transit-Oriented Development Potential & Advancement of Planning Objectives

The site is within one block of the Downtown Transit Center as defined in the Mobility Element of the General Plan. The current zoning of the site is C-3 Commercial General Business zone. However, due to the site configuration and specific location (at one of the City's busiest intersections), future development of this property is infeasible.

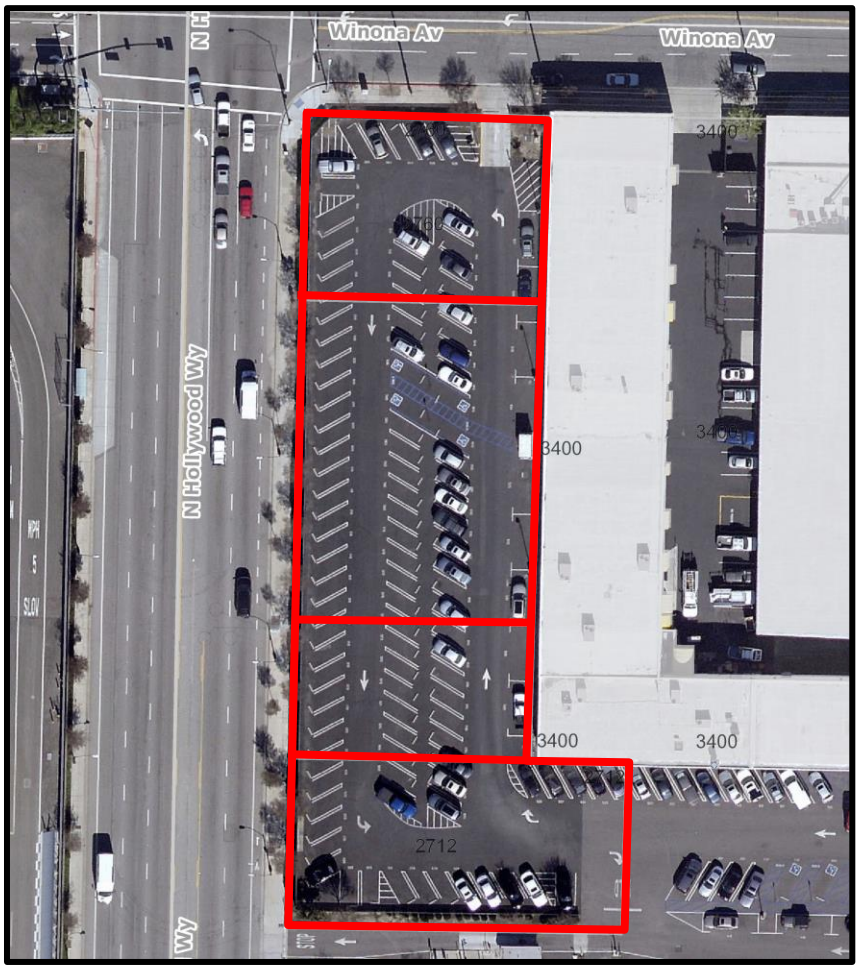
History of Development Activity

The site's land use from 1901 to 1945 was residential. From 1945 to 1959, the site land use was a service and repair station. From 1959 to 1979, land use included retail, restaurant, and carwash uses. From 1979 to 1999, the land use was for commercial offices and parking.

In September 2000, the Burbank Empire Center Project (Planned Development No. 97-3) along with its Environmental Impact Report (EIR) was approved and City staff was directed to proceed with Phase II and III of the Five Points Realignment Project. As part of that project, the Redevelopment Agency funded the acquisition of seven properties. The City of Burbank initially took title, and then later transferred the properties to the Redevelopment Agency to accommodate the realignment of Victory Boulevard and the widening of Burbank Boulevard Bridge. The property is currently home to the Dr. David Burbank monument and serves as park/open space.

Proposed Disposition

Pursuant to Assembly Bill No. 1484, this parcel is proposed to be transferred to the City for governmental use since this property is used for park and open space, due to infeasibility of being able to develop the site.


Winona Av
Winona Av
N Hollywood Wy
3400
3400
3400
3400
2712

Intersection of North Hollywood Way and Winona Avenue

Parcel
The Airport Adjacent Parcels consist of the following addresses/APNs:

2712 N. Hollywood Way	2466-009-902
2760 N. Hollywood Way	2466-009-903
2760 N. Hollywood Way	2466-009-904
2760 N. Hollywood Way	2466-009-905

Acquisition & Valuation

Date of Acquisition:	September 1983 – December 1983
Value of Property at time of Acquisition:	$616,007
Estimate of Current Value of Property:	$1,940,000[1]
Reason for Original Acquisition:	Restaurant Development
Lot Size (SF):	APN 2466-009-902 (11,250 square feet)
	APN 2466-009-903 (9,405 square feet)
	APN 2466-009-904 (15,895 square feet)
	APN 2466-009-905 (6,600 square feet)

Land Use

Zoning:	M-2 General Industrial
General Plan Designation:	General Manufacturing
Specific Plan:	N/A

Current Encumbrances
A month-to-month Lease Agreement with the Airport Authority was executed on May 22, 1990. The monthly rent is $3,000, and lease revenues will be distributed to the taxing entities. The Lease has a 30-day termination clause.

Environmental History
Aside from the casual mention in the Final Environmental Impact Report issued for the Golden State Redevelopment Project that no toxic industrial waste discharges occurred impacting the sewer systems, the Successor Agency is unaware of any environmental contamination on this site. There is no record of Phase I or Phase II documentation or any other readily available environmental documentation.

Transit-Oriented Development Potential & Advancement of Planning Objectives
The Airport Adjacent Parcels are within the Empire/Airport Transit Center as defined in the Mobility Element of the General Plan. No plans currently exist for the development of the site.

[1] The value is an estimate based on 2011 appraisals of nearby vacant land.

History of Development Activity

Historical commercial uses for the subject site parcels included medical offices built in 1951, Kokos Drive-In Restaurant built in 1956, a parking lot for auto rental storage, and B & B Autobody Shop built in 1953.

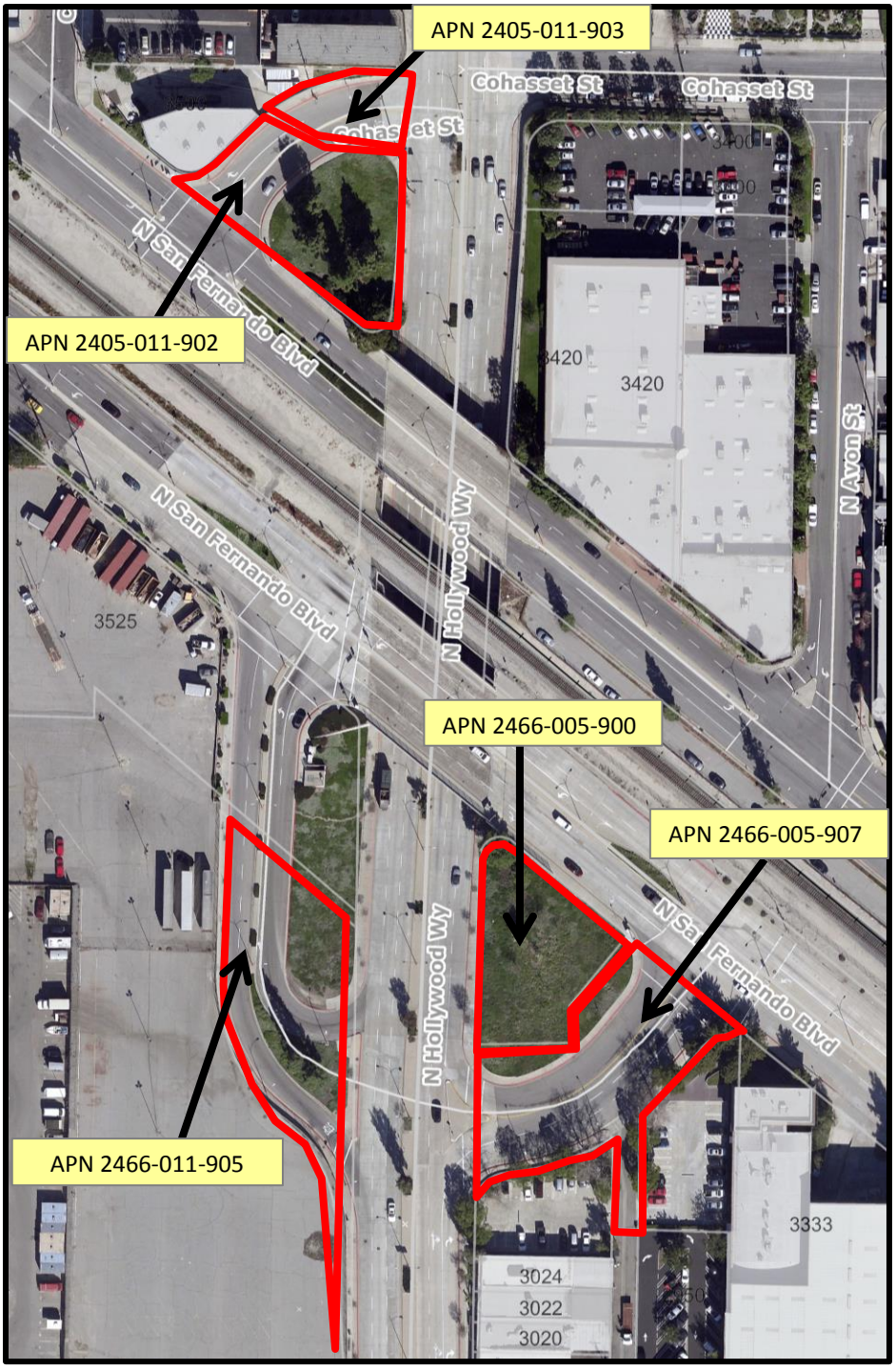
In December 1983, the Redevelopment Agency purchased the property at 2760 N. Hollywood Way. In October 1985, the Redevelopment Agency entered into an Exclusive Right to negotiate with an interested party who proposed to build a two-story restaurant and coffee shop on the property site to be known as the Horizon Restaurant. The proposed development was disapproved due to certain Federal Aviation Administration (FAA) height and clear zone restrictions. Due to the close proximity of the airport to the subject site, it is likely that height and use restrictions affect the property.

In mid-1988, the Burbank-Glendale-Pasadena Airport Authority expressed an interest in purchasing the property for use as an airport related parking lot. In order to retain control of this key parcel, the Agency decided not to sell the property but rather to lease the property to the Airport Authority and on May 22, 1990, the Agency entered into a lease agreement.

The current use is airport related off-street parking, and is part of a larger parking lot owned primarily, by the Airport Authority.

Proposed Disposition

Future proposed disposition of the site will occur pursuant to a negotiated sale at an amount equal to the fair market value. All property sale proceeds will be transmitted to the Los Angeles County for distribution to the taxing entities.


APN 2405-011-903
APN 2405-011-902
APN 2466-005-900
APN 2466-005-907
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Cohasset St
Cohasset St
N San Fernando Blvd
N San Fernando Blvd
N Hollywood Wy
N Hollywood Wy
N Avon St
3420
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Acquisition & Valuation

Date of Acquisition:	May 1982
Value of Property at time of Acquisition:	$749,490
Estimate of Current Value of Property:	$780,000[1]
Reason for Original Acquisition:	Public Infrastructure
Lot Size (SF):	APN 2466-011-905 17,428 square feet

Land Use

Zoning:	M-2 General Industrial
General Plan Designation:	General Manufacturing
Specific Plan:	N/A

[1] The value is an estimate based on 2011 appraisals of nearby vacant land.

Acquisition & Valuation

Date of Acquisition:	May 1974
Value of Property at time of Acquisition:	$63,757
Estimate of Current Value of Property:	$0
Reason for Original Acquisition:	Public Infrastructure
Lot Size (SF):	APN 2405-011-903 5,271 square feet

Land Use

Zoning:	M-2 General Industrial
General Plan Designation:	General Manufacturing
Specific Plan:	N/A

Acquisition & Valuation

Date of Acquisition:	April 1974
Value of Property at time of Acquisition:	$81,716
Estimate of Current Value of Property:	$0
Reason for Original Acquisition:	Public Infrastructure
Lot Size (SF):	APN 2466-005-900 13,070 square feet

Land Use

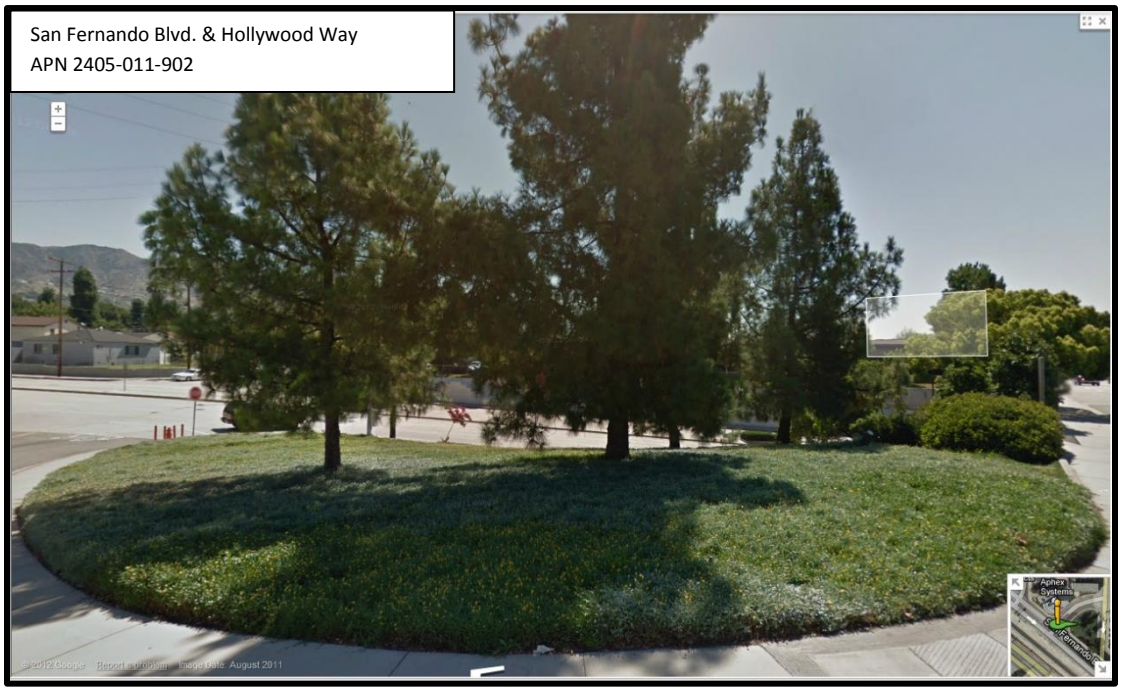
Zoning:	M-2 General Industrial
General Plan Designation:	General Manufacturing N/A
Specific Plan:	N/A

Acquisition & Valuation

Date of Acquisition:	April 1974
Value of Property at time of Acquisition:	$130,528
Estimate of Current Value of Property:	$0
Reason for Original Acquisition:	Public Infrastructure
Lot Size (SF):	APN 2466-005-907 39,204 square feet

Land Use

Zoning:	M-2 General Industrial
General Plan Designation:	General Manufacturing
Specific Plan:	N/A



Acquisition & Valuation

Date of Acquisition:	May 1974
Value of Property at time of Acquisition:	$20,105
Estimate of Current Value of Property:	$0
Reason for Original Acquisition:	Public Infrastructure
Lot Size (SF):	APN 2405-011-902 16,683 square feet

Land Use

Zoning:	M-2 General Industrial
General Plan Designation:	General Manufacturing
Specific Plan:	N/A

Current Encumbrances
N/A

Environmental History
Aside from the casual mention in the Final Environmental Impact Report issued for the Golden State Redevelopment Project that no toxic industrial waste discharges occurred impacting the sewer systems, the Successor Agency is unaware of any environmental contamination on these sites. There is no record of Phase I or Phase II documentation or any other readily available environmental documentation.

Transit-Oriented Development Potential
These parcels do not adhere to the transit-oriented development potential.

Advancement of Planning Objectives
The use of the properties advances planning objectives. A major Arterial Street, like Hollywood Way, "must effectively balance the needs of both automobiles and mass transit vehicles in order to keep drivers from using adjacent neighborhood streets to avoid traffic" (Mobility Plan – Street Classifications).

Project "identified in an approved redevelopment plan"
The properties are used for a project identified in "an approved redevelopment plan", and the proposed use under this plan is continued street use. Section 34191.5 of the Health and Safety Code, provides that the Long Range Property Management Plan may provide for the disposition of property to the city that created the redevelopment agency for a project *identified in an approved redevelopment plan.* AB 471, an urgency law chaptered February 18, 2014, AB 471 clarified this provision and adds: "For purposes of this subparagraph, the term "identified in an approved redevelopment plan" includes properties listed in a community plan or a five-year implementation plan." The community plan identifies the proposed use of the property as a street. The Mobility Element of the City's General Plan (also known as Burbank2035) is a community plan which was approved by the Burbank City Council in 2012. It identifies the properties as part of North Hollywood Way which is a major arterial roadway designated within a "regional transit corridor". The regional transit corridor allows local and regional buses to connect riders to trains (Metrolink Rail) and MTA's Red Line subway), as well as the Bob Hope Airport. Because the community plan identifies the continued use of these properties as a major arterial within a regional transit center. Therefore, in accordance with AB 471," the property shall transfer to the city".

History of Development Activity
In February 1982, an agreement was approved between the City of Burbank and the County of Los Angeles for construction of the grade separation of Hollywood Way at San Fernando Boulevard. In May 1982, the contract for the project was awarded, and construction began in May 1982 and was completed by late January 1985.

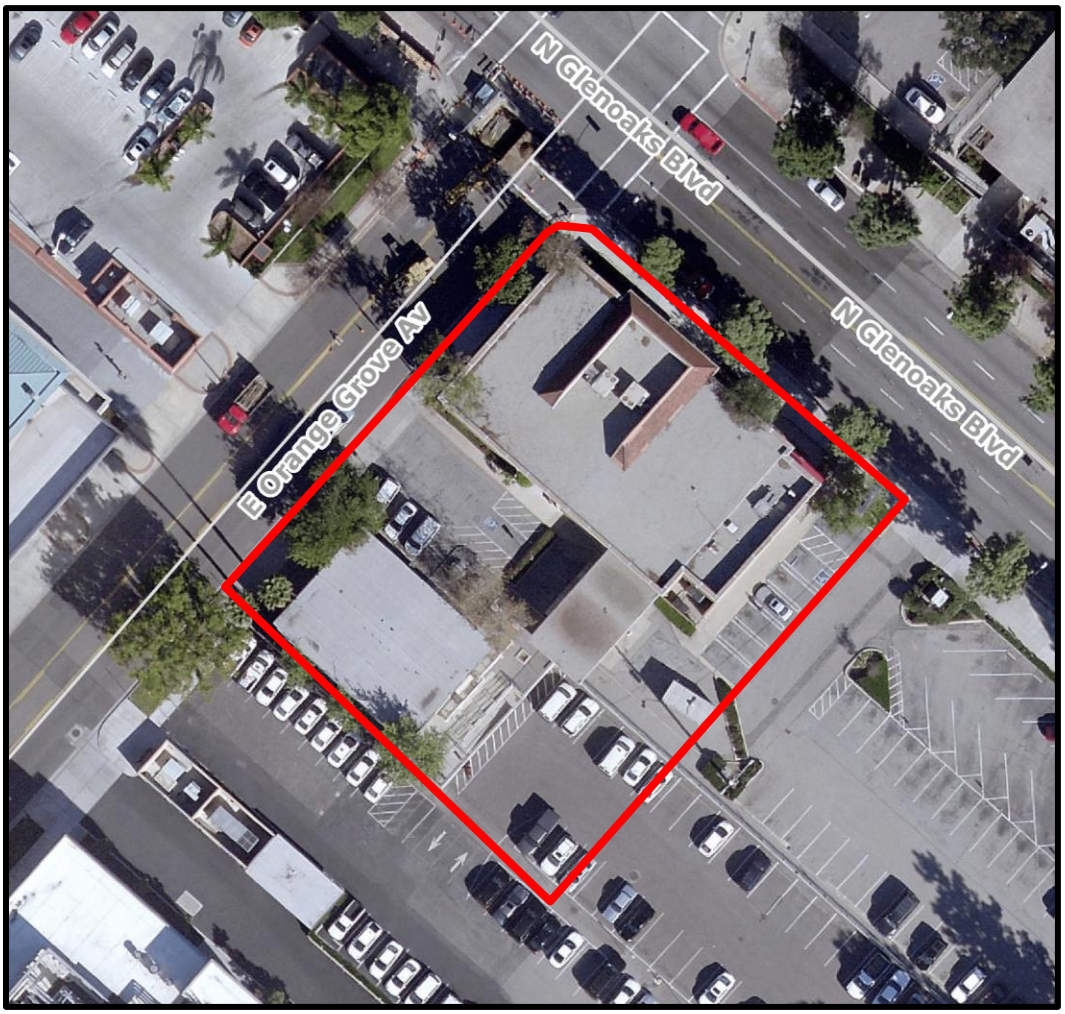
This project had a beneficial impact on improving traffic circulation for the many industrial users in the Golden State Redevelopment Project including improved access to the proposed airport terminal. The former Redevelopment Agency of the City of Burbank purchased subject parcels (APN 2466-005-900, APN 2405-011-902, APN 2405-011-903, and APN 2466-005-907) in April – May 1974 for the purpose of developing a grade separation at the intersection of North Hollywood Way and the Southern Pacific Company railroad right-of-way with any excess land to be available for redevelopment purposes. In April 1974, the land use for parcel APN 2466-005-900 at that time was vacant, and parcel APN 2466-005-907 was vacant and partially commercial use. In May 1974, the land use for parcels APN 2405-011-902 and APN 2405-011-903 was light industrial. In May 1982, parcel APN 2466-011-905 was purchased from Lockheed Properties, Inc. by the former Redevelopment Agency of the City of Burbank for purposes of providing improved traffic circulation on North

Hollywood Way at the San Fernando Boulevard overpass. The current use of the subject site is street infrastructure for public use.

Proposed Disposition

Pursuant to Assembly Bill No. 1484, these parcels are proposed to be transferred to the City for governmental use since these properties are used for street/public right-of-way infrastructure, sidewalks and open space.

Pursuant to Section 34191.5 (c)(1)(H)(2)(A), which was amended by Assembly Bill No. 471 on February 18, 2014, when the plan directs use of a project identified in an approved redevelopment plan, the property shall transfer to the City. As stated above AB 471 defined the term “identified in an approved redevelopment plan” to include properties listed in a community plan. These parcels are proposed to be transferred to the City for street/public right-of-way infrastructure; and have been designated as a major arterial roadway designated within a “regional transit corridor” in the Mobility Element of the General Plan. This plan directs the use of the properties for a project identified in an approved redevelopment plan (as clarified by AB 471) and shall transfer to the City. DOF has confirmed that no write down of City-Agency debt is required.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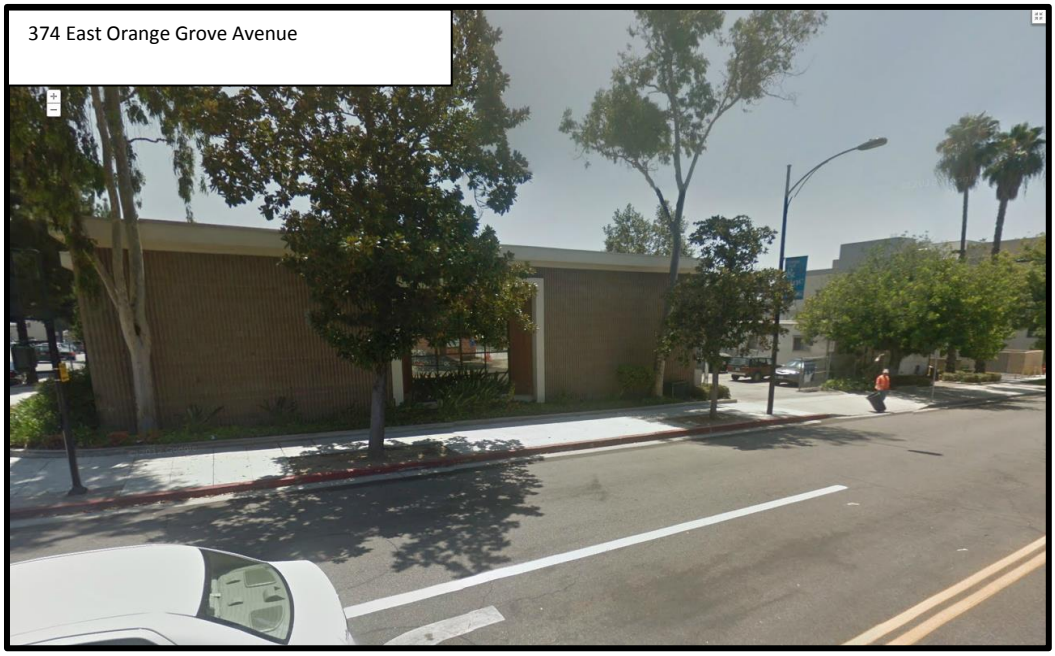

374 East Orange Grove Avenue

Parcel
374 East Orange Grove (a.k.a. 141 North Glenoaks Boulevard) is made up of APN 2453-008-907.

Acquisition & Valuation

Date of Acquisition:	October 1998
Value of Property at time of Acquisition:	$1,553,656
Estimate of Current Value of Property:	$2,000,000
Reason for Original Acquisition:	City Offices
Lot Size (SF):	27,850 square feet
Building Size (SF):	8,150 square feet

Land Use

Zoning:	PD No. 2002-2
General Plan Designation:	Mixed Commercial/Office/Residential
Specific Plan:	Burbank Center Plan

Current Encumbrances
The subject property is part of a larger Civic Center Master Plan, which was approved in 2003. A Development Agreement with Covenants, Conditions and Restrictions for the City of Burbank, was executed on March 19, 2003, and authorized the following Conditions of Approval for PD No. 2002-2:

- Construction of the following City buildings: Development and Community Services Building (3 stories; 66,000 square feet); New Central Library (2 stories; 80,000 square feet); a New Parking Structure (5 levels, including 2 underground, approximately 500 spaces) on the property bounded by Glenoaks Blvd., Olive Ave., Third St., and Orange Grove Ave; and construction of a new City Administrative Services Building (2 stories; 39,000 square feet, with subterranean parking containing a minimum of 89 spaces) on the property located at the southwest corner of Orange Grove Ave. and Third St. (former Municipal Services Building site, adjacent to Burbank City Hall).

The building is currently utilized for City office space. A portion of the premises is leased to Wells Fargo Bank, N.A., a national banking association, for an ATM facility. The tenant is currently leasing on a month-to-month basis for $1,500 per month.

The City currently owns all of the other parcels in the area bounded by the PD zone. The zoning reflects the City's desire to create a public facilities area, with a new central library and adjacent parking facilities. Specific policies address this goal in the Burbank Center Plan. Presently, no uses are allowed by this special zone except for civic type uses.

Environmental History
The Successor Agency is unaware of any environmental contamination on this site. There is no record of Phase I or Phase II documentation or any other readily available environmental documentation.

Transit-Oriented Development Potential & Advancement of Planning Objectives
The 374 East Orange Grove parcel is within the Downtown Transit Center as defined in the Mobility Element of the General Plan. The development of the Civic Center block is within the Burbank Center Plan. In addition, per the planning objectives outlined in the Burbank Center Plan, the subject site is a part of the Civic Center block development, which contemplated office development and public parking.

History of Development Activity
The Successor Agency conducted a thorough review of all available records on hand with the City of Burbank. The earliest record that could be found was from the 1953 Sandborn Maps, showing that the property was utilized as a parking lot in 1953.

In the 1970s, the property was acquired by the Redevelopment Agency. Per the terms of a Disposition and Development Agreement (DDA) with Valley National Bank, the site was sold and developed into a bank building in February 1977. Wells Fargo acquired the site when it purchased Valley National Bank. In July 1998, the Redevelopment Agency purchased the building from Wells Fargo, for the purpose of relocating City staff from the former Municipal Service Building, which was damaged by the 1994 Northridge earthquake. Since the 1998 acquisition, the building has been and continues to be used to house City staff and operations.

As a part of the 1998 acquisition from Wells Fargo, the former Redevelopment Agency entered into a 15-year Automated Teller Machine lease, which included exclusive use of two parking spaces. The lease is currently on a month-to-month basis.

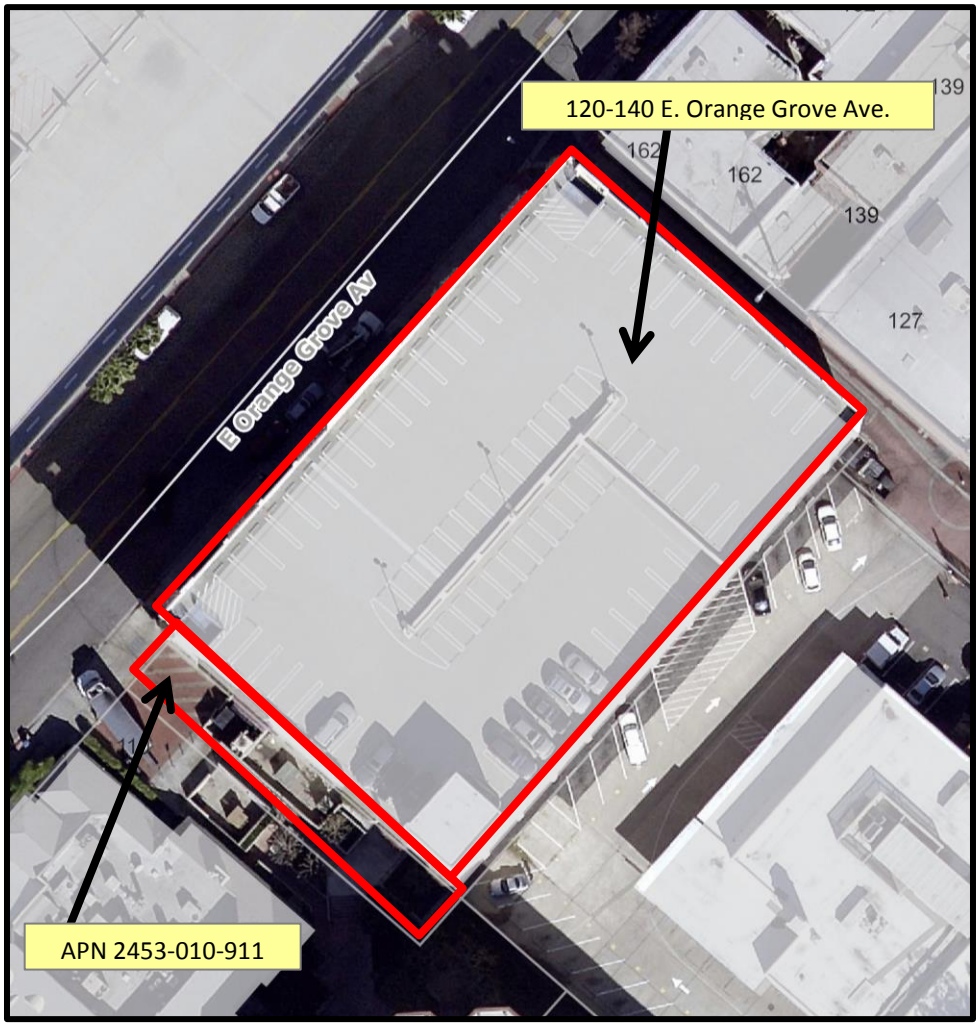
Proposed Disposition
Pursuant to Assembly Bill No. 1484, the property will transfer to the City for governmental use. The property is being used for City offices and any future development will be for City purposes, as restricted by the zoning requirements outlined as current site encumbrances.

Section 34191.5 of the Health and Safety Code, provides that the Long-Range Property Management Plan may provide for the disposition of property to the city that created the redevelopment agency for a project identified in an approved redevelopment plan. AB 471, an urgency law chaptered February 18, 2014, AB 471 clarified this provision by adding: "For purposes of this subparagraph, the term "identified in an approved redevelopment plan" includes properties listed in a community plan or a five-year implementation plan." The community plan identifies the proposed use of the property as a City government use.

The Land Use Element of the General Plan (referred as Burbank2035) states in Land Use Policy No. 13.4 that one general land use goal of the City is to "Retain public facility sites for public use and do not redevelop them as non-public uses." The Land Use Element also recognizes certain specific plans provide more detailed goals. One such plan is the Burbank Center Plan (adopted in 1997), and referenced in the Land Use Element. The 347 E. Orange Grove property is within the boundaries of this specific plan, in a subarea called the "Civic Center". The Civic Center Land Use Policies include: "Assemble large parcels for community facilities and municipal structures in order to centralize City services close to City Hall. To further implement this detailed goal, the City rezoned the subject property to be part of a larger Planned Development ("PD") Zone No. 2002-2, which changed the Zone Map of the City and affects the subject property as well as all properties bounded by Glenoaks Boulevard, Olive Avenue, Third Street, and Orange Grove Avenue and the southwest corner of Orange Grove and Third Street (former Municipal Services Building site). When the rezoning occurred, the City also authorized a development agreement which provided at a minimum a policy statement that the area rezoned to the PD Zone for the Civic Center Master Plan would definitely not be modified sooner than 2018 (if ever) since the City had hoped to build a new central library and additional parking as well as other structures by that date. The current zoning coupled with the development agreement provides clear policy of the City's desire to build new civic facilities and are another community plan.

In summary, the community plans (policies in the Land Use Element, and Burbank Center Plan (the specific plan), as well as specific implementing zoning through the special unique Planned Development Zone No. 2002-2, and a related development agreement) identify the continued use of the subject property as a civic center governmental use.

As mentioned, pursuant to Section 34191.5 (c)(1)(H)(2)(A), which was amended by Assembly Bill No. 471 on February 18, 2014, when the plan directs use of a project identified in an approved redevelopment plan, the property shall transfer to the City. As stated above AB 471 defined the term "identified in an approved redevelopment plan" to include properties listed in a community plan. The subject project is identified in the community plan as discussed above to be part of a larger civic center master plan. This Long Range Property Management Plan directs the use of the property as a civic center project as identified in an approved redevelopment plan (as clarified by AB 471). This plan directs the use of the properties for a project identified in an approved redevelopment plan (as clarified by AB 471) and shall transfer to the City. DOF has confirmed that no write down of City-Agency debt is required.


120-140 E. Orange Grove Ave.
E Orange Grove Av
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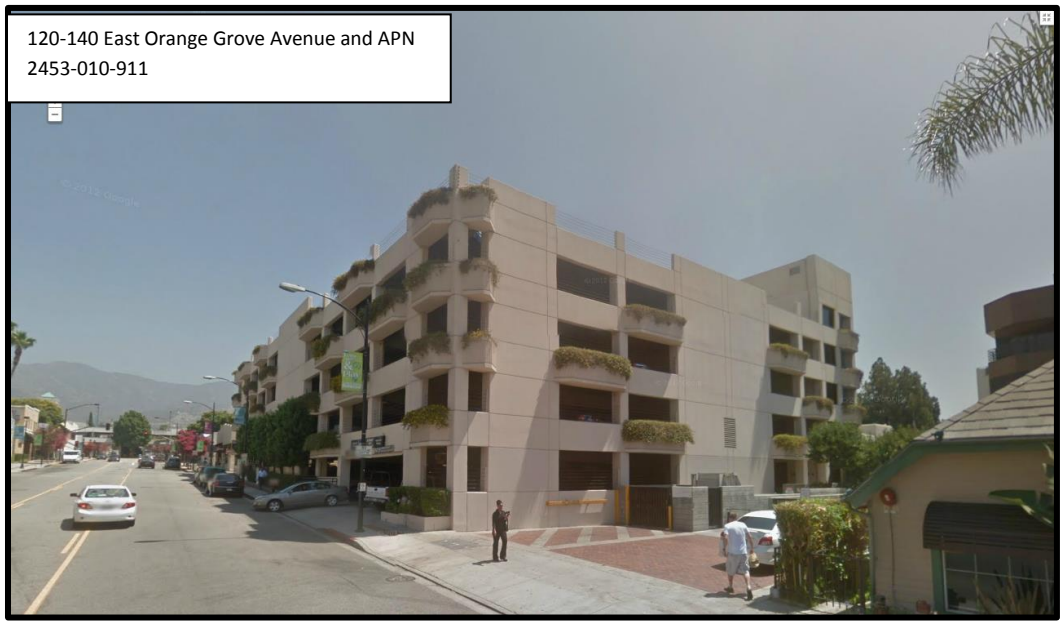
162
139
139
127
APN 2453-010-911


120-140 East Orange Grove Avenue and APN 2453-010-911

Parcel
120-140 East Orange Grove Avenue is made up of APN 2453-010-019. The small parcel immediately to the west is APN 2453-010-911.

Acquisition & Valuation

Date of Acquisition:	August 1951 (APN 2453-010-019) August 1981 (APN 2453-010-911)
Value of Property at time of Acquisition:	$178,855
Estimate of Current Value of Property:	$415,000[1] (APN 2453-010-019) $0 (APN 2453-010-911)
Reason for Original Acquisition:	Unknown
Lot Size (SF):	27,000 square feet
Rent Under Lease:	$1 per year

Land Use

Zoning:	BCC-2 Burbank Center Commercial Limited Business
General Plan Designation:	City Center Commercial
Specific Plan:	Burbank Center Plan

Current Encumbrances
In April 1988, a Ground Lease and Operating Agreement (Agreement) was executed between the former Redevelopment Agency and the Cusumano Brothers Partnership (now A.P.X Properties, LP). The term of the Agreement is for 70 years from April 21, 1988 with an option to extend the Agreement for an additional 29 years (for a total of 99 years). The Agreement terminates on April 20, 2087 assuming the option to extend is exercised. Under the terms of the Agreement, the Agency (now Successor Agency to the Redevelopment Agency of the City of Burbank) retains the fee ownership of the land, and A.P.X. owns the parking structure until the termination of the Agreement when the ownership of the structure and land reverts to the City of Burbank. The Agreement requires the Agency to pay one-half (1/2) of the costs of maintenance, repairs, alterations, and reconstruction of the premises. In the event that the Agency sells the property, the lessee maintains first right of refusal through termination of the Agreement.

The site is also subject to a 56-space parking lease between the Redevelopment Agency, the Parking Authority of the City of Burbank, and the Universal City Studio Credit Union.[2] The term of the lease expires on August 31, 2029, assuming that two, five-year extension options are exercised. The monthly rent is currently $4,388.16 for 56 parking spaces. The annual lease revenue of roughly $52,656 will be used to offset the Successor Agency's share of maintenance costs, which has been estimated at approximately $160,000 per year.

[1] Value is based on a net present value calculation of land and improvements, as encumbered by long-term development agreements.
[2] Per the terms of the Agreement, the Redevelopment Agency controls 178 parking spaces in the structure. These spaces are used for public parking, or in the case of the lease with the Universal City Studio Credit Union, exclusive parking for a nearby business.

Environmental History
The Successor Agency is unaware of any environmental contamination on this site. There is no record of Phase I or Phase II documentation or any other readily available environmental documentation.

Transit-Oriented Development Potential
The 120-140 East Orange Grove Avenue and APN 2453-10-911 parcels are within the Downtown Transit Center as defined in the Mobility Element of the Burbank 2035 General Plan. In conformance with the Mobility Element of the General Plan, it is policy to effectively manage citywide parking to improve convenience while maximizing use at all times of the day (Citywide Mobility Goals and Policies – Goal 7 Parking, Policy 7.1).

Advancement of Planning Objectives
The use of the properties advances planning objectives. This parking structure is located in the eight-block Central Business District Downtown Parking Area (District) BMC Section 10-1-1407.1. Much of Downtown's current development is heavily reliant on this and other public parking structures. The District is the area bounded by Magnolia Boulevard, Angeleno Avenue, Third Street, and First Street. The District was established in 1992 and was intended to ease the current parking requirements, which stifled development in the downtown area, a core area of the City. A traffic study concluded that the overall parking was adequate for the existing buildings in the District. The parking structure fulfills the parking requirements for the adjacent properties and must remain per zoning requirements.

History of Development Activity
The Successor Agency conducted a thorough review of all available records on hand with the City of Burbank. The earliest available record that could be found was from the 1953 Sandborn Maps, showing that parcel APN 2453-10-911 was used as an auto body site.

In July 1986, requests for proposals were issued for the development of APN 2453-010-019. The desired development was a mixed-use project including a three or four-story office building of between 40,000 and 60,000 square feet, with a freestanding restaurant on adjacent parcels and parking structure on the subject parcel. The Cusumano Brothers Partnership was selected to develop the site and an Exclusive Right to Negotiate agreement was executed in January 1987. The Agency entered into a Disposition and Development Agreement (DDA) with the Cusumano Brothers Partnership for the construction of a 60,000 square foot office building, a 7,000 square foot free standing restaurant and a 455 space parking structure. Construction of the project began in April 1988, and was completed in February 1989.

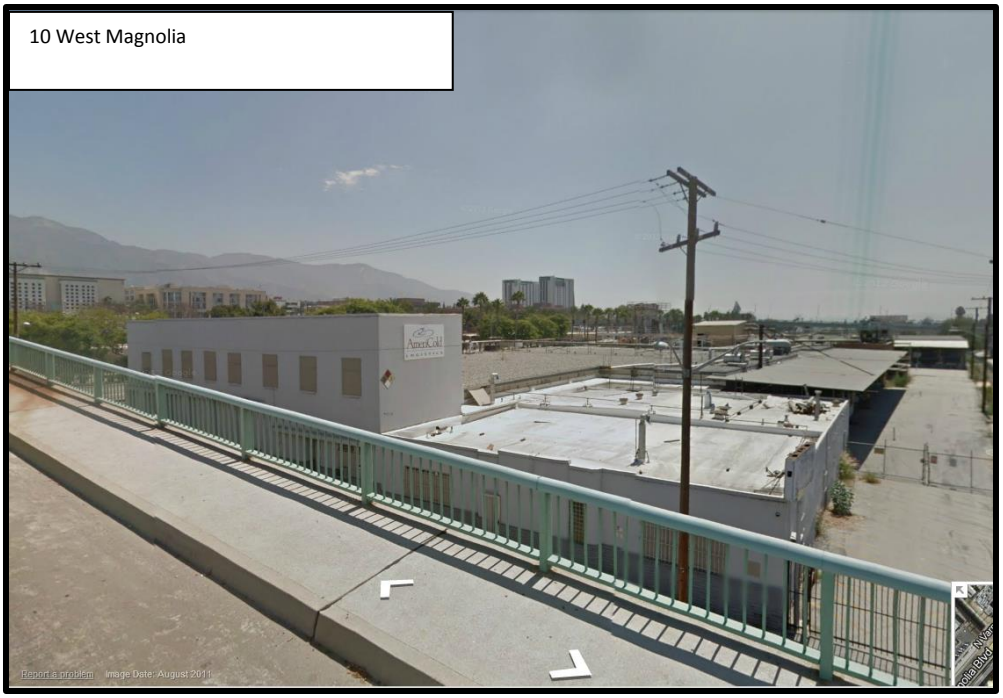
The DDA provided that the Agency was obligated to perform certain improvements in connection with the development of the parking structure and in addition, it paid one-half of the construction costs (less $575,000). The lease limited the imposition of paid parking to Lessee's tenants, and subject to agreed upon conditions as to the public parking spaces (or the spaces leased back to the Agency). The lease provides for Rules

and Regulations of the parking area. Any imposition of fees requires the City approval. The City further retains approval rights over any changes to entrances, exits or other changes which would affect changes to traffic flow and adversely affect traffic circulation.

Proposed Disposition

Future proposed disposition of the site will occur by marketing the premises and pursuant to a negotiated sale to a private party at an amount equal to the fair market value. A.P.X. the lessee, holds the first right of refusal through the termination of the existing agreement. All property sale proceeds will be transmitted to the Los Angeles County for distribution to the taxing entities.

W Magnolia Blvd
N Front St
N Front St
5


10 West Magnolia

Parcel
10 West Magnolia is made up of APN 2451-010-904.

Acquisition & Valuation

Date of Acquisition:	September 2003
Value of Property at time of Acquisition:	$3,815,421 (25% funded by RDA ($679,596))
Estimate of Current Value of Property:	Total Value: $4,065,000 (Successor Agency portion 25% $1,016,250)
Reason for Original Acquisition:	Transit-Oriented Development
Lot Size (SF):	Total Lot Size: 105,850 square feet (Successor Agency portion 25% (26,462.50 square feet)

Land Use

Zoning:	Burbank Center Commercial Manufacturing
General Plan Designation:	Downtown Commerical
Specific Plan:	Burbank Center Plan

Current Encumbrances
There are no current encumbrances and no revenue is generated from this property, however, the Successor Agency is responsible for approximately $2,500 worth of annual maintenance costs.

Environmental History
A number of environmental site assessments have been performed at the property, including investigations in 1987, 1997, 1998, 2007, and 2008.

Results of a Phase I and Phase II investigation in 1987 found that low to moderate levels of chloroform, tetrachloroethylene, and trichloroethylene were detected in water samples from both wells on site.

In July 1997, a Phase I Environmental Site Assessment performed by EMCON revealed use of hazardous materials on the property including anhydrous ammonia, capella oil (refrigeration lubricant), industrial truck batteries, and maintenance supplies such as paints, cleaners, and lubricants. No evidence of releases of these materials was noted during the site reconnaissance. Likewise, no American Society for Testing and Materials (ASTM) Recognized Environmental Conditions were noted during a review of the history of the subject property.

In September 1998, a Phase II Environmental Site Assessment performed by EMCON revealed soil samples obtained from the subject site had no volatile organic compound or significant hydrocarbon impacts.

In December 2007, an Asbestos and Lead Assessment was performed by MACTEC Engineering and Consulting, Inc. The report found that impacted asbestos-containing construction material should be removed prior to demolition activities. Moreover, lead in concentrations above the Consumer Product Safety Commission (CPSC) and Cal/OSHA threshold for lead was identified in the facility.

In March 2008, a Well Abandonment Report performed by MACTEC Engineering and Consulting, Inc. revealed soil cuttings and decontaminated water generated during drilling activities. Five drums that contained soil cuttings and one drum that contained decontaminated water were stored on site. The drum of decontaminated water was transported for recycling to Demenno Kerdoon located in Compton, California. The five drums of soil cuttings were transported for recycling to TPST Soil Recyclers of California, located in Adelanto, California.

In June 2008, a Supplement to the Asbestos and Lead Assessment performed by MACTEC Engineering and Consulting, Inc. revealed no detectable concentrations of asbestiform mineral concentrations.

Transit-Oriented Development Potential

The 10 West Magnolia site is within the Downtown Transit Center as defined in the Mobility Element of the Burbank 2035 General Plan. In conformance with the policies of the Mobility Element found in the General Plan for Transit Centers, the subject area encourages density, provides reduced parking incentives, encourages better land use connections to walking and biking networks, and offers transit as potential mitigation for traffic impacts from new development. In addition, per the planning objectives outlined in the Burbank Center Plan, the subject site is identified as part of a larger transit-oriented development, per the RITC 7.19 acre site used for public transportation facility with mixed commercial/office.

Advancement of Planning Objectives

The use of the property advances planning objectives. The subject site is located immediately adjacent to the Downtown Burbank Metrolink Station and is a prime location for a large transit-oriented development. As mentioned above, the property is within the Downtown Transit Center as defined in the Mobility Element of the Burbank 2035 General Plan and the Burbank Center Plan.

History of Development Activity

The subject site was originally part of the Southern Pacific Company Depot Grounds and in 1941 was developed as a cold storage facility. In June 2003, the City of Burbank (City) and the former Redevelopment Agency of the City of Burbank (Agency) entered into a Cooperation Agreement to define the separate ownership interests which the City and Agency jointly share in the acquisition of the property. The Agency owns 25 percent of the subject site and the City owns 75 percent. All expenses and all income (if any) are to be apportioned by that percentage. The Agency agreed to use, convey, or otherwise dispose of the subject site for development compatible with the transportation use. The building is currently vacant.

Proposed Disposition

Pursuant to Section 34191.5 (c)(1)(H)(2)(A), which was amended by Assembly Bill No. 471 on February 18, 2014, when the plan directs use of a project identified in an approved redevelopment plan, the property shall transfer to the City. As stated above AB 471 defined the term "identified in an approved redevelopment plan" to include properties listed in a community plan. The 25% of the subject property is proposed to be transferred to the City as part of a larger transit-oriented, commercial (non-residential) mixed-use Future Development. The proposed use supports the State's goals towards greater environmental and economic sustainability. The Successor Agency has a 25 percent interest in the property, as confirmed in a letter dated April 27, 2013, from the Department of Finance.

Future development of property allows the interests of the Successor Agency (but more specifically, the taxing entities) to be preserved via agreement(s) between the City and the taxing entities for future compensation once the property is sold or leased.

As a measure of further assurance to the taxing entities, staff suggests including a grant deed restriction in the deed from the Successor Agency to the City that includes a requirement to share transaction proceeds attributed to the Successor Agency's 25% of 10 West Magnolia Boulevard with the then taxing entities, unless other arrangements have been agreed to by those entities.

The Successor Agency's interest of the subject site is 25% of the specific parcel at 10 West Magnolia Boulevard. However, the Successor Agency's interest is only 26,462 square feet of a much larger seven-acre, transit-oriented development. It is therefore the sentiment that site development control must be maintained by the City which is the holder of the majority interest.

Exhibit

A – April 27, 2013 Department of Finance Other Funds and Accounts (OFA) Due Diligence Review (DDR) determination letter

EXHIBIT A

APRIL 27, 2013 DEPARTMENT OF FINANCE OTHER FUNDS AND ACCOUNTS (OFA) DUE DILIGENCE REVIEW (DDR) DETERMINATION LETTER

DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 27, 2013

Ms. Ruth Davidson-Guerra, Assistant Community Development Director
City of Burbank
150 North Third Street
Burbank, CA 91502

Dear Ms. Davidson-Guerra:

Subject: Other Funds and Accounts Due Diligence Review

This letter supersedes the California Department of Finance's (Finance) original Other Funds and Accounts (OFA) Due Diligence Review (DDR) determination letter dated March 22, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Burbank Successor Agency (Agency) submitted an oversight board approved OFA DDR to Finance on January 15, 2013. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Finance issued an OFA DDR determination letter on March 22, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer session was held on April 11, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed. Specifically, the following adjustments were made:

- The DDR indicates that $19,357,000 is legally restricted. However, included in this amount is $1,742,663 for the City Center 1993 Series A Tax Allocation Bond reserve account. The Official Statement and Indenture of Trust state that only $525,706 is required to be restricted in the reserve account. During the Meet and Confer process, the Agency provided additional information showing that the reserve requirement is $1,742,663. Therefore, Finance is reversing its adjustment of $1,216,957.

- The Agency's request to categorize $91,791,000 as a non-cash or cash equivalent asset is partially disallowed. In Finance's initial review, it was determined that $39,777,775 was cash transfers and advances to the City of Burbank (City). During the Meet and Confer process, the Agency provided additional information showing that $16,502,798 of the adjustments should be reversed. The $39,777,775 that was in question is comprised of the following:

    - Forgivable loan to the City's Housing Authority to preserve affordable housing in the amount of $1,327,404 in June 2011. Finance had included this adjustment twice. Therefore, Finance is reversing its adjustment of $1,327,404.

    - Transfer to the City for the Police/Fire Water Intrusion Project in the amount of $9,547,869. The cooperation agreement related to the Police/Fire Water

Intrusion Project was approved on March 1, 2011 between the City and the former Redevelopment Agency (RDA). The City also approved a contract with a third party for the project on March 1, 2011. Therefore, the former RDA's funds were committed to a third party and Finance is reversing its adjustment of $9,547,869.

- Transfer to the City's Youth Endowment Services Fund in the amount of $3,669,000 in June 2011 and January 2012. It is our understanding the fund was established by the City of Burbank. The Agency did not object to this adjustment during the Meet and Confer process; therefore, Finance continues to increase the OFA balance available by $3,669,000.

- Lump sum payments to the City totaling $14,120,525 were made pursuant to a 1970 agreement and Resolution Nos. 28,301 and R2246. Per review of the two resolutions, it references a 1985 agreement. Although promissory notes were provided, there was no established repayment schedule. Furthermore, the 1970 agreement is not a loan agreement, but merely an agreement to establish the City and Agency relationship.

  During the Meet and Confer process, the Agency provided additional information showing that $3,620,525 of the payments was made pursuant to Finance's letter approving the Recognized Obligation Payment Schedules (ROPS) for the January through June 2012 and July through December 2012 periods. Therefore, Finance is reversing $3,620,525 of its adjustment.

  However, Finance continues to increase the OFA balance available by $10.5 million. HSC section 34179.5 states "enforceable obligation" includes any of the items listed in subdivision (d) of section 34171. HSC section 34171 (d) (2) states "enforceable obligation" does not include any agreements, contracts, or arrangements between the city that created the RDA and the former RDA. These loans were issued after the first two years of the RDA's creation; therefore, the payments for these loans are not permitted. Therefore, the transfer was not made pursuant to an enforceable obligation and is not permitted.

  The repayment of these loans may become enforceable obligations after the Agency receives a Finding of Completion from Finance. If the oversight board makes a finding that the loans were for legitimate redevelopment purposes, these loans should be placed on future ROPS for repayment. Refer to HSC section 34191.4 (b) for more guidance.

- Transfer to the City for capital improvement projects in the amount of $9,105,700 in March 2011. The Agency did not object to this adjustment. Therefore, Finance continues to increase the OFA balance available by $9,105,700.

- Cash advances or loans to the City totaling $2,007,000. It is our understanding the amount comprises of $679,596 for property acquisition on 10 W. Magnolia and $1,327,404 for an affordable housing preservation loan.

  The Agency committed to funding a portion of the land pursuant to Resolution No. 26,502 and a cooperative agreement between the City and Agency dated June 17, 2003. The Agency has a 25 percent interest in the property acquired. Therefore, the City should transfer the 25 percent interest back to the Agency to

be included for disposition in the Long Range Property Management Plan. Since this is a non-cash asset, Finance is not making an adjustment to the OFA balances available for distribution to taxing entities.

Pursuant to Resolution No. R-2255, the Agency agreed to loan $1,327,404 to the City. The loan agreement specifies the funding sources to be used for repayment and the terms for repayment. Since this is a non-cash asset, Finance is not making an adjustment to the OFA balances available.

- The Agency's request to restrict $52,000 in accounts receivable and $13,000 in loans receivable is denied. It is our understanding these receivables have been collected, therefore retention of these balances as a non-liquid asset is denied and the amount to be distributed to the taxing entities will be adjusted by $65,000. The Agency did not object to this adjustment. Therefore, Finance continues to increase the OFA balance available by $65,000.

- It is our understanding the Oversight Board made adjustments totaling $10,764,000 as an amount available to be remitted to the taxing entities. These adjustments consist of cash transfers for the Youth Endowment Services Fund in the amount of $3,669,000, North San Fernando Infrastructure Project for $4,950,000 and the Victory Blvd Corridor Project for $2,144,700. These adjustments were already included in Procedures 2 and 3 of the DDR. As such, a decrease of $10,764,000 was made to eliminate duplicity. The Agency did not object to this adjustment.

The Agency's OFA balance available for distribution to the affected taxing entities is $24,303,977 (see table below).

OFA Balances Available For Distribution To Taxing Entities		
Available Balance per DDR:	$	11,728,000
Finance Adjustments		
Add:		
Disallowed transfers:	$	23,274,977
Accounts receivable recognized:	$	65,000
Adjustment to Oversight Board recommendation:		(10,764,000)
Total OFA available to be distributed:	$	24,303,977

This is Finance's final determination of the OFA balances available for distribution to the taxing entities. HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient. Upon submission of payment, it is requested you provide proof of payment to Finance within five business days.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, the successor agency is required to take diligent efforts to recover such funds. A failure to recover and remit those funds may result in offsets to the other taxing entity's sales and use tax allocation or to its property tax allocation. If funds identified for transmission are in the possession of a private entity, HSC 34179.6 (h) (1)

(B) states that any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC sections 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter do not in any way eliminate the Controller's authority.

Please direct inquiries to Evelyn Suess, Supervisor or Mary Halterman, Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Maribel Leyland, Housing Authority Manager, City of Burbank
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office